PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 447 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-FIFTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2005 - 06

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OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND [WHICH OPENED 11 MAY 2005].

FIFTY-FIFTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES VOLUME 447

FOURTEENTH VOLUME OF SESSION 2005-2006

House of Commons

Monday 5 June 2006

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Ministerial Visits

1. **Mary Creagh** (Wakefield) (Lab): When she next plans to visit cultural attractions in Wakefield and west Yorkshire to discuss funding. [74917]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): My right hon. Friend the Secretary of State and I are aware of the many cultural attractions that grace the Wakefield area, and I was delighted to be in the area recently celebrating the plans for the new Hepworth gallery that is being built there. I know that the Secretary of State will also be visiting the region with the Olympic roadshow in July.

Mary Creagh: I thank my hon. Friend for his reply, and for his visit to Wakefield to launch the Hepworth trust. Will he join me in congratulating the Yorkshire sculpture park on its recent new commission of James Turell's fantastic Skyspace deer shelter in the park? It is the first major commission by the national art collection since Rodin's Burghers of Calais, which stands outside this place. Will my hon. Friend pencil into his forward diary the opening of the new Hepworth gallery in Wakefield city centre in 2008? It will regenerate a swath of our historic waterfront and attract visitors from all over the world to our proud city.

Mr. Lammy: I know that my hon. Friend is doing a huge amount to promote culture and the arts in her region, and we are very grateful to her for that. When I was up in Wakefield, everyone was talking about the sculpture park and the Skyscape, and particularly about the way in which the three elements—the landscape, the architecture and the sculpture—combine to make the park really wonderful. I look forward to visiting it soon, and we have of course pencilled into the diary the coming to fruition of the Hepworth later on.

Olympic Games

2. **Mr. Philip Dunne** (Ludlow) (Con): What the Government's latest estimate is of the likely cost of the 2012 Olympics. [74918]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): The candidature file set out the key costs of staging the games. Since then, it has become clear that, in certain areas such as security, there are cost pressures. We are seeking to mitigate those pressures wherever we can, by cost reductions and by maximising the value of the Olympic site itself. That work is continuing.

Mr. Dunne: Given last month's confusion over the London Organising Committee for the Olympic Games—LOCOG—budget, will the Secretary of State provide the House with an accurate estimate of the Government's contribution to infrastructure

improvements in the east end? How much of that is specific to the Olympics, and how much would have been done anyway? Will the Secretary of State consider moving more of the events to places outside London—where facilities either already exist or could be provided more cheaply—such as Much Wenlock in my constituency, which is the home of the modern Olympiad, as she knows?

Tessa Jowell: I know that the hon. Gentleman has been a champion of bringing Olympic benefits to his constituency. I shall be taking part shortly, along with colleagues on both sides of the House, in the Olympic roadshow, which will be travelling around the country between 6 and 27 July. I am quite sure that Much Wenlock is on our itinerary, as it should be. The hon. Gentleman is right to say that the benefits of the Olympic games—which will be considerable in economic terms—should be felt around the country, and that is the overriding purpose of the Olympic tour.

In relation to the hon. Gentleman's first question, I am sure that he will understand that the answer will depend on the conclusion of discussions and negotiations about the balance between the publicly funded parts of the Olympic park and those that might be funded by the private sector. It will be easier to give him an accurate answer when the Olympic Delivery Authority publishes its corporate plan in the autumn.

Mr. Kevan Jones (North Durham) (Lab): Does my right hon. Friend agree that an important part of the Olympics involves ensuring that funding is directed to the next generation of sports stars? Will she therefore look into the reasons why *The Northern Echo* newspaper in the north-east, which wants to raise funds for youngsters as part of its Olympic Dream campaign, has been blocked by the 2012 Olympic organising committee from using the word "Olympic" in the campaign? This public-spirited campaign has a lot of support in the north-east, but it is being blocked by bureaucratic nonsense.

Tessa Jowell: I thank my hon. Friend for his question, and I suspect that similar questions will come up quite often between now and the opening of the games. There are two elements of which he needs to be aware. The first is that the legislation precludes any kind of commercial association with the Olympics unless it is borne out by financial sponsorship. That protection has been established by the International Olympic Committee to address some of the issues that my hon. Friend raised in his first question.

That said, however, I am absolutely determined, as is my right hon. Friend the Minister for Sport, to ensure that young people from right around the country benefit from this unique opportunity to take part in sport, glorified by the Olympics. The UK school games has already been established, and we will work with colleagues on both sides of the House to ensure that the legislation required by the IOC is interpreted properly and proportionately and does not put off young people or key local sponsors from taking part in the Olympics.

Richard Ottaway (Croydon, South) (Con): I wish the Secretary of State well in her efforts to mitigate any costs overrun, but can she give some clarity as to who will pay for any overrun? I represent a London seat, and my constituents already face a substantial bill over a long period. Can she assure me that the costs overrun will be borne nationally, not just by the people of London?

Tessa Jowell: No, I cannot give the hon. Gentleman that assurance. He knows that the agreement that was signed, which is part of the candidate file, made it absolutely clear that there was a budget that would fund the infrastructure for the Olympic games and that any costs beyond that would be met on the basis of a shared agreement, as at that time unspecified, between the lottery, the council tax payer and, ultimately, the Exchequer. It is worth reminding him that the costs of the Olympic games, again as a requirement of the IOC, are ultimately underwritten by the Exchequer.

The hon. Gentleman and his Front-Bench colleagues will know that the overriding consideration is to keep the cost of the Olympic games down, to maximise the benefit of the legacy and to maximise the benefit to young people in communities in every constituency in the country.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My right hon. Friend is aware that the rest of the UK will benefit from the 2012 London Olympics, but can she advise the House, given that other cities will benefit, whether other, devolved bodies will be expected to make any financial contribution towards the London Olympics?

Tessa Jowell: There is no assumption that any direct funding will come from any of the devolved authorities. Obviously, the lottery will be a major contributor to the costs of the Olympics, and funding the Olympics means that there will be some diversion from other good causes, so indirectly there will be a consequence for the devolved Administrations. The funding formula for the Olympics has been clearly set out and the Olympic lottery is doing very well—better than we expected—but, no, there is no intention that, other than through the lottery, there should be a direct impact on any of the devolved Administrations.

Susan Kramer (Richmond Park) (LD): The Secretary of State will be well aware that the £625 million already agreed as London taxpayers' burden for the Olympics includes £50 million for cost overruns such as she has described as possibly occurring. Will she then at least agree to cap London's burden at that £625 million, given that an overrun is already included in that figure?

Tessa Jowell: As well as being Secretary of State, I am Member of Parliament for a London constituency. My constituents are as concerned as those of the hon. Lady about the impact on the council tax. It is our responsibility to ensure that the council tax burden is minimised. We have had here and in another place many debates on whether the ultimate amount should be capped, and the reasons as to why not have been clearly set out.

Mr. John Randall (Uxbridge) (Con): The Secretary of State has said that her constituents, like mine in

Uxbridge, are concerned about the cost and the legacy of the Olympics. Is she aware that in the London borough of Hillingdon we have plans for a 25 m pool ready to go ahead, but we are just waiting for a little more investment from either Sport England or the Government to make it a 50 m pool, which would be a superb legacy for the swimmers of west London? A 50 m pool is desperately needed in west London, so can she give us a little hope that her Department will look into this matter a little more seriously?

Tessa Jowell: I am delighted that a new pool is planned for the young people of Hillingdon. The decision on whether it will be a 25 m or a 50 m pool should be made by Sport England, and should be made in the context of proper distribution of 50 m pools—which, as the hon. Gentleman knows, are the standard facility required for competitions.

I cannot tell the hon. Gentleman conclusively at this stage whether Hillingdon is the prime location for a 50 m pool, but I am sure that the pool will be a much-used facility if it measures 25 m. I suggest, however, that on behalf of his constituents the hon. Gentleman should arrange to meet representatives of Sport England, and representatives of UK Sport if necessary, to discuss the distribution of pools and whether Hillingdon is the right place for one.

Mr. Lindsay Hoyle (Chorley) (Lab): Obviously my right hon. Friend will be considering funding issues, but does she recognise that Lancashire can play a role in the Olympics too? I am thinking particularly of Chorley, which hosted the mountain biking and road cycling events in the Commonwealth games. Could my right hon. Friend find funds to support a sporting village in the Chorley constituency?

Tessa Jowell: I am sure that my hon. Friend will raise that with me on many occasions between now and 2012.

Our intention and hope is that a combination of increased Government investment in sporting facilities and the activities of local clubs, local authorities and the private sector will produce a substantial rise in the number of facilities not just in my hon. Friend's constituency, but throughout the country. I look forward to having many more discussions with my hon. Friend, and support his advocacy of a sporting village in his home town.

Hugh Robertson (Faversham and Mid-Kent) (Con): The question of how we empower young people through sport remains the one wholly uncosted element of the entire Olympic equation. Given that the amount of lottery funding for sport has fallen from £390 million in 1998 to £264 million last year, and given that the proposed big lottery fund has only £19 million earmarked for it, how will the Government finance the key Singapore commitment to empowering young people through sport?

Tessa Jowell: I would not rely only on lottery money, which, as the hon. Gentleman knows, is spent principally on facilities. Some 2,000 new facilities have been or are being developed on the strength of lottery funds. The programme is not yet complete; it will be complete next year.

The hon. Gentleman should incorporate in his sums the money that is being invested in school sport—some £500 million a year—the money being invested in coaches, the money being invested in the talented athlete scholarship scheme and, of course, the money being invested by the Chancellor in the development of elite sport, as announced in the Budget. It will help participation to ensure—and this will be done by 2010—that every child engages in at least two hours of sport each week in curriculum time and has the opportunity to take part in sporting activity outside school, and that there is competition in schools for young people.

The hon. Gentleman must accept that the money that has been invested over the past three years is now producing results. It is producing results for one specific reason: this Government are wholeheartedly committed to sport being part of every child's life, and we have provided the means for that to happen.

Licensing Act

4. **Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): What assessment she has made of the impact of the Licensing Act 2003. [74920]

The Secretary of State for Culture, Media and Sport (Tessa Jowell): The new licensing laws have been in place for six months, and it is still too soon to draw any conclusions about their success. What does seem clear is that there has been no discernible increase in alcohol-related crime, and there have been many reports of better working relationships between the police, local authorities and other relevant local partners. Monitoring and evaluation, particularly through the work of the scrutiny councils, will give us a clearer picture of the impact in the longer term, and will guide us in respect of any changes that may be necessary.

Mr. Bailey: I thank my right hon. Friend for her reply. I share her view that giving local communities more control over licensing has been an important step forward. However, coming up is the combination of light nights and World cup fever, which could be the supreme test of the new licensing laws. What special measures are being taken to improve coordination between the industry, police and local authorities to ensure that everyone has an enjoyable World cup?

Tessa Jowell: I thank my hon. Friend for his question and pay tribute to his local authority for its implementation of the Licensing Act 2003. There will be a nationwide programme of policing and enforcement during the World cup, but it is important to note and to take some reassurance from the fact that most World cup matches will be played during the daytime or the early evening. It is not as if the World cup is being played on the other side of the world, which would mean that people were up long after what has become the more normal closing time. However, the police will operate under gold command,

co-ordinating across the UK with local forces. Individual establishments are carrying out risk assessments. Licence conditions such as not taking glasses out of the pub are being employed and CCTV is being used. I am encouraged not only by the focus of the police and the seriousness with which they are taking the matter, but by the new spirit of collaboration with local authorities.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): Is the Secretary of State aware of the latest research by the Central Council of Physical Recreation, which shows that, contrary to the claim by the Minister for Sport, over 75 per cent. of amateur sports clubs fall outside band A and therefore face significant extra bills as a result of the Act? Is she aware that many village halls, including that in Maldon in my constituency, used up their entire entitlement to temporary event notices by the end of January? Will she ask Sir Les Elton's committee to address those problems as a matter of urgency and act on its recommendations?

Tessa Jowell: The hon. Gentleman has made it clear that he understands the process by which these questions will be settled. An independent panel sitting under Sir Les Elton is examining fee levels and their impact. He will report later this year.

On the hon. Gentleman's second point, which was about temporary event notices, we have just concluded a consultation on whether there should be any change, but he should remember the importance of getting a proper balance between the interests of local residents, who have greater powers of redress under the Licensing Act, and the wish of village halls and other organisations to be able to put on events with the minimum of bureaucracy. We will address those issues and publish the conclusions later this year.

Mr. Eric Illsley (Barnsley, Central) (Lab): As my right hon. Friend knows, there is a section within the Licensing Act that states that every sale of alcohol has to be under the supervision of the licence holder. In south Yorkshire, the police have taken that to mean that the licence holder cannot be absent from the premises even for one day and, despite the advice from the Crown Prosecution Service, they have pursued a prosecution of a licence holder who took a few days holiday. In a letter to me that arrived this morning, South Yorkshire police are standing by that interpretation of the legislation and are looking to bring the matter before the courts to try to clarify whether, under the law, which I think is section 19, every sale of alcohol has to be supervised. Will she look at that matter with some urgency because, with the law as it stands, South Yorkshire police will not allow licence holders to take any form of holiday?

Tessa Jowell: I am obviously concerned by my hon. Friend's point and will be delighted to write to him about it.

Mr. Don Foster (Bath) (LD): While the Secretary of State is absolutely right to say that it is far too soon to judge the impact of the Licensing Act on binge drinking, does she nevertheless agree that one impact has been to create a bureaucratic nightmare for many people? Only today we have heard reports that up to one in six public houses may be trading illegally because they are still awaiting the licence for their premises.

The Secretary of State has just told us, on village halls, amateur sports clubs and so on, that the Government are to consider the matters raised earlier and report on them later. Yet only today I have discovered that the carrying out of the initial part of the Elton report is many months late.

Is the Secretary of State also aware that we have discovered today that the Government are miles behind in their work and consultation on temporary events notices? What is she going to do about that?

Tessa Jowell: With great respect to the hon. Gentleman, I have to say that that is the kind of diatribe I have come to expect of him. I do not accept all his charges. I am extremely circumspect about making any prediction at this stage on the impact of the Licensing Act, but it will be judged in terms of the objectives set out within it: does it reduce alcohol-related crime and disorder; and does it protect the vulnerable and keep children safe from harm? Those are the tests against which the Act will be judged, and the House will be able in due course to pass its own judgment.

Kelvin Hopkins (Luton, North) (Lab): Will my right hon. Friend work closely with her colleagues at the Department of Health to monitor the impact of relaxed licensing laws on consumption and on the implications for the country's long-term health? Is she, like me, concerned about rising levels of alcohol-related disease, particularly deaths from cirrhosis of the liver?

Tessa Jowell: Yes, of course I am, and yes we are working closely with colleagues at both the Home Office and at the Department of Health for the very reasons that my hon. Friend has outlined.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): Will not the public think it completely barmy, if typical of this incompetent Government, that a pub needs a licence for one or two musicians in the bar but does not need one to show World cup matches on big screens to hundreds of inebriated supporters? Will the Secretary of State tell us just how much taxpayers' money is being used on extra policing, under the alcohol misuse enforcement campaign, in order to massage the crime and disorder figures associated with showing World cup matches?

Tessa Jowell: I shall certainly provide the hon. Gentleman with the figures for spending on the AMEC campaign, which is just concluding. Even he, I think, will judge that spending on past campaigns, which have seen a reduction in alcohol-related violence, has represented excellent value for money.

As for two-in-a-bar versus big screens, the hon. Gentleman knows that the arguments were well ventilated when the Act was debated. Parliament reached its conclusions, and we are getting on with

implementing them in a way that reduces alcohol-related crime and disorder, keeps children safe from harm and gives responsible adults a better time than they would otherwise have.

Folk Dance and Song

5. **Bob Russell** (Colchester) (LD): What her policy is for the promotion of English folk dance and song. [74921]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): The Department for Culture, Media and Sport funds Arts Council England to promote and invest in music and dance. Funding levels for these sectors are at their highest ever, with music receiving more than £100 million a year and dance more than £34 million. Investment in folk music and dance has quadrupled since 2002.

Bob Russell: I hear the answer that the Minister has given but he has not put any figures in it. He will be as aware as I am that Arts Council England is guilty of artistic cleansing of England's traditional, indigenous, working-class folk dance and song. As English pride reaches a climax with the World cup approaching, does he agree that Arts Council England should invest more in English folk dance and song, and not invest in contemporary Latin American art, as in foisting a £5.5 million art gallery on Colchester, which people there do not want?

Mr. Lammy: The hon. Gentleman is just plain wrong about the new visual arts centre that is coming to Colchester, of which the Latin American arts component, which is the university of Essex's contribution to the art gallery, is but a small part. The visual arts can bring regenerative effects, and we all hope to see them in Colchester, as we have seen them in Salford, Newcastle and Gateshead. Yes, he is right: of course the Arts Council should invest in all art forms. That is why it has quadrupled the amount of money that it has given to folk dance, of which he is such a fan; but money has also gone to Colchester's museum service, which has increased, and to the Mercury theatre in Colchester and to the Colchester arts centre. Across the board, the arts have experienced a funding increase in Colchester—something that he should be pleased about and proud of.

Mrs. Madeleine Moon (Bridgend) (Lab): Does the Minister agree that today, which is world environment day, is a prime day to encourage people to holiday in the UK, to enjoy our folk music and dance and to acknowledge the important role played by local authorities in promoting tourism in the UK? Will he write to the British Resorts and Destinations Association, which has its conference this weekend, to congratulate it on the input of local authorities into tourism in the UK, as well as into promoting folk dance and music?

Mr. Lammy: My hon. Friend is absolutely right. Yes, I will write, but I am also speaking to the Local Government Association on Wednesday, when I will be talking about those very issues, which have caused a revival, not just in our inner city areas but across the country, because local authorities are taking culture and the contribution that the arts can make very seriously.

Digital Television

6. **Andrew Selous** (South-West Bedfordshire) (Con): If she will make a statement on proposals for digital switchover in (a) South-West Bedfordshire and (b) the rest of the UK. [74922]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Shaun Woodward): Switchover across the UK will begin in 2008 and be completed in 2012. In the hon. Gentleman's constituency, as he knows, there are three broadcasting regions: Anglia, Central and London. Switchover for Anglia and Central will take place in 2011 and be completed, with London, in 2012.

Andrew Selous: Is the Minister aware that some of the information on the Digital UK website is not accurate and could lead viewers to subscribe to commercial packages that they do not need? In areas, such as mine, on the edge of a Government region, will he investigate whether the Department could do more to clarify which digital transmitters will transmit programmes to areas outside their own regions?

Mr. Woodward: The hon. Gentleman makes a fair point. Given that the Government are committed to ensuring that switchover happens across the whole country by 2012, it is absolutely important that we get it right. At this stage, of course, what we have conducted are pilot schemes and trials. In 2008, we begin in the Border region. There are lessons to be learned, and the point that he makes is well taken—I will certainly take it back and look at it—but I propose to write to all hon. Members in the coming weeks to begin to set out what I think the timetable will be. We will have further, final revision of that timetable in the autumn, and I will write again to hon. Members. If questions are raised by hon. Members' constituents—if people are worried about suddenly losing television pictures and issues of that sort—we will want to satisfy them, and working together with Digital UK, I am sure that we can get this right.

Mr. Eric Martlew (Carlisle) (Lab): I thank my hon. Friend for coming to Carlisle and addressing the conference on the digital switchover—it was very much appreciated—and for saying that his Department will co-operate with the parliamentary Committee that will be set up to look at it. The Border Television area, part of which I represent, will be the first to switch over in 2008. I understand that the pilot scheme that was recently carried out in Bolton has now reported. Are there any lessons that people in the Border Television area can learn from the results of that pilot?

Mr. Woodward: I thank my hon. Friend for chairing an excellent conference a few weeks ago, which I enjoyed attending. He is right that Border will be the first region where digital switchover will happen. We

know from the pilots so far that 97 to 98 per cent. of people in Bolton who experienced switchover liked it. We also found that it was the oldest people and those who are the most severely disabled who had a problem, so we are rightly focusing—in terms of practical help, call centres and targeting of resources—on those whom we believe are most likely to need help. We have learned a lot from the pilots and we are intending to build that into our programme for the Border region. I am sure that, before we begin the work, which after all is still two years away, there will be more lessons to be learned so that we can ensure that my hon. Friend and his constituents are not only the first chapter of the story but one of the best.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Will the Minister explain what help will be given when the analogue signal is switched off to those living in isolated rural communities who cannot receive the digital signal?

Mr. Woodward: The hon. Gentleman raises an important point. We estimate that, when switchover is complete, 98.5 per cent. of the country will be able to receive digital television services. As he will know, that is roughly comparable with the number of people who can receive analogue services and we expect the 1.5 per cent. who cannot broadly to map each other, although it will not be exactly the same.

We will need to address the issue of those who will not be able to receive pictures in 2012. We are conscious of that and working on it now. It is a significant number of people. It is worth bearing it in mind, though, that 1.5 per cent. of the country does not receive television pictures. We need to improve on that and undoubtedly technology will help us in that process. We are determined to work with the hon. Gentleman and other hon. Members who may have constituents who do not receive analogue pictures so that we can bring everything we know and the technology to bear to help every constituent in the country.

Sports Facilities (Voluntary Groups)

7. **Andrew Gwynne** (Denton and Reddish) (Lab): What support her Department makes available for the involvement of voluntary groups in the provision of sports facilities. [74923]

The Minister for Sport (Mr. Richard Caborn): The provision of sports facilities is primarily a matter for local authorities, which take into account local views. On top of that, there has been unprecedented investment in sports facilities over the past five years—in excess of £1 billion of lottery and Exchequer money. Much of that is now coming on stream. In addition, at the heart of the building schools for the future investment strategy of more than £40 billion over the next 15 years are sports facilities to which the community generally will have access.

Andrew Gwynne: I welcome that answer, but will my right hon. Friend join me in condemning Liberal Democrat Stockport council for its decision to deny the community group, Friends of Reddish Baths, the opportunity to run the beautiful Edwardian baths in my constituency—the only public swimming baths that serve the north of the borough of Stockport—despite the fact that the group has produced a superb business plan and the council's only alternative is for the building to remain empty?

Mr. Caborn: I would love to condemn the Liberal council, but I will refrain from doing so, because I can tell my hon. Friend that the local authority has now gone into partnership with the Friends of Reddish Baths and agreed to join the group in meeting the cost of a feasibility study on options for replacing the baths in Reddish, and will help with the bid for the capital cost of any replacement. I hope that common sense is now prevailing and that some agreement can be reached so that they can continue to have that facility in Reddish. That would be on top of one of the biggest investment programmes in swimming pools—in excess of £250 million invested in swimming complexes over the past eight years.

Miss Anne McIntosh (Vale of York) (Con): Does the Minister accept that, given the reduction in and redistribution to sports of funding for good causes, voluntary groups in particular have lost out? Will he therefore ensure that funding for good causes is increased to the original 25 per cent?

Mr. Caborn: That is fundamentally wrong. A huge amount of investment is going into sport, well beyond that coming from the lottery that is directed to Sport England. As I said, building schools for the future is one of the biggest investment programmes in sports facilities. The investment via local authorities is over and above that from Sport England. Our investment in schools and the school sport partnership is the biggest investment. There will be 3,000 school sports co-ordinators. That means a teacher having two to three days a week backfilled by another teacher, which is a huge investment.

On coaching, we will have 3,000 community coaches on the ground by the end of next year. We are talking about the biggest investment in coaching, led by sports coach UK. The overall investment in sport is definitely the largest that we have seen and makes up for some of the massive under-investment under the Conservative Administration, who sold off playing fields, under-invested and cast sport aside.

Mr. Andy Reed (Loughborough) (Lab/Co-op): My right hon. Friend is correct to highlight the record investment, but, rightly, the question was about the role of volunteers in sport. Does he acknowledge that sports volunteering makes up 26 per cent. of all volunteering? We still have problems in terms of access for many people, the number of Criminal Records Bureau checks and numerous bits of red tape that get in the way of people volunteering at local level. Will he ensure that, at every stage, volunteering is made easy for local people who just want to contribute to their

sports club or sports arena, or to contribute through the schools that he mentioned? Will he get rid of as much of the unnecessary bureaucracy as possible to make things easier for people?

Mr. Caborn: I agree with my hon. Friend. Some of that red tape is important because of the safeguards that it provides for parents and those involved in sport, but the Russell report made clear to the Government what really needs to be done not just to get the investment, but to build the capacity in volunteering. We are taking that seriously and I hope that, over the next few months and years, we will build an infrastructure for volunteering that will be second to none. I acknowledge what my hon. Friend is saying, but the investment in volunteering—directly, through the governing bodies and through the Learning and Skills Council—is to be commended and will reap great dividends.

Television Licence Fee

8. **Mr. Andrew Robathan** (Blaby) (Con): If she will make a statement on progress with negotiations on the BBC licence fee. [74924]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Shaun Woodward): In line with the commitment in the Green Paper, the Government are conducting a funding review to determine the level of the licence fee to apply from April 2007 and we will announce the outcome of that review later this year.

Mr. Robathan: Many of my constituents, and I believe a great many others, are unhappy with the licence fee. There is a general feeling that it does not provide value for money and that the BBC no longer delivers the high-quality public service broadcasting that it once did. Does the Minister consider that, in today's digital age, when, for instance, one can receive television pictures on mobile telephones, a compulsory tax on television ownership is the right way to deliver high-quality public service broadcasting in the 21st century?

Mr. Woodward: The hon. Gentleman makes a point that I am sure reflects the views of a minority of people. The majority of people are extremely satisfied with the service that the BBC produces. We have concluded that the right way to proceed for the foreseeable future is through the licence fee. When he and the leader of his party go around caricaturing the BBC, as in a recent speech made to the Newspaper Society by the right hon. Member for Witney (Mr. Cameron)—*[Interruption.]* I remember it well. When the right hon. Gentleman made that speech, he caricatured the BBC and claimed that it squashed all sorts of businesses. The BBC has been a source of, and a benchmark for, the greatest broadcasting anywhere in the world. We are determined to get the review of the licence fee right to ensure that people in this country will have the finest broadcasting and the best public service broadcasting. We will not allow any kind of politics to interfere with that.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): Will my hon. Friend tell me whether his Department, rather than Parliament, will set the licence fee and whether there will be a debate in the House about the level of the fee?

Mr. Woodward: We in the Department are conducting the funding review and we will announce to Parliament later this year what the value of that will be.

Gambling Act

9. **Mr. Desmond Swayne** (New Forest, West) (Con): What impact she expects the Gambling Act 2005 to have on the level of gambling. [74925]

The Minister for Sport (Mr. Richard Caborn): The Gambling Act will introduce one of the strictest regulatory regimes anywhere in the world. The Gambling Commission is conducting a study into the prevalence of gambling and will report next year. That study will provide the baseline against which we can measure future trends.

Mr. Swayne: I remember Jim Callaghan saying that the Labour party owed more to Methodism than to Marxism. Should not reducing the level of gambling be a perfectly proper objective of Government policy?

Mr. Caborn: Jim Callaghan was also a realist and he faced up to the responsibilities of government. That is indeed what this Government have done, which is why we had the Budd report, the playing for success initiative and the 2005 Act. The Act brought in the new regulatory authority, the Gambling Commission, and if we had not introduced that, we would have exposed a lot of this country's population to online gambling and remote gambling over which the Government had no control at all. The Budd report and the 2005 Act were instigated to give the Government—and, indeed, Parliament—the ability to intervene when necessary. If we had not done that, we would have been irresponsible, and even Jim Callaghan would not have thanked us for that.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Is my right hon. Friend aware that most hon. Members have confidence in his and the Department's ability to bring the proper regulation of gambling into operation? Is he further aware that the provisional shortlist from the casino advisory panel has caused dismay throughout the midlands because there is a yawning gap in the proposals for the super-casino? I declare an interest as a shareholder in, and director of, Coventry City football club. It is clear that Coventry's bid stands pre-eminent among those from the midlands, especially the west midlands. Will my right hon. Friend give us an early opportunity to make representations to him and the advisory panel so that we can stress the great benefits that such a development could bring?

Mr. Caborn: I thank my hon. Friend for the vote of confidence that he gave my Department and me in being able to implement the Gambling Act 2005. The decisions on the casinos were made against the

background of the Opposition forcing the number of regional casinos down from eight to one. I stress that an independent panel sat and made the judgments that have come back to the Government and my right hon. Friend the Secretary of State. The Secretary of State and I will meet my hon. Friend the Member for Coventry, North-West (Mr. Robinson) so that Coventry can put its case to us.

Mr. Hugo Swire (East Devon) (Con): Is it not a fact that, in yet another example of what we have come to recognise so well as a lack of joined-up government, the Minister's Department is still using a different estimate of the number of problem gamblers from officials in what was the Office of the Deputy Prime Minister? Is it not also the case that the Gambling Commission has not even commenced work on a prevalence study on problem gamblers, which, in any case, will now report only after the green light for the casino pilot and the massive growth in online gambling? Given that we have no firm criteria for judging results, will the Minister tell us what will constitute the success or failure of the regional casino?

Mr. Caborn: I do not accept that the point on which the hon. Gentleman predicates his question is a fact. As I told the House, the prevalence study is under way and will report. Pilot schemes are being instigated, so we will learn from them. We take the baseline seriously, which is why the prevalence study is wide and detailed and will give sound information with which we can measure future trends. The hon. Gentleman asks about success, but this country has the lowest levels of problem gambling and, as I have said, we embodied the principles of the Gaming Act 1968 into the 2005 Act, along with establishing the regulator, the Gambling Commission, which probably has more powers to intervene than any other regulatory authority in this country. Indeed, many people abroad are examining the way in which the commission will be operating.

Mr. Swire: I am somewhat surprised by the Minister's complacency. Last week, the Secretary of State candidly admitted that she had presided over an "explosion in online gambling" and said:

"as things stand it's an explosion over which we have very little control".

She went on to say:

"we will be persuading those UK operators who currently operate offshore to come onshore to be properly recognised".

Can the Minister tell us how many such companies are trading in the United Kingdom? Will he provide examples of what he has in mind to induce those companies to come onshore? What action will he and the rest of his Department take if the companies do not do so?

Mr. Caborn: We put the 2005 Act, which will come into operation between now and September 2007, on to the statute book for that very reason. We do not have powers to intervene on online gambling and E Line's operations.

Mr. Swire: The Secretary of State said it.

Mr. Caborn: Obviously, she did so, but that is why we put the Act on the statute book and why we will intervene through the Gambling Commission. Yes, we want companies to come back onshore: we have the best regulatory authority in the world, so we can protect both the vulnerable and the punter. We can keep crime out of gambling—that is what the Act is about, and it provides Government with the ability to intervene to protect citizens. The hon. Gentleman ought to look at the Act again to find out the real reason why we put it on the statute book.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission was asked—

Electoral Commission

20. **Dr. Alan Whitehead** (Southampton, Test) (Lab): What representations he has received on the pre-conditions for employment by the Electoral Commission. [74907]

Peter Viggers (Gosport) (Con): The Speaker's Committee has not received any representations on the application by the Electoral Commission of statutory restrictions to staff appointments.

Dr. Alan Whitehead (Southampton, Test) (Lab): Does the hon. Gentleman think that experience of the political process is a valuable asset to a body that deliberates on, among other things, the funding and organisational practices of political parties? Does he consider that the practice of recruiting only people who have not had any active involvement in any political party for the 10 years before application may not be the best use of those potential assets to the commission?

Peter Viggers: I know of the hon. Gentleman's interest and recently read an article that he published on the subject. The 10-year rule and the other disqualification criteria for the appointment of commissioners and commission staff were determined by Parliament when it passed the Political Parties, Elections and Referendums Act 2000. However, as he may be aware, that aspect of the Act is being reviewed by the Committee on Standards in Public Life in its inquiry into the Electoral Commission. It is a subject, too, about which the Speaker's Committee has expressed concern, as the minutes of the July 2004 meeting reveal.

Mr. David Drew (Stroud) (Lab/Co-op): The hon. Gentleman will know that, under the previous Government, the Widdecombe commission looked at restricting the political activity of people in particular positions. Will he examine that when considering into what the Speaker's Committee can make inquiries, because many of my friends believe that that places an undue burden on their right to pursue a passive interest in the political process?

Peter Viggers: Yes, the Committee on Standards in Public Life was instrumental in setting up the Electoral Commission. The current inquiry is wide-ranging, and I am sure that it will take account of the issues raised by the hon. Gentleman.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Historic Churches

21. **Michael Fabricant** (Lichfield) (Con): What initiatives the commissioners are developing to co-ordinate applications for aid from the EU to restore historic churches and cathedrals; and if he will make a statement. [74908]

The Second Church Estates Commissioner (Sir Stuart Bell): There are no European Union funds principally for the restoration of historic churches and cathedrals. The best thing that the European Union can do for us is to reduce VAT on church repairs. The church heritage forum is developing close partnerships with funding and fundraising bodies and disseminating information to church and cathedral authorities to assist in the upkeep of historic churches and cathedrals by way of a stitch in time.

Michael Fabricant: As the hon. Gentleman said that there are no funds available, I am inclined to ask, why not? Churches in the United Kingdom provide heritage that is of great European importance. Will the commissioners go to the other Commission and say that money is required, not only for great cathedrals such as Lichfield but for churches all over the country, as that heritage makes Europe so very different?

Sir Stuart Bell: I am grateful to the hon. Gentleman. *[Interruption.]* The House is in an hilarious mood. Compared with other parts of Europe, United Kingdom churches and places of worship are poorly funded. We recommend that some public funding should be available in recognition of both the contribution that they make to the community and of the cost of their upkeep.

Keith Vaz (Leicester, East) (Lab): I support the views of the hon. Member for Lichfield (Michael Fabricant) but, I visited Notre Dame and Sacré Coeur last week—*[Laughter.]* As well as going to Leicester. Those are not just places of worship but places of great tourism. It is important to see whether European initiatives can be co-ordinated to support not just churches but places of worship for people of other faiths that have been turned into great tourism centres.

Sir Stuart Bell: That was more a statement than a question, but I will take it as a question from my hon. Friend. As the Bishop of London said in another place,

> "In other European countries, a more realistic contribution to the maintenance of the historic fabric seems to be possible, in view of the considerable social benefits that church buildings offer to the whole community."—[*Official Report, House of Lords*, 25 October 2004; Vol. 665, c. 1146.]

That may explain why our European Union partners see little need for central European restoration funds.

Sir Patrick Cormack (South Staffordshire) (Con): That is fine, but, recognising that charity begins at home, what support are the Church Commissioners giving to English Heritage in its splendid "Inspired!" campaign?

Sir Stuart Bell: I am grateful to the hon. Gentleman for referring to that campaign. English Heritage recently announced grants of £17.5 million to listed buildings, but that should be set against £328 million of repairs outstanding in Anglican churches alone in 2003, and the £101 million actually spent on repairs in that year. The English Heritage "Inspired!" campaign to which he refers has also called for more state funding.

Ecclesiastical Appointments (Women)

22. **Ms Sally Keeble** (Northampton, North) (Lab): What progress is being made towards enabling the appointment of women bishops in the Church of England. [74909]

Sir Stuart Bell: In July, the General Synod will debate whether it wishes to proceed to legislation and, if so, on what basis. The Church will need to decide at each stage the speed at which it wishes to proceed, but it would in any event be at least four years before the final approval stage is reached.

Ms Keeble: As my hon. Friend knows, meetings are taking place this week with the bishops to try to find a way forward on the matter. Does he recognise the strong body of opinion that exists in the Church in support of women bishops, and will he do everything in his power to ensure that proposals are brought forward quickly, including to this place? Everybody would want them to be made well within four years.

Hon. Members: Not everybody.

Sir Stuart Bell: My hon. Friend's concern reflects the frustration felt by many right hon. and hon. Members. The Church, however, needs to give the matter careful consideration. Not everyone in the House, I would surmise, agrees with my hon. Friend. Synod needs to recognise and respect the integrity of differing beliefs and positions, and to weigh issues of theology and unity with arguments of justice. Even the Synod, when it comes to a conclusion, must vote by a majority of at least two thirds in all three of its sections.

John Bercow (Buckingham) (Con): May I put it to the hon. Gentleman that the short answer to the question posed by the hon. Member for Northampton, North (Ms Keeble) can be summarised in three words: "Far too little"?

Sir Stuart Bell: It would be more apt if the hon. Gentleman said, "A little too late", since we have had

women priests for some years. However, there is a dilemma within the Church that must be resolved in its own time and at its own pace. Although the messages that we give from the House are reflected in decisions in the Synod, we will continue to press on the issue to reflect the point made by my hon. Friend the Member for Northampton, North (Ms Keeble) and by the hon. Gentleman.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Election Turnout

23. **Hugh Bayley** (City of York) (Lab): What steps the Electoral Commission is taking to increase participation in elections. [74910]

Peter Viggers (Gosport) (Con): The Electoral Commission discharges its statutory responsibility for promoting public awareness of electoral and democratic systems through programmes of education and information. The Commission has also made a number of recommendations for changes to the law, aimed at increasing participation.

Hugh Bayley: I cannot be the only Member to have noticed the sense of pride and of fulfilling a rite of passage that many young people feel when they vote for the first time. It must be the view of Members in all parts of the House that we need to encourage a culture of participating in elections. Will the hon. Gentleman ask the Electoral Commission to consider the value of issuing something like a flag day emblem to everybody who votes, and possibly taking a leaf out of the blood transfusion services' book, so that when people have voted a number of times—when they become regular voters—they get some permanent emblem?

Peter Viggers: I am sure that we all value original ideas. That is certainly an original idea, and I shall take it up with the Electoral Commission.

Simon Hughes (North Southwark and Bermondsey) (LD): The hon. Gentleman will be aware that participation in local elections has increased slowly in the past three years, which is welcome. Will he commend to the Speaker's Committee on the Electoral Commission these two ideas, in which the Department for Constitutional Affairs appears interested: first, holding a countdown to democracy day to encourage people to register in time to vote and, secondly, introducing a campaign to publicise the last day for postal voting? If those two things were to happen, many more people would be able to vote.

Peter Viggers: The commission's total budget for public awareness in 2006-07 was £7.379 million. The commission spent £3.65 million on advertising activities associated with the elections in May 2006. It is open to new ideas, and I will pass on the hon. Gentleman's suggestion.

Mr. Andrew Dismore (Hendon) (Lab): Does the hon. Gentleman agree that one of the best ways to increase participation in elections is to ensure that polling stations are conveniently located for voters? The Electoral Commission should consider issuing clear guidelines on how far voters are expected to walk to a polling station. In the last local election in my constituency, the London borough of Barnet placed one polling station in a marginal ward about 40 minutes' walk away from a less well-off area and right in the middle of a more well-off area, which gerrymandered the result.

Peter Viggers: I know that the Electoral Commission takes the view that it is not possible to specify the maximum distance that an individual should walk to a polling station. However, the Electoral Commission is involved in such issues. For example, it has recommended a change in the last date for registration, so that it is closer to the date of an election, and it has also recommended clearer powers for returning officers and registration officers to encourage participation at a local level, which relates to the hon. Gentleman's question.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Ecclesiastical Appointments (Women)

26. **Chris Bryant** (Rhondda) (Lab): How many women are serving as deans, canons and archdeacons. [74913]

The Second Church Estates Commissioner (Sir Stuart Bell): At the end of 2004, there were five female archdeacons, two female deans or provosts and 14 other female cathedral clergy.

Chris Bryant: It looks as though the Church of England is slowly moving towards women bishops, but progress is far too slow. Many women who work in the Church would do a far better job than many of the current bishops. Will my hon. Friend tell the Synod on behalf of this House that we want women bishops as soon as is humanly possible and, for that matter, as is divinely possible? Will he point out to the bishops that, although every one of them voted with the archbishop for the ludicrous apartheid system, seven of them have subsequently written personal, private letters to me saying that they will not support those measures? Can we make sure that there is no apartheid on this issue and that women are treated equally in the Church?

Sir Stuart Bell: I am grateful to my hon. Friend for that question. If I can steer him back to deans, canons and archdeacons, he has said that

"the number of women ordinands is rapidly catching up with the number of male ordinands."—[*Official Report*, 13 June 2005; Vol. 435, c. 15.]

May that process continue and eventually lead to women bishops.

Clerical Incomes

27. **Mr. Lindsay Hoyle** (Chorley) (Lab): What recent assessment the commissioners have made of the standard of living of members of the clergy; and if he will make a statement. [74914]

Sir Stuart Bell: Nearly half the clergy latterly surveyed stated that their standard of living was equivalent to or above that of the majority of households in their parish. By way of a statement, the average stipend increased by 25 per cent. between 1999 and 2005, compared with an increase of 16 per cent. in the retail prices index and 27 per cent. in average earnings.

Mr. Hoyle: Does my hon. Friend really believe that a parish vicar's pay is substantial, given that a vicar must look after their family and will need a house at the end of their service? The pension should meet the number of years that a vicar has put into the Church in order to provide for quality of life.

Sir Stuart Bell: I am grateful to my hon. Friend for relating his question to pensions. As I told the House on 24 April, the Church is reviewing its pensions arrangements. On the stipend, he will be aware that most clergy are provided with housing, including the payment of their council tax, water charges, maintenance, external decoration and insurance, and a non-contributory Church pension. There is no such thing as a parish priest who is as poor as a church mouse.

Heritage Grants

28. **Miss Anne McIntosh** (Vale of York) (Con): If he will make a statement on the levels of heritage grants to churches. [74915]

The Second Church Estates Commissioner (Sir Stuart Bell): This year's joint allocation from English Heritage and the Heritage Lottery Fund for repair grants for listed places of worship is £25 million, while the VAT grants scheme reimburses about £12 million per year. By way of a statement, and to put these sums in context, in 2003 the cost of major repairs was £101 million.

Miss McIntosh: Will the hon. Gentleman confirm that that amounts to a radical cut in heritage grants from last year? Has he had the opportunity to make representations to the Chancellor of the Exchequer to apply for a reduced rate of VAT, or have the Church Commissioners considered doing what is done in Denmark by imposing 1 per cent. on income tax for all those who practise at the state church?

Sir Stuart Bell: The first part of the hon. Lady's question deals with a Government Department. It is for the Department that deals with heritage to say whether the English Heritage grant has been cut. However, I can tell her that English Heritage estimates that the cost of repairs to listed places of worship, 80 per cent. of which are Anglican churches, will be £925 million over five years, or £185 million a year. We are raising the question of funding for church repairs with the Chancellor, but I would not be so bold as to invite him to add 1 per cent., or 1p, to income tax.

Point of Order

3.36 pm

Michael Fabricant (Lichfield) (Con): On a point of order, Mr. Speaker. You will be aware that Culture, Media and Sport questions overran for about five minutes. I am grateful that you permitted that in order to enable my hon. Friend the Member for East Devon (Mr. Swire) to ask his two questions. However, may I ask your department to conduct an analysis of the tape and consider the length of answers given by the Secretary of State and other Ministers in the Department for Culture, Media and Sport, and, possibly, Ministers in other Departments? The answers seemed extremely long in places, and although I do not argue that their quality was bad or good, the length was excessive.

Mr. Speaker: We are not running to stopwatches yet. All that I will say to the hon. Gentleman is that I would not solely blame Ministers. Sometimes Back Benchers can be a bit too long-winded as well.

Orders of the Day

NHS Redress Bill *[Lords]*

[Relevant documents: The Third Report of the Constitutional Affairs Committee, Session 2005-06, HC 754, on Compensation Culture, the Fifth Report of the Committee, Session 2005-06, HC 1009, on Compensation Culture: NHS Redress Bill [Lords], and the Government's response thereto, Cm 6784.]

3.37 pm

The Secretary of State for Health (Ms Patricia Hewitt): I beg to move, That the Bill be now read a Second time.

Every day, NHS doctors, nurses and other dedicated health care professionals look after patients, improve health and well-being and save thousands of peoples' lives, and we all owe them an enormous debt of gratitude. But sometimes something goes wrong. The Bill deals with the minority of cases in which patients are harmed by their NHS care. All of us know about such cases from our own constituencies. What I find, and I am sure that other hon. Members find, is that people want to know why the treatment went wrong, they want an apology from the hospital or doctor concerned, and they want to be reassured that lessons have been learned so that others will not suffer like them in future. Sometimes, but by no means all of the time, they would like some compensation.

John Bercow (Buckingham) (Con): The Secretary of State will be aware, I am sure, that clauses 1, 5 and 14 all provide for order-making powers. They deal with the power to establish a redress scheme, the duty to consider its application, and the question of complaints. Why, under clause 16, are those order-making powers subject to the negative procedure of the House, rather than to its affirmative counterpart?

Ms Hewitt: If the hon. Gentleman wishes to pursue the matter, we can consider it further, but it is perfectly reasonable for the negative procedure to be used for a Bill in which the principles are clearly set out and the detail will be established by order in secondary legislation. I shall say a little more about the structure of the Bill and some changes that we wish to make to it in Committee.

Keith Vaz (Leicester, East) (Lab): I welcome the Bill and my right hon. Friend's commitment to improving the system. Does she agree that one way in which we can deal with such matters more quickly is that once a constituent makes a complaint to the health authority, it should give that person as much information as possible? There should be as much information and detail as possible to enable people to decide how they wish to proceed. In far too many cases, even in the authority that we both share, the information is not detailed. Consequently, people feel that they must seek legal advice.

Ms Hewitt: My hon. Friend is right. Trying to get a much faster and more open response to complaints and things that have gone wrong is precisely what the Bill

tackles. As he suggests, all too often, patients and their families feel that the harm that the original incident did is compounded by delays in investigating the complaint and especially by the legal system that deals with clinical negligence cases. Too often, it is perceived as complicated, slow, unfair and costly in time as well as legal fees. Patients and their families often do not get either the explanation or the apology that they want.

It is also fair to say that the system is equally unsatisfactory from the point of view of NHS staff because clinicians can end up spending far too much time on legal processes which they could be using to care for other patients. Staff morale can be damaged, and because the current arrangements encourage a culture of defensiveness, the NHS loses the opportunity to use the experience and information that patients provide to improve care and clinical practice for the future.

Growing dissatisfaction with all those problems led the chief medical officer for England, Sir Liam Donaldson, to produce his report, "Making Amends" in 2003, which set out a series of recommendations for reforming the way in which the NHS responds to clinical negligence. I am sure that hon. Members of all parties will want to join me in paying tribute to Sir Liam, who is an outstanding champion of patient safety.

The Bill effects Sir Liam's recommendation to introduce a much simpler and faster NHS redress scheme. It also responds to the recommendations of the health service ombudsman, Ann Abraham, in her report on the NHS complaints procedure, which was published earlier this year.

Mr. David Kidney (Stafford) (Lab): Does the Bill provide for a hospital complaints system? If I read clause 1 (5), (6) and (7) correctly, primary care is excluded and it would take further primary legislation to set up a similar scheme for primary care, where approximately 90 per cent. of health care takes place. That does not make sense.

Ms Hewitt: My hon. Friend's first point is correct—the scheme was designed to deal with clinical negligence in hospitals. However, as a result of discussions in another place, we have extended it to relate to hospital services that are provided outside the hospital building. The Bill does not—and is not intended to— cover GPs who provide primary care, for the simple reason that most GPs are independent contractors to the NHS. They have their own arrangements through private indemnity insurance for dealing with cases of clinical negligence that arise. That is why the Bill will not cover primary care services under the general medical services contract.

John Bercow: The Secretary of State has already been generous in giving way. For the avoidance of doubt, I stress that the principle that underlies the Bill is sound and reasonable. The right hon. Lady gave me the facial impression that she thought my point was narrow, anorakish, or even—perish the thought—tendentious. Let me simply say that it was not. The Leader of the House, who is present, will understand the genesis of the question, because I appeared before the Modernisation Committee last week and made a similar point. May I ask the Secretary of State to accept that, often, what is well intentioned goes wrong through poor secondary legislation and that it might help the House if we could have a draft of the order-making powers before the Bill's final stages, not to undermine but to improve it?

Ms Hewitt: I entirely accept the hon. Gentleman's good faith and his support for at least the principle of the Bill. It will not be possible to publish draft orders before the completion of its passage, for the simple reason that there needs to be an extended period of formal and informal consultation with patients and other stakeholders about the detail of the redress scheme. The hon. Gentleman may well say that that reinforces the case for the affirmative action procedure to be used, and that is a matter to which I am certainly prepared to give further consideration, although I think that the point that he makes will be best met by the thorough process of consultation on the detail of the orders before we bring them back to the House. We will certainly publish them in draft before we bring them to the House under, as we propose at present, the negative order-making procedure.

The Bill was introduced in the other place and comes to us in an amended form. I will return to that point in a moment, because the significant amendment was the introduction of clause 12, with which we are not happy. I should like first to say a little more about the kind of case that will be covered by the new redress scheme and how the scheme will work.

The Bill sets out the framework that will enable us to establish an NHS redress scheme to deal with clinical negligence claims arising out of NHS hospital treatment, brought by patients, their dependents or, in the worst cases, their estates. It is intended to cover cases where compensation awarded by a court would be no more than £20,000. We have selected that figure because in the majority of such cases the legal costs of bringing the action are wholly disproportionate to the compensation awarded. The new scheme will not extend patients' rights to compensation—it will not create new rights—but by creating a simpler, faster route to redress, it will significantly improve access to justice for those with rights that already exist under current law.

Mr. Nick Hurd (Ruislip-Northwood) (Con): I understand the point that the Secretary of State makes about the upper limit, but can she tell us what proportion of cases fall within the £20,000 limit?

Ms Hewitt: As I said a moment ago, the majority of clinical negligence cases that are settled involve compensation of less of £20,000. In the past couple of years, in slightly more than half of the cases settled for between £10,000 and £20,000, the legal costs exceeded the damages. For cases settled below £10,000, legal costs exceed compensation in some 90 per cent. of cases. That is not a satisfactory situation.

I shall give an example of a case that was dealt with by the health service ombudsman, because it had not been properly dealt with by the hospital concerned. A woman, Mrs. X, injured her foot in a fall. She went to accident and emergency, where X-rays were taken, and she was told that she had sprained her ankle and did

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not need any treatment. A few weeks later, when she was still in pain, she saw a consultant orthopaedic surgeon who confirmed that the X-ray showed no fracture. The ankle was put in plaster and Mrs. X later had physiotherapy. Still in pain, she went back to the consultant in October 1998 and he arranged an exploratory operation, which took place in February 1999. In July 1999, on reviewing the original X-rays, the consultant surgeon realised that Mrs. X had, in fact, sustained a fracture of the heel bone. She was only told about that in September 1999—18 months after she first attended accident and emergency.

The issue should have been dealt with by the hospital trust involved, but as it was not, the ombudsman's clinical assessor identified a very obvious extensive fracture of the heel bone that had unfortunately been missed by both the consultant radiologist and consultant surgeon. If the diagnosis had been right at the outset, Mrs. X would have had the right treatment, instead of being subjected to what proved to be an unnecessary and painful operation. Once the ombudsman had intervened in the case, the trust apologised to Mrs. X and paid her damages of about £12,000. Of course, that should have happened on the initiative of the trust, without the need for the ombudsman's intervention.

The new redress scheme that the Bill will establish will encourage all the hospitals that it covers—NHS trusts, foundation hospitals and independent providers—to take action themselves on cases like that of Mrs. X, to seek them out even if a complaint is not made, to investigate the facts and, where clinical negligence is established, to apologise, to learn the lessons and, where appropriate, to offer compensation.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Hospitals and other medical institutions will be encouraged to be proactive in this respect, but will there be quotas or targets for those institutions that could count against them if more actions resulted in payments being made? If that is to be the case, hospitals' chief executives might not encourage their staff to be proactive in offering such payments.

Ms Hewitt: The hon. Gentleman makes an extremely important point. However, our intention is precisely the opposite. It is to encourage a much more open culture in which doctors and other clinicians feel that they can own up to and learn from their mistakes—as is already best practice—rather than finding themselves in an adversarial situation in which they might deny that anything had gone wrong, possibly at the behest of their lawyers or their insurance company. I shall deal in a moment with the role of the Healthcare Commission, which will have the important responsibility of ensuring that each hospital trust—each scheme member—is applying and operating the scheme in the way that is intended.

Steve Webb (Northavon) (LD): Does the Secretary of State accept that it is important to patients that there should be an element of independence in the process? If they see that the redress scheme is being run by the NHS Litigation Authority, they might be less convinced that they are getting genuinely independent scrutiny and a genuinely independent assessment of their compensation.

Ms Hewitt: I shall deal with that point in a few moments, when I talk about the amendments that have been made to the Bill in another place. There will be important independent elements in the scheme, however, including the right to free independent legal advice before any settlement is accepted.

The new scheme will not simply change the way in which complaints like those of Mrs. X are dealt with. Even more importantly, it will also require hospitals to identify all cases of possible negligence, whether or not there has been a complaint from the patient concerned. When a trust considers that a case could fall within the scheme, it will obtain the patient's permission to refer the case to the scheme authority. The scheme authority, which we intend to be the NHS Litigation Authority, will assess liability and the appropriate level of damages. Where liability exists, the trust will offer an explanation and an apology. Where appropriate, an offer of financial compensation will be made, broadly equivalent to the level of compensation that could be awarded in a successful claim before a court.

Hywel Williams (Caernarfon) (PC): As the Secretary of State knows, a large number of people from Wales are treated in England. Will she explain to the House how cases involving such people will be handled, given that the Welsh Assembly may or may not decide to set up a similar system in Wales?

Ms Hewitt: If a patient from Wales is treated in an English hospital, that hospital would, as a scheme member, be covered by the new redress scheme. If any of the hon. Gentleman's constituents were in the unhappy position of having such a problem, they should be covered by the new scheme. As he says, it is up to the Welsh Assembly to decide whether it wishes to use the framework provided in the Bill to apply the scheme to NHS hospitals in Wales.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): On a related point, many of my constituents are treated in Scottish hospitals—either Borders general or one of the Edinburgh hospitals—but under the aegis of the English health authority. Am I right in concluding that this scheme would be available to them?

Ms Hewitt: That is correct. The scheme will not apply in Scotland, and obviously it is a matter for the Scottish Parliament whether it wishes to establish equivalent procedures.

Mr. Beith: I was asking the Secretary of State about my constituents in England who are treated in Scottish hospitals. Indeed, they are sent to Scottish hospitals by the English health service because those are the nearest to them. Will they be able to make use of the scheme or will they be denied it?

Ms Hewitt: I thought that was the point that the right hon. Gentleman was making. My answer is that the Bill does not apply to hospitals in Scotland. It will be for the Scottish Parliament to decide whether it

wishes to introduce an equivalent scheme. The NHS in Scotland is a devolved responsibility; I believe that to be the case. If I am wrong, I will no doubt shortly be corrected. It follows from the logic of the scheme that it applies to the hospital organisations that are members of it—in other words, NHS trusts, foundation trusts and independent providers to the NHS in England.

Mr. Beith: If treatment in a Scottish hospital is commissioned by an English health authority, which in most examples would expect either to be paying the Scottish authority or at least to have some reciprocal arrangement for cases that cross the border, surely the provisions referring to treatment outside the hospital, or indeed outside England, will apply?

Ms Hewitt: I take the right hon. Gentleman's point that he is talking about treatment commissioned by the English NHS—in other words, a primary care trust in England is responsible for the treatment, even though it is being given in a Scottish hospital.

If criminal negligence is involved, and the patient therefore has a claim that could arise under English law, the scheme will apply. I hope that that is clear. If not, this is a matter that the Minister of State, my hon. Friend the Member for Leigh (Andy Burnham), can return to later in the debate. If necessary, I shall write to the right hon. Gentleman to go through the detail of the application of the scheme where devolved boundaries are crossed.

The new redress scheme will offer patients a simpler and faster alternative to a court case, but it will not—this is an important point—remove a patient's right to bring legal proceedings. If the patient decides to reject an offer under the scheme, or if no offer of compensation is made, the patient will still be able to pursue the matter through the courts, or, if the patient wishes, to go direct to the courts and not use the redress scheme. However, where the redress scheme is used and where an offer of compensation is made, legal advice will be provided to the patient free of charge in relation to the offer and any settlement under the scheme.

Mr. Philip Hollobone (Kettering) (Con): In making proposals for the redress scheme, what comparisons did the Secretary of State make with other international schemes, and where does she see this scheme in the new international league table? Could we do rather better than she is suggesting?

Ms Hewitt: When the chief medical officer undertook his review for the report to which I referred earlier, he looked at a number of other countries and the variety of schemes—often called, sometimes wrongly, no-fault compensation schemes—that exist, for instance, in Scandinavia, New Zealand and so on; but for a variety of reasons, which he spelled out in that report, he felt, and the Government concur, that it would not be suitable to try to introduce a so-called no-fault compensation scheme, not least because people would end up arguing about what caused the damage, even if they were not arguing about where the fault lay. That is why he recommended a scheme along the lines of that provided for in the Bill. We have accepted that recommendation.

My hon. Friend the Member for Stafford (Mr. Kidney) raised the question whether the scheme is confined to hospital services. Originally, that was our intention, but we listened carefully to the debate in another place and the Bill, as presented in this House, will enable the scheme to be extended through secondary legislation to services over and above hospital services. For instance, services that fall into the grey area between primary and secondary care can be brought within the scope of the scheme. That is particularly important as changing medical practice and technology allow more of what we think of as hospital care to be delivered in the community.

I referred to discussions in another place. One significant change was made there that we cannot endorse. We intend to try to delete clause 12 in Committee. The Bill as originally published provided for a coherent redress scheme focusing on the speedy resolution of cases after full investigation by scheme members at local level, giving full redress to patients through a single-stage scheme, and encouraging and facilitating local learning in hospitals from mistakes that had occurred.

What I do not like about the amendments made in the other place is their creation of a two-stage scheme involving two administrative bodies, something that we believe will prove too costly and bureaucratic. It allows investigators to act independently of a hospital, which will work against the aim of encouraging local learning and a more open culture. The Healthcare Commission will be charged with supervising the work of the investigators. The commission believes that that would be inappropriate and would not sit well with its current expertise and role.

Mr. Andrew Lansley (South Cambridgeshire) (Con): The Secretary of State seems to have skipped the point of principle involved in the amendments and concentrated on detail. The point of principle is that patients who make a complaint or, indeed, a claim against an NHS trust expect and need an independent investigation. Is the Secretary of State saying that the amendments are wrong because investigations should not be independent? It seems to us an essential point of principle that they should be.

Ms Hewitt: That is precisely where we differ. In the original Bill we provided for a single scheme allowing a hospital trust to identify untoward incidents that might well involve clinical negligence, as well as dealing with complaints made to it directly by patients or their families. The trust would investigate and ascertain the facts and, with the patient's consent, would refer the case to the scheme authority, the NHS Litigation Authority, to establish liability and an appropriate level of compensation. The patient would, however, have access to independent legal advice and, in some cases, to independent medical advice as well, because independent medical advice might well be needed to establish the full facts.

Because the scheme originally proposed does not replace or deny a patient's right to go to court, we believe that it is proper and sensible to stick to it. We think that there should be an integrated investigation system and a single authority, the NHS Litigation

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Authority, overseeing the scheme, rather than the two-part process established in the other place.

Mr. Lansley: Does the Secretary of State realise that a patient to whom injury may have been done will expect not just an independent investigation, but an investigation that is not conducted in circumstances involving a clear conflict of interest between establishing the facts and the degree of liability and the amount of compensation to be paid? The Government's scheme allows such a conflict, which will drive patients to the point of pursuing claims through litigation rather than using the fact-finding mechanism introduced by their lordships to seek redress from trusts.

Ms Hewitt: Our scheme is entirely designed to respond to what patients tell us they need: much faster investigation of complaints, much faster establishment of what went wrong, and real learning of lessons. I am sure that the hon. Gentleman has heard from his constituents something that I hear regularly: "What I want is for lessons to be learned from what happened to me, so that someone in the same position does not suffer in the same way."

Those people want compensation to be paid, where appropriate. By having a single scheme under the aegis of the NHS Litigation Authority, we believe that we can most effectively respond to the wishes of patients and—this is part of what patients rightly want—ensure that there is an open culture and a culture of learning in NHS and other hospitals.

Sandra Gidley (Romsey) (LD): I think that we would all agree with those aims, but the Secretary of State has not explained what the problem is with the scrutiny being independent, so that it has greater authority in the eyes of the patient. As has been explained, we should be focusing on the patient.

Ms Hewitt: The problem—I was just starting to make the point—is that the scheme would be more complex and more cumbersome if we had completely independent investigators and we had two separate organisations, with the Healthcare Commission overseeing the work of the investigators and maintaining the register of independent investigators. We were told in another place that those supporting the amendments had in mind the coroners model. For anyone who has dealt with constituents who have been through a difficult inquest, that is not a particularly happy model. We would have the NHS Litigation Authority looking at liability and the appropriate level of damages, and no single body would be responsible for oversight of the operation of the redress scheme as a whole. As I said a moment ago, the Healthcare Commission—we consulted about that possible new role—is very clear that neither the validation and accreditation of staff nor the oversight of local investigators would fit sensibly with its current remit. Nor does it believe that it would have the expertise to undertake those roles.

A further and not negligible point is that the potential cost of establishing a completely separate set of independent investigators could amount, depending on how many complaints were brought, to another £40 million or so a year. I do not believe that the benefits that have been claimed for the independent investigators would be realised. They would not justify those additional costs.

Mr. Vara: This is an issue of credibility. I do not agree with all the arguments that the Secretary of State has advanced but, even if they were to be the case, is she suggesting that there should be a system that is not credible, as opposed to having an independent system that is credible? She seems to be veering towards a not credible situation.

Ms Hewitt: I do not accept the Opposition's charge that the scheme that we proposed would not be credible. Indeed, the principle of the Bill, the way in which we intend to proceed and the recommendations of the chief medical officer have been welcomed by a number of patients organisations and others involved in these matters. We have, of course, put in place additional safeguards to ensure that the scheme works in the way in which we intend and believe that it will. We want the Healthcare Commission to have a specific role providing training to the hospital trusts and the scheme members on the way in which the redress scheme will operate. We will ensure that the Healthcare Commission's annual review of the provision of health care by NHS bodies will consider how effectively each of those hospital trusts is operating the redress scheme. In other words, there will be a new standard relating to redress and the Healthcare Commission will review the operation of the scheme against the new criteria.

Rob Marris (Wolverhampton, South-West) (Lab): I think that a simple scheme is a good idea, particularly when there is still access to the courts, but clause 8(3) refers, in shorthand, to a list of legal people who could provide advice upon an offer. That list is to be prepared by "a specified person". Can my right hon. Friend assure me that that specified person will be totally independent of the Department of Health? For example, it may be the Law Society of England and Wales, of which I am a member and which has a panel of clinical negligence experts.

Ms Hewitt: I can certainly give my hon. Friend that assurance. In fact, we envisage that the Legal Services Commission, which holds its own list of appropriate clinical negligence lawyers for legal aid purposes, will fulfil that function.

In addition to the role of the Healthcare Commission, clause 15 enables the independent health service ombudsman to investigate complaints about any maladministration of the redress scheme. Ann Abraham, the ombudsman, has welcomed the fact that the scheme's operation will fall clearly within her jurisdiction. She believes that the fact that an independent review of complaints about the scheme will be available will give reassurance to those using the scheme, to complainants and to the NHS bodies involved.

May I revert to a point made earlier by the hon. Member for Buckingham (John Bercow), who has since left the Chamber? I should like to correct an answer

that I gave about the negative procedure. The first regulation establishing the scheme under the Bill will, in fact, be subject to the affirmative procedure. I hope that that will reassure the hon. Gentleman, and I shall make a point of drawing it to his attention.

There were disagreements on clause 12 in the other place. Clearly, they will follow us into Committee as well as into this debate. Despite those disagreements, I believe that the Bill has been improved by more than 10 hours of discussion in another place. Following those debates, we have already made other amendments to the Bill as originally published.

In clause 3, we put the offer of an apology into the Bill and we prevent caps on individual heads of damage—for instance, loss of earnings. That makes it much clearer that payments received under the redress scheme will be in line with those made through the courts.

We have strengthened clause 8 to provide that legal advice must be available on the offer of redress and a settlement agreement.

Steve Webb: The Secretary of State has twice referred to some free legal advice being available. Will she confirm that it is extremely limited in scope? It comes at the end of the procedure, not at the start when it would be most useful. There will not be enough time for a lawyer to go through the whole detail of the case and appraise the adequacy of an assessment. The lawyer will come in at the end, have a glance and have little time to do much more. Would not legal advice of the sort the Secretary of State talks about be more useful to people throughout the process rather than only at the end?

Ms Hewitt: It lies absolutely at the heart of the redress scheme that we will be able to give quicker responses and better compensation to patients, rather than paying greater fees to lawyers. I am quite certain that lawyers will argue, as some outside the House have already, that much more legal advice should be made available all the way through the process. If we do that, however, we might as well stick with the existing situation in which people seek legal advice and go to court. Given that the redress scheme does not rule out the possibility of court action but will in many cases, I hope, replace it, it is right that the independent legal advice should come at the end of the process and that, in return for a fixed fee, an independent, properly qualified lawyer will be able to look at what happened, the medical evidence and what is proposed by way of compensation and apology. No doubt, though, that is a point to which we shall return later in this debate and in Committee.

Clause 8 also allows for a jointly instructed medical expert to be engaged at any point throughout the redress scheme, where both the patient and the trust feel that that would be helpful.

Rob Marris: May I caution my right hon. Friend? As one who did personal injury cases for many years before entering this place—indeed, I think that I am still on the Law Society's personal injury panel—I know that in many circumstances it is very difficult for a lawyer to give advice on the adequacy of an offer of quantum unless that lawyer knows how strong the case is on liability. If an offer was made at, say, half of what full liability would command, but the liability case for the individual would be weak were the matter to go to court, the lawyer might advise someone to accept a half offer. When the Secretary of State considers the scheme and the regulations, I would caution her that the lawyer will need to be able to look to some extent at liability before he or she can advise adequately on quantum, unless the lawyer wants to get sued.

Ms Hewitt: My hon. Friend has a great deal of valuable experience in this matter, but his point seems to reinforce the case for independent legal advice to be available at the end of the process, where, of course, the lawyer can look not only at the details of what happened and any independent medical assessment that has been made, but at the assessment by the NHS Litigation Authority about liability, as well as the level of damages.

Mr. Siôn Simon (Birmingham, Erdington) (Lab): Is there not some confusion? The Secretary of State is explaining why, in her view, the advice can only come at the end, while admitting that the Government amendments in the Lords to clauses 6 and 8 appear to suggest that there is scope for giving advice throughout the process and for using jointly instructed experts. My right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy) certainly gave the impression in her letter to the Constitutional Affairs Committee that the Government would look sympathetically on that kind of reading of those amendments in the secondary legislation. I am a bit confused about what message the Secretary of State is trying to give to us.

Ms Hewitt: As originally published, the Bill established quite clearly that legal advice could be available. We have strengthened that to ensure that legal advice must be available on the offer of redress and the settlement agreement. So that will come at the end of the process and enable the patient to make an informed judgment about whether to accept the offer or to reject it and pursue a court case instead. However, as a result of debate in another place, clause 8 will allow the patient and the trust together to instruct an independent medical expert, during the investigation of the incident or the complaint, to ensure that there is a full and agreed diagnosis of what has gone wrong.

We have also introduced an amendment to clause 10 to enable the scheme to require the hospitals and trusts that are members of the scheme to prepare and publish an annual report about the cases that they have dealt with under the redress scheme and the lessons learned from them. Clause 14 will provide the power to ensure that wrongly directed complaints under the scheme are redirected to the appropriate body.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Could the Secretary of State say something about whether time limits will be imposed either by the Bill or by subsequent regulations within which the trust and all the other parties in the NHS must respond to complaints? One of the big problems at the moment is that they simply do not respond in what seems to be a reasonable time.

Ms Hewitt: My hon. Friend makes a very important point. Like her, I have dealt with constituents who have been intensely frustrated by the length of time taken to get the facts acknowledged and a proper apology offered. I am rather sympathetic to the point that she makes, although we have not yet considered the possibility of trying to impose time limits at different stages of complaints. Of course, such time limits would depend somewhat on the complexity of the matter that was being investigated, but I am sympathetic to the principle, and that is a point to which we should return not only in Committee, but particularly when we consult on the detailed orders that will establish the scheme.

Clearly, there will be lively debates, not only this afternoon but in Committee, about some aspects of the redress scheme—in particular, the nature of the investigation that should take place—but I believe that, overall, not only in the House but across the country, there is broad support for the principles behind the Bill, and I commend it to the House.

4.18 pm

Mr. Andrew Lansley (South Cambridgeshire) (Con): On behalf of the Conservative party, I welcome the Bill, particularly in the form in which it has come to us from another place. The Secretary of State is quite right to say that, every day, tens of thousands of patients are treated in our hospitals. They are grateful to NHS staff for the care and attention that they give, and successful treatment is provided to the highest standards in the overwhelming majority of cases.

The Secretary of State will also be aware that, as in other health care systems across the world, a small fraction of treatments give rise to adverse events, and a tiny fraction of those adverse events give rise to injury. We need to pay very careful attention to those cases—not least, as she says, to learn the lessons and constantly to improve the quality of care. I am sure that she and the Minister of State, Department of Health, the hon. Member for Leigh (Andy Burnham), who has taken up ministerial responsibility for patient safety and quality, will pay very close attention to the progress of the National Patient Safety Agency's reporting scheme, which, like so many other schemes, is running late. I am sure that it will speed up under the Minister's whip.

We cannot underestimate the importance of these matters, because for patients who are affected and for those who suffer injury, such events can be very serious indeed. All of us as MPs will have had such cases in our constituencies; I have certainly had a number. Indeed, the Minister of State, Department of Health, the hon. Member for Doncaster, Central (Ms Winterton) will recall our debates on the Human Tissue Bill, and the fact that that legislation itself gave rise to quite a number of cases—certainly in my constituency—of constituents feeling very strongly that the way in which the NHS dealt with them portrayed precisely some of the unfortunate issues with which we are now trying to get to grips. The truth of what had happened was not acknowledged and the facts were not made available—in some cases for many years. Even when the facts were transparent, for reasons of not admitting liability, they did not give rise to an apology or a decent explanation, or any intention to provide substantial redress. As it happened, my constituents were not seeking financial compensation; they were driven to the courts by the failure of the NHS to accept liability and responsibility, and to provide proper explanations and an apology. That is principally what they were looking for.

We should start by recognising the fact that, strictly speaking, this legislation is not required for the NHS to provide the facts, an explanation or an apology. All those things can happen now, and should happen now. They should not happen only as a result of this Bill. This legislation is not an alternative to litigation; it should provide a basis in difficult cases, where the facts are not easily found and where fault is not easily established, for a much more patient-friendly way to proceed.

Michael Fabricant (Lichfield) (Con): My hon. Friend talked about examples that he has encountered in his constituency as a Member of Parliament. Does he agree that sometimes the saddest cases are those of a husband or wife complaining to him about the death of a spouse in hospital? Even if the hospital is not at fault, would not an independent inquiry conducted into the hospital have more resonance with the complainant than the hospital saying, "It is not we who are to blame"?

Mr. Lansley: My hon. Friend is quite right. I am sure that he, like me, has had constituents coming to him to talk about a relative—a husband or wife perhaps—who had died in hospital, and about the fact that they knew that things had gone wrong. Such events may or may not give rise to a claim for clinical negligence. We are of course dealing in the Bill with something that concerns an issue in tort—an injury resulting from that, which can be claimed for through a court. Such people have often said to me—and, I am sure, to my hon. Friend—that they are looking for a recognition of the truth of what happened and a reassurance that it will not happen again.

People would often take tremendous comfort from knowing that an event would not happen again—but I am afraid that people are not confident about that. I know from personal experience that the patient advice and liaison services in the hospitals in my constituency—I have two large hospitals there—go to enormous lengths to try to establish the facts of what happened. I have been very impressed on many occasions by the detail that the service has gone into. However, that does not mean that my constituents are satisfied about the independence and veracity of what is said. A degree of independence is required.

The Secretary of State talked about independent medical experts, but patients are looking for an investigation into a matter that is serious and has resulted in their injury, and about which they might otherwise go to court. They want that independence of investigation, because it gives them the confidence to be able to reach a settlement or to accept an explanation, an apology and some redress from the NHS, without feeling that they have to have their day in court.

We are not trying to establish an alternative courts procedure through the system, but if it is independent,

members of the public may certainly be able to treat the process as if it were their day in court. They will have the facts examined, they will know what happened and they can insist on the lessons being learned. That point comes home.

To an extent, we have been talking about complaints in general. The Bill is about a distinct subset of complaints that give rise to this kind of claim. However, across the complaints procedure we can see how often members of the public and patients want an independent investigation. That has happened in so far as they have been given the opportunity to go to the Healthcare Commission. Previously, people had community health councils, which often supported complainants. The Government took that away from them. *[Interruption.]* There is an independent complaints service. Many members of the public go to the Healthcare Commission, not least because they want the independence of the commission's investigation.

The hon. Member for Birmingham, Edgbaston (Ms Stuart) just asked about time limits. She is right. There is sometimes a case for considering how long it is taking to examine complaints. I applaud much of the Healthcare Commission's work, but it has had to set limits on the time that it will take to examine complaints. I am a bit disappointed because in letters I have had from the Healthcare Commission, make it perfectly clear that those time limits do not apply to the existing backlog of cases. There will be some cases that are taking a long time and there will be no certainty about how long it will take to resolve them. That gives an indication of the volume of activity that we are dealing with and how important it is to members of the public that cases do not go on for months. Sometimes it takes more than a year to resolve a case.

Rob Marris: The hon. Gentleman may be aware that in planning law, if the local authority fails to respond to a planning application within six weeks—I think that that is still right—that application is deemed to have been refused.

Mr. Kidney: Eight weeks.

Rob Marris: My hon. Friend tells me that it is eight weeks. Does the hon. Member for South Cambridgeshire (Mr. Lansley) agree that there should be a similar system for NHS redress claims, so that there would be a deemed admission of liability unless there had been a response within a specified period?

Mr. Lansley: I am not sure that I do. I feel myself not bending towards that idea. In planning, one can go to the Government office and seek an appeal on the grounds of non-determination. In this instance—if the hon. Gentleman cares to join us in supporting the Bill as it stands—it seems to me that if there is an independent process, at least there is a reasonable chance of there not being a delay occasioned by the interests of the trust itself. At least if there is some delay, it will be as a consequence of the volume and complexity of the cases being dealt with. I hope that the independence of the system and the ability to appoint independent redress investigators will give greater flexibility, rather than having things determined simply by the resources of the NHS Litigation Authority, as the Government propose.

Mr. Brian Jenkins (Tamworth) (Lab): The one thing that strikes me as a common chord is that I do not believe that there is any financial difference between an independent and an in-house investigation, in so far as there is an opportunity cost in taking surgeons and doctors away from their duties. My main concern is that if independent people are brought in, they will not know the operating methods in the hospital, so it will take them longer to get to the nitty-gritty of the affairs, to get to the people that they need to reach, and to get the information. I am talking about that time delay. Those people might not come up with the same degree of accuracy when they carry out the investigation. That is my difficulty with the independent aspects.

Mr. Lansley: I do not agree with that. Let us face it, under the system that the Government propose, even though it is not independent, there must be a fact-finding process before moving on to a fault-finding process. The Government themselves propose that there should be independent medical experts, who, by their nature, will presumably not be employed by the trust in question, so there will be a degree of independent scrutiny. Frankly, that must be essential because in the absence of independent scrutiny, I am sure that patients would not regard the outcome of an investigation—whether in the form that the Government propose or that which we propose—as having the necessary validity for them to accept any kind of redress. There must be a degree of independence.

Ms Diana R. Johnson (Kingston upon Hull, North) (Lab): Will the hon. Gentleman give way?

Mr. Lansley: I will, but then I must get on to the detail of the Bill.

Ms Johnson: Would the patient redress investigators be lawyers, clinicians, or lay people with just a general knowledge of the health service? What does he envisage that those people's qualifications would be?

Mr. Lansley: I am sure that that would, in part, depend on the nature of the facts that needed to be established. We are talking about a fact-finding investigation following an assertion of clinical negligence, so it would be likely that those people would be medically trained and, of course, independent of the trust in question. I am sure that Ministers would expect there to be a degree of independent medical investigation, as would be the case under their proposal that independent medical experts be available.

I thank their lordships for their amendments to the Bill. They have given us a Bill that would enable us to set up a scheme that would be coherent and with chances of success that did not exist previously. I especially pay tribute to the work of my noble Friend Earl Howe, on behalf of my party, and that of Baroness Neuberger and Baroness Barker, who speak for the Liberal Democrats. They created a consensus in another place on amending the Bill in such a substantial way.

[Mr. Lansley]

As has been illustrated by the nature of our discussions so far today, the debate is not party political, but one of policy and practice. The arguments clearly point towards the merit of the Bill as it stands, so the Government would do well to accept the Lords amendments, rather than trying to reverse them. I was thus sorry to hear the Secretary of State say that the Government wish to change the Bill. Government Members will support the Bill's Second Reading and endorse its principles, but clearly there is a major principle at the heart of the Bill that the Government do not endorse, which, I fear, shows once again that they, and the Department of Health in particular, do not have the sureness of touch that is needed to deliver better policy. In this case, they would do well to show a degree of humility and accept that there is conceivably a better policy than that which they originally put forward.

Our policy on clinical negligence is simple. Any patient who is injured by negligent treatment should be entitled to compensation. There must be affordable access to justice, and such justice must not lead to excessive compensation or cost, because as we know, every penny lost in litigation is a penny less available to provide patient care. We must thus find a system that is fair, not prone to abuse or excess, not too bureaucratic, and not exposed to speculative claims.

We welcome the principles and intentions that underlie the Bill. We are pleased that the Government recognise that clinical negligence litigation is in serious need of reform. There is widespread concern that the compensation system is complex, unfair, slow, costly and wasteful. The process can be stressful for the parties involved—both patients and health care professionals. The Bill thus represents a limited step towards addressing the problems.

The cost of clinical negligence litigation to the health service in 2004-05 was £502 million. The contingent liability is estimated at several billion pounds. Indeed—the Secretary of State did not mention this—because of the changes in the relevant discount rate, the contingent liability increased by £635 million in the 2005-06 accounts alone.

Of course, legal aid provides the oxygen for medical litigation, because most cases are publicly funded. Last year, 6,217 legally aided clinical negligence cases were concluded. Of those, 2,574 went beyond the investigation stage, and there was a substantive benefit to the claimant in 56 per cent. of cases. Happily, I do not have to do the arithmetic in my head, but the overall success rate for legally aided clinical negligence cases was 23 per cent. That figure, which represents about 1,400 cases, must be contrasted with the hundreds of thousands of adverse clinical events that occur. Even if only a tiny proportion of those adverse events gives rise to injury, it will be apparent to the House that there is still a huge disparity between the number of possible negligence claims and the number of cases that go on to litigation. Indeed, it is curious that a high proportion—perhaps three quarters—of those that are litigated prove not to have substance, while large numbers of potential clinical negligence claims are not even pursued.

Steve Webb: I am grateful to the hon. Gentleman for giving way, and for his comments about my noble Friends in another place; as he says, we have worked closely together.

May I ask about legal aid, which he just mentioned? The Secretary of State effectively said, "Well, people can go to court anyway," but is it the hon. Gentleman's judgment that people who apply for legal aid opt for negligence? Once NHS redress is up and running, the legal aid people will say, "Well, there is a redress scheme and we aren't going to spend taxpayers' money on legal aid," so people on low incomes will not have the option of going to court.

Mr. Lansley: That may be true, and I accept the hon. Gentleman's point. I find it astonishing that the Secretary of State did not talk about legal aid, because the problems of legal aid go to the heart of the difficulties that we are experiencing with the clinical negligence system. The Government's apparent desire to avoid that fact is evidence that they have not thought through the policy implications of dealing with the legal aid problems.

Let us run through some of those problems. Legal aid does not ensure access to justice for deserving cases, as most people are not eligible. Instead, it provides access to lawyers for an eligible minority. Legal aid lacks independence. Funding is granted on the advice of the applicant's lawyer, so there is a clear conflict of interest that may encourage over-optimistic advice, to put it kindly, or speculative litigation, putting it less kindly. Legal aid lacks fairness. Successful defendants cannot recover legal costs. Legal aid puts the claimant in a no-lose position and the health service defendant in a no-win position. It may be cheaper to settle a claim regardless of merit, to avoid irrecoverable legal costs—a practice known as legal aid blackmail.

The Secretary of State referred to the legal costs that the NHS has incurred, and of course the structure of legal aid is one of the reasons why the legal costs that the NHS has had to meet have been so great. Legal aid lacks accountability. Funding decisions involving public money are privileged and confidential, and are not subject to public scrutiny. As a Member of Parliament, I have sought to question some of the decisions made by the Legal Services Commission about the people to whom it grants legal aid. Frankly, that is an impenetrable question. The fact that it has met and made a decision is regarded by the LSC as justification enough.

Most clinical negligence cases are legally aided, but the great majority of households do not qualify for legal aid. Is it the case that clinical negligence harms only people eligible for legal aid? Of course not. It is not a matter of cases not being brought because they lack merit; they are not brought because there is no legal aid available. The record of legally aided claims involving health care is dismal, as I said. In some instances, that has promoted unsubstantiated health claims and scares based on junk science, threatening the health of the nation's children. Too often, lawyers are the only beneficiaries of publicly funded legal action. Scarce resources are diverted from patient care to lawyers' fees, all in the name of justice and all paid for by the taxpayer.

The solution to the problem of clinical negligence litigation lies in the realm of funding. Legal aid has brought relief to many people, but it is a popular misconception to equate legal aid with access to justice. Access to justice is not best delivered by the legal aid system. There is a better way to do that; before the election, we said that we needed wider proposals to reform clinical negligence—I am sure we will return to that. The reforms in the Bill are consistent with a wider reform, but no one should believe that they are sufficient in themselves. However, it is best to confine ourselves to the scope of the Bill, rather than try to debate the wider question of the way in which legal aid can be reformed.

As the Secretary of State mentioned, the origins of the Bill lie in the chief medical officer's report, "Making Amends", which considered the problems highlighted by "Options for Change". The underlying policy of "Making Amends" was to move away from a tort-based culture. It stated that:

"tort sits so uncomfortably in an NHS with an ethos of equity".

Its recommendations

"move the role of tort from its current central position to the outer perimeter of the NHS."

However, the report paid scant regard to the problems of legal aid. The Bill recognises and exposes the failure of "Making Amends". It is not based on "Making Amends". Instead of moving away from tort, the Bill makes tort its centrepiece, in clear contradiction of "Making Amends".

That report by Liam Donaldson contained 19 recommendations, of which 18 are not addressed by the Bill. Indeed, the well-intentioned but ill-considered recommendation No. 2, proposing a no-fault compensation scheme for brain-damaged babies, was dropped last summer. The Bill gives effect only to recommendation No. 1, not in the way that "Making Amends" proposed, but at least by introducing an NHS redress scheme to provide investigation when things go wrong, remedial treatment, rehabilitation and care where needed, explanations and apologies, and financial compensation in certain circumstances. It applies where there is a qualifying liability in tort—that is, a breach of duty causing injury. This is the condition precedent to qualify for the scheme. It is much narrower in scope than a complaint, which may or may not involve negligence.

The Bill is ambitious in its scope. It proposes a package of remedies—a one-stop shop providing different remedies. It represents enabling legislation. The detail will be set out in secondary legislation. It provides a skeleton framework of duties and powers to give effect to the underlying policies, and it is the Government's underlying policy that gives rise to our concerns.

The Government's proposal seems to be mainly concerned with compensation, as it can apply only where there is a qualifying liability in tort. It appears to be conceived as an in-house settlement-making process, rather than as an independent judicial investigative process. Liability is to be assessed by the National Health Service Litigation Authority, rather than determined by any independent tribunal. Compensation is to be offered by the NHSLA, rather than awarded by any independent person. We should remember that the NHSLA is the body that carries the liability on behalf of scheme members, so it has a vested interest in the matter.

Any offers arising from the process are to be made on a "without prejudice" basis. Although facts or some degree of fault may be disclosed, if the claimant—the patient—does not take up an offer and reach a settlement, that disclosure cannot be used as the basis for a claim, and no admission of liability can be derived from it. Offers are to be accepted or rejected on a "take it or leave it" basis.

The situation in clinical negligence is bad enough, but the Bill as originally drafted would have made matters worse. The response of claimants to such a process may well be to treat it as partial, and as no more than a preliminary stage to legal action. Far from being an alternative to litigation, it would, by virtue of its invitation to claim, have generated more litigation, not less.

The concept of a one-stop shop is superficially attractive, but on closer inspection the Bill was found to be fraught with problems. It sought to combine conflicting functions and it confused fact finding with fault finding, an inquisitorial process with an adversarial process, and open proceedings with "without prejudice" proceedings.

We have consulted widely in formulating our alternative approach, which is now reflected in the Bill. The Government's willingness to tackle the problems of clinical negligence was broadly welcomed. However, there was a general recognition that the original Bill was fundamentally flawed, and represented a wasted opportunity. In summary, there was a single constant theme: the need for open, independent, fact-finding investigation. The Bill as amended in their lordships' House reflects that simple point. The amendments have given the Bill functional coherence, and place the interests and priorities of patients at its core.

Our first key concern has been the need for independent investigation. Independence is a basic principle of natural justice, enshrined in the rule against bias—that no man may be a judge in his own cause. The investigation should not be concerned with issues of legal liability. We should separate fact finding from fault finding. There is ample judicial authority for that dichotomy. The Secretary of State spoke about two separate processes, and logically they are two processes. Fact finding and fault finding will be distinct aspects of any investigation. We want the fact finding to be conducted by NHS redress investigators as an inquisitorial process. The investigation may provide the basis for an explanation, apology, lessons to be learned and, where appropriate, an assessment of civil liability and an offer to be made.

The Government's proposals would have had the NHS investigating itself as judge and jury. The Constitutional Affairs Committee report stated:

"We are concerned that if the organisation which is responsible for defending trusts and hospitals is also charged with running the scheme, there may be a perception (whatever the reality) of a conflict of interest."

We need the reality and the perception to be understood. Justice must not only be done but must be seen to be done.

Secondly, we need an open procedure. Findings of fact should be robust and capable of use apart from the

[Mr. Lansley]

redress scheme, which means that the proceedings leading up to the offer should be either without prejudice or privileged. An investigative process can hardly be described as transparent if its findings are not open, which is a consequence of the Government's proposal to mix up fact finding with fault finding. The Government are treating facts disclosed during an investigation as if those facts were part of a fault-finding process, in which case their disclosure would be an admission of liability, whereas disclosing the facts is an essential part of the process of winning the patient's confidence in the redress scheme. If an offer is rejected, the findings of the investigation cannot be used for any compensation claim outside the redress scheme under the Government's proposals. Our proposal would change that state of affairs, and rightly so. I will not detain the House by explaining our proposal in detail, but it follows the precedent set out in the Inquiries Act 2005.

Thirdly, we want the scheme to reflect patients' priorities. When something goes wrong, patients want an explanation and an assurance that lessons have been learned, and an open and independent fact-finding investigation reflects that priority. Compensation does not necessarily rank highly in patients' expectation of the role of a redress scheme, but the Government scheme is geared to compensation and does not allow for the possibility that establishing facts and learning lessons is sufficient in itself.

When compensation is required, we want it to be fair. Our proposal provides a range of options: patients can accept an offer; they can negotiate or mediate a settlement; they can enter a Resolve-style scheme; and, as must always be the case, the courts are available as a last resort. Different cases may require different procedures, and choice and flexibility should be available for patients. The fact-finding investigation that we propose would provide patients with an understanding of the basis of any claim, and a Mackenzie friend would be available to provide support and guidance.

As I have said, the health service has always had the power to settle claims without resort to litigation, and it has done so on innumerable occasions in the past. Early settlement by defendants in suitable cases represents good practice and reduces costs—it is what the health service should be doing anyway. To characterise the Government's proposed redress scheme as providing an "alternative to litigation" is misleading and something of a gimmick. The same is true of the offer of treatment by the NHS as a consequence of the redress scheme. Remedial treatment which is clinically necessary is an entitlement of patients, and it should not depend on the outcome of any redress scheme.

The Secretary of State has said that the introduction of an independent fact-finding scheme would cost up to £41 million. Frankly, we cannot see how the Government have arrived at that figure. The investigation of cases represents a fixed cost, whether it is conducted under the system currently in the Bill or under the Government's original proposal. We do not envisage a separate bureaucracy undertaking the investigations, which should be overseen, directed and conducted by an independent person under the auspices of the Healthcare Commission.

On 28 March 2006, the former Minister of State sought to explain how the figure of £41 million was derived. She said that £41 million was the upper cost estimate and that the lower limit is £14.5 million. She also said that the funds would be for investigating clinical negligence, but that is wrong, because our proposals cover an investigation of the facts, not fault. The cost is not additional, but it is an inevitable cost, because there has to be an investigation whether by the NHS Litigation Authority or by independent investigators.

The Government's estimate of the number of cases involved is between 2,200 and 19,000—a tenfold range. Again, the Government's number crunching is fanciful.

Mr. Graham Stuart (Beverley and Holderness) (Con): Does my hon. Friend agree that if independence is instilled in the fact-finding part of this process, people will be less likely to seek financial compensation when what they most seek is an apology and a proper finding of the facts, and that that will save the NHS money, as well as giving confidence to patients who have been wronged by the system?

Mr. Lansley: Yes, that is right. I think that we will find, in many cases, that a more open scheme which is perceived to be independent will forestall litigation to a greater extent than it gives rise to it. The Government anticipate that there will be an increase in the number of claims. Quite a number of claims may well go through the NHS redress scheme, but we should not treat that as a fault in the scheme. We want to ensure that people who currently may not have access to compensation for clinical negligence should, in some cases, have such access, but we do not want large numbers of people to pursue litigation. My hon. Friend is right to say that the lack of independence in the Government's proposals will cause many people to feel that they want their day in court. The only way that they will get the independent scrutiny and judgment for which they are looking will be to go to court. I am sure that we want to avoid that happening.

I am afraid that the Government's figures have been wrong before. The Constitutional Affairs Committee was pretty sceptical about the Government in its report, which says in paragraph 94:

> "It is surprising that the Department of Health has brought forward an ambitious Redress Scheme, without setting out in detail how it will be run...We were informed that contact had not been made, either with lawyers or medical experts, about whether they would work for fixed fees and to the timetables envisaged. These lapses appear to threaten the viability and effectiveness of the scheme."

It is curious that the Government appeared to be completely unaware of, or were speculating about, the cost of their own scheme, yet absolutely precise, to the nearest £1 million, about the cost of an alternative. As the Committee made clear, there is little reason to accept the economic forecasts of the Department of Health, which has just been plucking figures out of the air.

Our proposals would put patients, not the health service, at the centre of the redress process. By confining the investigation of a case to fact finding by

an independent process, and separating fault finding, we largely avoid the problems of the Government's proposals. Patients' interests are safeguarded by that independence.

We do not pretend that the redress scheme provides an alternative to litigation, as defendants ought to settle cases without resorting to litigation anyway, where possible. We should not underestimate their wish to do that. I well remember constituents who wanted the truth and an apology, but got neither and so went to court. Their cases needed independent investigation. Our proposals reflect such patient expectations and priorities, comply with the principles of natural justice, and are economically prudent and fair in application. They would widen access to justice; they do not rely simply on the legal aid process to ensure access to justice. They would simplify an overcomplicated and confused Government approach. In short, we believe that our proposals would allow patients to have access to a potentially fairer and better result.

No scheme will be perfect when dealing with such a complex subject, but we believe that our proposals—by which I mean the proposals supported by all Opposition Members—are a substantial improvement on the original Bill as presented in another place last October. I therefore commend the Bill to the House.

4.53 pm

Mr. Siôn Simon (Birmingham, Erdington) (Lab): I start by welcoming my hon. Friend the Member for Leigh (Andy Burnham) to his relatively new position in the Department of Health. As I was coming here, it occurred to me that when he became the Minister with responsibility for identity cards, ID cards were the screaming adolescent of British politics. A relatively short time later, he leaves them sleeping gently like a baby, if not ticking like a time bomb. We can only hope that he works the same magic on the NHS.

I declare an interest as a trustee of the patients' charity Action against Medical Accidents, which is generally known as AvMA. For more than 20 years, it has held the mantle for patient safety and justice for people who have been affected by medical accidents in this country. It is fair to say that, without AvMA's influence, patient safety would not be as high on the agenda as it is today. We might well not be holding the debate or have such a Bill without it. I hope that Ministers agree that AvMA has a constructive, well-informed and coherent input into policy and that there is much to be learned from the patient's perspective. I know that other hon. Members will have found the AvMA briefing on the Bill as valuable as I have.

AvMA and other patient groups have long argued that there should be a speedier, less stressful way of providing redress in the widest sense for people who have been caused avoidable harm. Legal action remains a vital safety net and will still be necessary in more complex and serious cases, but it is not popular with injured patients and should be a last resort. AvMA has campaigned for years for dovetailing the complaints procedure with a process of awarding compensation, together with full explanations, apologies and assurances that patient safety lessons will be implemented to make things safer for others. The Bill intends to deliver most of that. The measure is broadly good and hon. Members of all parties want to support it and help the Government make it work. So far, so good.

We have consensus, but there is an opportunity for the Bill to be a universally good news measure. We must ask ourselves why, when there is such consensus on the Bill's stated aims, we do not have the positive response for which we might have hoped. Why do not AvMA and a broad coalition of patient groups welcome the Bill with unreserved jubilation? Although the aims are widely welcome, there is widespread concern about its implications as drafted.

The joint statement that many hon. Members will have seen is from groups including the Patients Association, *Which?*, the National Consumer Council, Help the Aged and Mind. Their core points are: there should be an independent means of deciding on merits; advice and assistance should be provided during the scheme; and medical and legal expertise should be available during the process, not simply at the end. There also need to be more robust measures in place to learn lessons and take action to improve patient safety. Those requests do not seem unreasonable given how coherently they sit with the Bill's stated aims and the Government's intentions, which no one doubts are sincere.

Many of us would like the reforms to go further, as the hon. Member for South Cambridgeshire (Mr. Lansley) said, in line with the chief medical officer's recommendations in "Making Amends", in which he called for a fairer test for eligibility than the Bolam test. That test, with tort at its centre, is not the best on which to base the Bill from our current position. An avoidability test, which would widen the definition of liability, similar to what has been done in, for example, Denmark, is more in tune with a culture that is less about focusing on apportioning individual blame and more about identifying the root causes of errors, which are usually systemic. That test might have provided us not only with the answer to whether redress should be provided but what risk management measures should be put in place—all through one investigation. That can be done.

Perhaps the time is not yet right for such a radical reform, notwithstanding its merits and compatibility with what the Government say that they are trying to do, but perhaps we could revert to it once the initial scheme has bedded down a little. We are told that we will need new legislation for primary care anyway and we are repeatedly told to look forward to endless streams of secondary legislation. I would welcome the Minister's comments on whether some sort of avoidability test could be the subject of future legislation.

The issue of independence in determining eligibility for redress has been a recurrent theme in our debate today and in all the previous debates on the Bill in the other place and elsewhere. Many stakeholders would have preferred the merits of negligence cases to be investigated by a completely independent organisation. The Government have explained that the intention is to

[Mr. Siôn Simon]

change the culture of the NHS, so that it learns to recognise its errors, investigate them fully and make fair offers of redress, without the need for the rigour of an independent process. That is a laudable aim, but the way to change the culture is to change the rules. Realistically, one cannot expect the culture to change and the rules to follow. It has to be the other way around.

There are real difficulties with how long change would take and how practical it would be. The problem is that at present we are stuck with the Bolam test, which is designed for the tort approach and assumes specialist legal representation for the claimant and the case being examined with the full rigour and independence of the courts. It would also be used in a scheme in which the NHS, the would-be defendant, sat in judgment on itself, and no specialist legal representation would be available to empower the patient to make their case effectively on what is a very technical legal test.

As Ministers have said, the Bill does provide for some legal advice and some

"assistance for individuals seeking redress under the scheme".

That advice, however, is available only at the end of the process and would not enable claimants to influence the outcome of the decision on the offer of redress. That is a fundamental point.

The assistance to those seeking redress is described in the guidance as

"PALS or ICAS type arrangements".

We all have tremendous respect for the people doing worthwhile work in both those services, but neither is appropriate for empowering a patient to influence the outcome of an investigation based on the highly technical, legalistic and tort-based Bolam test. Patient advisory liaison services are not independent, but part of the customer care arrangements in NHS trusts. The Independent Complaints Advocacy Service is designed to help patients navigate the NHS complaints procedure. Neither has the legal and medical expertise available to empower patients to influence such a legalistic test, nor would it be appropriate for them to do so without radically changing the purpose for which they are designed.

This is not a bad Bill. It is definitely moving in the right direction. It is at least possible that the scheme could be run so that it would go a long way to address the main concerns that have been articulated by interested groups such as AvMA. The Government amendments in the Lords allow for the possibility of legal advice being available during, rather than just at the end of, the process. As I said in an intervention, the previous Minister said in her letter to the Constitutional Affairs Committee that stakeholders will be consulted, during consideration of the secondary legislation, about the circumstances in which legal advice could be provided at earlier stages of the scheme. The question is whether such fundamental provisions, which could radically alter the nature of the redress scheme—especially the way in which it is perceived by stakeholders and its capacity to enjoy public confidence—should be left to the vagaries of future consultation on secondary legislation. I suggest not. We are always being told that our requests will be met by the regulations, but Ministers have already conceded that the Bill should contain such powers. I therefore strongly urge Ministers to consider strengthening the provisions in Committee to make more legal representation available during the process.

It seems to me, and to AvMA, that the most practical way forward would be to draw on the experience of the resolve pilot in England, which has been favourably evaluated, and the speedy resolution pilot in Wales. In those pilots, cases in which liability had not already been admitted and an offer of settlement made—disputed cases, in other words—had their merits determined on the basis of independent medical experts' reports. The experts had been commissioned jointly by the NHS and a specialist solicitor acting for the patient. There is already evidence that that approach works, and it is much cheaper than litigation. The solicitors are paid a relatively modest success fee only if the case receives a positive report on eligibility from independent experts, and the mechanism would be needed only if the NHS had not already recognised its own negligence and sought to settle the case.

The more successful we become in changing the culture of the NHS and improving its capacity to investigate itself, the less we will need such a safety net. Will the Minister at least confirm that such an approach is consistent with what he has in mind? It is hard to see how justice will be done in the majority of cases, in the short term at least, without such a safety net. It is a fundamental fact that the vast majority of clinical negligence cases that are settled in favour of the claimant have already been investigated and stubbornly defended by the NHS. It is as simple as that. Almost all of them have been resolutely, and wrongly, defended by an NHS that was not equipped to investigate itself.

That culture needs to change, but I say that we should change the rules and let the culture follow. It will take years and a considerable amount of investment to turn the culture around, and to go ahead with an NHS redress scheme that does not provide for an independent means of determining eligibility in contested cases would mean that many deserving cases would not get the redress that they deserve and that the Government and all of us want. It will also lead to a lack of confidence. It is notable that the Government said of the Legal Services Bill, which is before the House at the moment, that the office for legal complaints

"will not delegate the handling of consumer complaints to Approved Regulators as set out in the White Paper. There must be no appearance of professionals judging their own".

That is right; it is obvious that they should not handle those complaints. Even if they were extremely successful at it—and there is clear evidence that they are not—the appearance would be bound to alienate the vast majority of lay people, who would simply not believe that they were getting justice.

Rob Marris: I am interested in what my hon. Friend is saying, but I must caution him. He is right to say that we must change the culture, but in my time—my experience goes back five years, because it is five years since I stopped practising as a lawyer—I made hundreds, if not thousands, of negligence claims against the NHS. All too often, the problem was that

the solicitors from outside the health service who were engaged on contracts by the NHS were absolute rubbish. They did not know what they were doing, they were far too slow, they incurred far too many costs on behalf of the NHS, and the cases often folded at the last minute. That culture needs to be changed.

Mr. Simon: Far be it from me to argue with my hon. Friend, with all his years of experience of the incompetence of lawyers.

I genuinely believe that this is a good Bill, and that it represents a sincere effort to bring justice and redress to people who profoundly feel the lack of them. At all times, we all have constituents who suffer from this, and we all know how real it is.

I firmly believe that the Government are serious about doing this. I equally firmly believe that, although the direction of travel is right, we must ensure that this long-awaited initiative enjoys more widespread confidence than it will achieve as drafted. It would be a terrible shame if this opportunity were wasted. We might simply need to be clearer in the Bill about the nature of the provisions that the Government already intend to put in place through secondary legislation. At least some clearer assurances about what is intended would go some way to address the concerns that have been expressed.

I feel sure that if we went the extra mile to address those concerns, we would have a genuinely historic milestone of a Bill in terms of changing how ordinary people experience their interface with the huge, great, terrifying medico-legal establishment. I would be interested to hear what the Minister has to say about those points, but I urge the Government to be flexible in Committee and not to waste the opportunity presented by what could be a very good Bill.

5.11 pm

Sandra Gidley (Romsey) (LD): I, too, am pleased to welcome the Bill in its revised form. I want to support most of, if not all, the remarks made by the Conservative spokesman, the hon. Member for South Cambridgeshire (Mr. Lansley), because we worked jointly in the House of Lords on the Bill and it would be a great shame if the Government did not take note of the changes that were achieved there. Had the Bill arrived in the House of Commons first, however, the welcome would have been rather more muted. While no one can doubt the intention behind it, this is probably one of those classic cases in which the Prime Minister will wish in retrospect he had been more bold.

As has been said, we face a Bill that deals with only one of the 19 recommendations made by Liam Donaldson, so a huge opportunity has been missed. The Bill also deals only with the secondary healthcare sector. Again, we have an ideal opportunity for some joined-up thinking throughout the health service. As it stands, the Bill is welcome, but we seem to be tinkering at the edges.

Mr. Beith: Did my hon. Friend notice that the Secretary of State seemed to exclude the possibility of extension to the primary care sector, whereas the Government's response to the Constitutional Affairs Committee report indicated that the scheme would be evaluated after three years and that, at that stage, the possibility of extending beyond the hospital sector would be considered? There seems to be some confusion in the Department's thinking on whether the scheme will ever be extended beyond hospitals.

Sandra Gidley: I thank my right hon. Friend for pointing that out. I had not noticed it, and I hope that the Minister can help us in his winding-up speech.

I had a quick look at the Bill to see whether I might have to declare an interest, as I am on the practising register of the Royal Pharmaceutical Society. That does not seem to be the case, but it is worth pointing out at this stage that when I worked in the health service the culture was important. That was alluded to by the hon. Member for Birmingham, Erdington (Mr. Simon). I shall refer to an example of how it can operate.

I worked for a company that decided to have an open, no-blame culture, and there was great encouragement that any error, however small, should be recorded. Those errors were shared throughout the group. As a result, it was common to see one or two errors that were not necessarily life threatening, but that could be prevented. Steps were taken throughout the company to ensure that they did not happen again. Exactly the same thing could happen in the NHS as a result of more information sharing.

The National Patient Safety Agency is trying hard to encourage a culture of no blame and openness, but there are fears that the legislation as drafted might not necessarily further those interests owing to the fact that everything is in-house. The Secretary of State argued the opposite, but it remains to be seen how the system works in practice.

Despite talk of a litigation culture, evidence shows that the number of claims is falling slightly. In 2004-05 there were 5,609, while in 2003-04 there were 6,251. However, it is dangerous to take a year out of context. The figures for those two years are widely cited, but the background reveals a steady increase in the number of claims up to that point.

It should be borne in mind that we live in a society in which there is sometimes a failure to accept human error. Medicine is a complex subject, staff are only human, and mistakes sadly happen. A friend of mine trained as a doctor. On the first day, the trainees were sat down and told that at some stage during their medical careers they would kill someone. If they could not cope with that thought, they should leave there and then. It was not suggested that they would kill anyone intentionally—the Shipmans of this world are, thankfully, rare—but mistakes happen for a number of reasons, such as tiredness, pressure, attempts to deal with enough patients to meet the latest Government target, and even ill-thought-through protocols. Often mistakes are due to a combination of unfortunate events: an error can be compounded by other happenings.

It is important for us to be able to identify what is going wrong. The figures are stark. In 2005, the National Audit Office reported 974,000 incidents and near-misses, which did not include hospital-acquired

[Sandra Gidley]

infections. Only a proportion of those cases were due to negligence, and we could argue all day about what the proportion was, but some would say that it could be as high as 25 per cent. The number of claims that have been made suggests that that is the tip of the iceberg.

It is good that patients will have an automatic right to come forward, but the $64,000 question is whether the number will be greater than predicted, and how that would affect the pot of money available. As has been said today, an unwillingness to own up early and instigate remedial action promptly is often a cause of prolonged correspondence with Members of Parliament, patients and hospital authorities. A change in the culture would save much time and effort.

Many Members have identified a major problem with the original Bill: the fact that the NHS Litigation Authority, which is not regarded as independent, will oversee the process. As has been pointed out, that must be done by an independent body if justice is to be not just done but seen to be done. That is the crux of the argument.

The actual procedure, as outlined by the Government, is fair enough. It is important to determine the facts behind a claim, to decide whether an error was indeed made, and to assess the seriousness of such an error. Above all, it is important for the patient, or the patient's relatives, to be given an explanation as soon as possible, because any delay gives the impression of a cover-up. Finally, it must be established whether the error constitutes a qualifying liability, and a value must be put on any resulting compensation. The problem is that if the NHS is involved at every stage, it will become judge and jury dealing with its own case.

Mr. John Gummer (Suffolk, Coastal) (Con): Does the hon. Lady agree that the real issue is perception? If people perceive that the system is too much in the hands of those whom they see as judge and jury, although we and the Minister may know that they are entirely independent, that will defeat the whole object. We must ensure that, objectively, people perceive the system to be independent.

Sandra Gidley: There are those who say that perception is the only true reality, but I do not think that this is the place for that discussion today. To develop the right hon. Gentleman's point, one of the results of the in-depth investigation following the Shipman saga is that all the professional bodies now have to have a huge lay component. The logic is that it cannot be right that a profession is seen to oversee itself all the time. Balance must be provided by outsiders who can give another perspective. That argument is related to what is going on here. If there is a mistake and a cover-up, will we be saying further down the track that we must have more independent scrutiny? Clearly, we cannot have a single lay person investigating the health service—that point was made earlier—because they would have to come to terms with and try to understand all the procedures, but perhaps there is an argument for considering a mixture of both in any investigative panel that is set up.

Clearly, the fact finding should be independent. Staff and patients need to be sure how the problem arose and what will change as a result of the lessons learned. Again, the point has been well made that that does not need legislation; it should be happening already. The sadness is that, although in many trusts it is happening, in some trusts—I see it because I deal with a number of different hospital trusts—it is much more difficult to get that openness and that willingness to admit that there has been a mistake.

As my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) has pointed out, legal advice will not be available until quite late in the procedure. Is there not a possibility that a patient will be offered a certain amount of compensation, decide that that is not enough, try to obtain legal advice, but because there is an award, find that the difference is deemed not to be worth funding? Therefore the patient will be stuck between a rock and a hard place. They may have been one of the fortunate few who could access legal services, but their claim will not succeed because of the offer on the table. That needs to be looked at.

I would be grateful if the Minister would clarify the issue around the capping of the amount. I believe that the Secretary of State said earlier that an attempt would be made to ensure that any awards were in line with those in the civil courts. That may be the aim now, but if there are future financial pressures can we be reassured that that aim will remain? Will that be enshrined in legislation? We would seek to avoid a situation where patients think, "I am not sure I can get much compensation. There seems to be a history of people thinking they could get more if they went through the civil courts, so should I go to the ambulance-chaser type of solicitor on a no win, no fee basis and risk that?" That is something that the Bill is trying to avoid. We should ensure when we draft legislation that we avoid that eventuality.

I want to turn to the secondary care aspect. Again, there have been some changes to the Bill in the other place, but there is a move to deliver more care outside hospital and it makes no sense to have an NHS Bill that does not deal with all aspects of the NHS. The Secretary of State said that GPs were not included because they are independent, but they are not the only deliverers of primary care. Not to recognise that fact ignores the many nurses, pharmacists, therapists and others who work in the primary care sector who may not be covered in the way that she described. It would be helpful, then, if the Minister elaborated on the point made by my hon. Friend the Member for Northavon (Steve Webb) about the review of primary care.

Steve Webb: Is not there an inconsistency between the Secretary of State saying that GPs, because they are independent contractors, will not be included, while independent sector treatment centres will fall within the scope of the scheme? If they are independent contractors to the NHS, what is the difference between them and GPs as independent contractors?

Sandra Gidley: My hon. Friend makes a very good point, which I hope the Minister will clarify. The Bill is clearly well meaning, and we will take pleasure in supporting it in its proper form. I can assure the Secretary of State, however, that we shall work hard on keeping that provision.

How will the scheme be scrutinised? We have had reassurances that the ombudsman will be arbiter, and that all will therefore be well. Unfortunately, this House has seen rather too many examples in recent months of cases in which the Government have frankly ignored the advice of various ombudsmen. That is not reassuring, and it would be useful to know how the scheme will be assessed and what notice will be taken of any future recommendation by the ombudsman.

It is a shame that the Bill does not go much further. It is, unfortunately, a rather half-hearted attempt to do something well meant and in the right direction. We very much hope to improve it in Committee.

5.37 pm

Julie Morgan (Cardiff, North) (Lab): I am glad that the Government are introducing an important Bill that I strongly support, particularly as regards the implications for Wales.

Many of us have dealt with patients, or relatives of patients, whose treatment under the national health service has gone wrong. Those are probably among our saddest cases, and some have gone on for many years. It has been difficult for patients and relatives to be able to move on and to close off on that part of their lives.

The way the system works at the moment militates against openness in the NHS, and the process is very protracted. That means that relatives cannot move on. It is also draining for NHS resources and staff, emotionally speaking. The costs of bringing cases are often disproportionate to the compensation granted. Reform was part of Labour's manifesto, and I am pleased that it is happening.

I shall speak specifically about the Bill's effect on Wales. It applies to England only, except for clause 17, which contains a framework power for the Welsh Assembly. The clause has attracted quite a bit of debate, mainly about constitutional issues. It is one of the first examples of the enabling powers given to the Assembly to enable the Assembly to determine its own policy. It is in line with proposals in the White Paper "Better Governance for Wales" and with the general progress of devolution, and I strongly welcome it.

The power conferred by clause 17 on the Welsh Assembly does not contain the limitations found in relation to England. It is not limited to hospital services only, although the Secretary of State has expanded on that point today; nor is it limited only to health professionals or specified bodies. The proposals that the Welsh Assembly comes up with will need to fit into the structure and general direction of the NHS in Wales, which has been going in a slightly different direction from that in England. For example, Wales does not have primary care trusts. Local health boards perform the functions of PCTs. There are no foundation hospitals in Wales. There are differences in commissioning arrangements. Specialist services are commissioned by Health Commission Wales. Community health councils have been retained and strengthened and have a duty to provide advocacy services for local people who want to make complaints about the NHS. The system for handling clinical negligence claims in Wales is fundamentally different from that in England. The NHS Litigation Authority is an England-only special health authority. So the whole scene is very different in Wales, and it is important that the proposals that come from Wales fit the particular circumstances of Wales.

My hon. Friend the Member for Birmingham, Erdington (Mr. Simon) referred to the pilot scheme that has taken place in Wales. The Assembly launched a new pilot scheme in February 2005 to deal with clinical negligence claims against NHS trusts in Wales. That scheme covers figures between £5,000 and £15,000 and is called the speedy resolution scheme, which is very different from the traditional litigation process. Its aim is to be consensual, using a single joint expert, to which my hon. Friend has already referred. It uses a fixed timetable and has fixed fees for all legal and medical professionals. There is no court involvement, and there are certain specific conditions for joining the scheme.

We heard some discussion earlier of the length of time that such cases take; the speedy resolution scheme has a fixed timetable of 61 weeks from the date of acceptance to the outcome in the most complex cases, and it anticipated that the majority of cases will be completed much more quickly than that. The scheme also aims to provide an explanation to patients. There will be an independent evaluation of the scheme. The reason why the framework powers in the Bill are so wide is to take account of the current different health arrangements in Wales and the outcome of the pilot scheme. It is important that the Welsh Assembly comes up with no proposal until that scheme has been evaluated and that we can propose a solution in Wales that best fits the Welsh situation. Of course, any scheme that is proposed will operate alongside the current complaints arrangements in Wales.

Clause 17 will allow the Assembly to introduce wider arrangements. The primary care sector—GPs and other primary care practitioners—could be included in the scope of the scheme. The Assembly wants the power to do that laid down now, so that it need not return to Parliament at a later stage, when it has decided on the way it wishes to proceed. Obviously, any proposal to bring primary as well as secondary care into the scheme will involve a lot of consultation, but at least the Assembly could do that.

I wanted to raise the importance of clause 17 for Wales. It will allow the Welsh Assembly to find Welsh solutions to Welsh issues. No decision has yet been made in Wales about how the redress scheme will operate, but I understand that the Assembly wants new legislative powers, rather than just plugging the existing gaps in the process. The scope of clause 17 is wide enough to include primary as well as secondary care and to extend the arrangements beyond what the Assembly does at the moment.

[Julie Morgan]

I very much welcome the Bill. Although only clause 17 will apply to Wales, I am pleased that it will give the power to the Assembly to develop a specific scheme for Wales.

5.34 pm

Mr. Alan Beith (Berwick-upon-Tweed) (LD): I am glad to follow the hon. Member for Cardiff, North (Julie Morgan), who is a member of the Constitutional Affairs Committee, although she was not when it produced its first report on this subject.

Before I come to the Committee's report, I want to refer to the point about cross-border problems that emerged during the Secretary of State's speech. I recognise that it is a difficult and complicated matter. I want to be quite clear what the situation is in respect of my constituents who obtain treatment in hospitals in Scotland—the same thing would apply on the English side of the Welsh border—which are usually the nearest hospitals for those living in the Berwick area, whether they use the Borders general hospital or the two or three major hospitals in Edinburgh. Usually the treatment arises because people choose to go to that particular hospital, but with the support of the health authority on the English side of the border. In some cases, the health authority may actively encourage people to make that choice.

I can see that the situation is complicated because the hospital is in Scotland. An issue that would be tort in England would arise under Scots law in Scotland. The circumstances would be different. Am I right in supposing that whether the scheme applies will depend on whether the health authority on the English side can be thought to be responsible in some way for the unsatisfactory outcome? That situation would be rather limiting and a constituent would probably be much better placed taking legal action in Scotland without the benefit of the scheme. The Minister may well reply that the scheme is simply an addition to the legal rights that people have on each side of the border. However, I would not want to create a perverse incentive whereby patients were discouraged from going to an appropriate hospital because of the existence of different schemes on either side of the border.

I am anxious, first, to clarify the situation, and secondly, to ensure that, in particular, the health authority on the English side will not say, "We had better not let patients go to Scottish hospitals because we might be pursued over our aspect of the responsibility under the NHS redress scheme and we might avoid that if the whole thing was dealt with on the English side." I hope that, in his response, the Minister can give me some initial guidance on that and that, if necessary, the matter will be followed up fairly quickly—before the Bill gets much further—by correspondence clarifying the situation. The slight perversity of the situation is that patients on the Scottish side of the border who come to Berwick for hospital treatment—often because they go to a general practitioner in Berwick anyway—will definitely benefit from the scheme, as I understand it. There is no harm in that, but it indicates the paradoxes and complexities that will arise.

I want to deal now with the reports of the Constitutional Affairs Committee—the third report of 2005-06 on compensation culture, in which there is a substantial section about the Bill, and the fifth report on the Bill itself, which is, in effect, a report of the response from the right hon. Member for Liverpool, Wavertree (Jane Kennedy), who was then Minister of State with responsibility for quality and patient safety in the Department of Health. She used her response to clarify a number of issues and we commented briefly on those in the fifth report.

Many of the issues in the third report will come up again on Thursday when we debate the Compensation Bill and I hope to refer to those matters then. The report addresses issues relating to the so-called compensation culture, which is sometimes adduced in respect of the Bill and the NHS generally. It was my Committee's conclusion that there is not a compensation culture that is driven by an increase in personal injury claims. The evidence does not point to that. There are many problems in relation to excess risk aversion in many parts of the public sector and elsewhere, but they may be driven by a whole lot of other factors, rather than by an actual increase in personal injury litigation. There is considerable confusion in the media on that point.

In looking at the NHS Redress Bill, we raised a number of issues and I want to touch on some of them. We referred particularly to the total lack of detail in the Bill and its heavy dependence on secondary legislation and on non-statutory schemes to fill out that secondary legislation. That is a far from satisfactory way of legislating. It leaves the House making quite major decisions without knowing how they will work in practice and, in this case, without seeing even the draft secondary legislation that would be involved. It is quite a dangerous trend in Government to create framework legislation—we have seen it in many other areas too—that leaves the House making decisions of vague general principle and being able to deal with quite important aspects of the legislation only by way of orders. As hon. Members must be aware, even the affirmative procedure is profoundly unsatisfactory if a specific defect is found, but Members do not want to vote out the order completely because they do not want to prevent a scheme or a piece of legislation from coming into operation. The negative procedure is wholly inadequate in many such instances because hon. Members are unable even to cast a vote on measures, let alone secure the amendment of something that they consider to be fundamentally unsatisfactory. The Committee was thus critical of such a lack of detail.

The Committee was presented with no compelling evidence that doctors and lawyers will be prepared to work for fixed fees and was not told what those fixed fees might be. The Government's response made reference to fixed fees payable by the Legal Services Commission, but those fees are likely to be lower than those payable for private work. It is not apparent whether the Department expects lawyers to work for fixed fees at LSC rates, or whether participants will be able to go only to the LSC to pursue their grievance. Reference was made earlier in the debate to the problem that will arise if the LSC effectively acts as a gatekeeper to the scheme for anyone who would be eligible for legal aid.

The fact that medical experts can be instructed jointly does not mean that they will be clearly independent. If the NHS Litigation Authority was able to identify the doctors that it wanted and also paid the bill, it would not lead to a perception of independence. In the world of personal injury litigation, there is often talk of claimant and defendant doctors being two rather different groups of people. Indeed, the same is true of claimant and defendant lawyers. We heard an interesting example from the hon. Member for Wolverhampton, South-West (Rob Marris), who is a former personal injury lawyer. He referred to all the lawyers engaged on the Department's side as "rubbish", which, on reflection, he might consider was a rather extreme view. However, that underlines the fact that there is a tendency for some lawyers and doctors who are called on to give evidence to be thought of as generally of use to claimants, while others are thought to be generally of use to defendant authorities. If the NHS Litigation Authority uses doctors who are thought to come into its category, it will further reduce the possibility of the proceedings being regarded as independent.

The Department acknowledges that it expects the number of claims to rise and has cited the number of additional claims a year as between 2,200 and 19,500. That suggests that the estimates are very vague, which makes the prospective cost of the scheme difficult to judge. The former Minister, the right hon. Member for Liverpool, Wavertree, made the intriguing comment that the Government could not make any predictions because that involved modelling human behaviour. However, all Government policy, including most economic policy, is based on modelling human behaviour, and fairly reliable estimates of what people might do under schemes and policies that are proposed have to be made on the basis of experience.

Given the difficulties that are facing the NHS, the Committee thought it rather odd that the Department was pretty relaxed about the possible cost of the scheme and that it could engage in such an exercise, despite the wide disparities in the cost estimates. As the hon. Member for South Cambridgeshire (Mr. Lansley) pointed out, such costs obviously represent money that is diverted from patient care, so the Department must have an understanding of the impact of its scheme on patient care costs.

It is for such reasons that the Committee recommended piloting the scheme, but we did not find the Department's response to that idea at all compelling. The Department produced various arguments against the idea, one of which has significant relevance to another point that has come up in the debate. As I said earlier, one of the Government's arguments against piloting was that the scheme will be evaluated after three years' operation. However, according to their published response to our Committee's report, one of the consequences of that evaluation might be that the Government will consider extending the scheme beyond hospital care, although that contradicts directly what the Secretary of State said in her speech. I can well understand why the Government might want to take the process forward in two stages and examine the experience of the hospital sector before even considering extending the scheme to primary care, but there is no doubt that the clear implication of their original response to the Committee was that the first three years of the scheme would be an evaluation period, after which it might be extended into the primary care sector. The Government gave that three-year evaluation as a reason not to undertake any formal piloting of the scheme. The Committee remained unconvinced about that and still thought that piloting would make sense in an area where there could be substantial cost implications.

I have referred already to the possible gatekeeper role of the Legal Services Commission. The chief medical officer, in making amends, recommended that the LSC should be able to take into account whether someone had used the NHS redress scheme when making a decision on application for legal aid. The LSC would come in at a later stage because if use had not been made of the scheme, that might be reason for refusing legal aid. If the LSC is to come in at an earlier stage—in effect, it is the body that is choosing the lawyers and determining the fees—that slightly casts doubt on whether it can properly use a refusal to use the scheme as the basis for not granting legal aid, if somebody is not satisfied and wants to go to court. There is some concern that the LSC, as a result of what the Government are now recommending, will be involved at two separate stages of the scheme.

The difficulties to which I have referred could be ironed out in various ways. They are not insuperable obstacles. I recognise the potential value to those among our constituents who have experienced the problems that the provisions in the Bill seek to address, with a scheme that could be easier to work through than a legal scheme, and one that could also satisfy their demands for clear answers, which for some constituents are more important than getting compensation.

The Committee felt that the £20,000 limit might unduly restrict the scheme. There might well be cases where someone is prepared to accept the limitations of the scheme and prepared also to accept that a case potentially justifying a larger sum could be treated under the scheme. I recognise that what the Government have produced is potentially of value. I hope that they will address some of the difficulties to which the Committee has referred and realise that in their initial responses they have either not fully done so or have generated new expectations. I hope also that in Committee they will keep very much in mind the two reports that my Committee has produced.

5.47 pm

Laura Moffatt (Crawley) (Lab): It is obvious that we all make mistakes in our working lives and at home. Admitting that fact is incredibly important for us. As for the NHS, it is not surprising that with more than £70 billion of taxpayers' money being spent on that organisation, mistakes happen and people are even negligent and cause harm to others. That is why I am a firm supporter of the redress scheme—not in its present form, but in its simplified form that went to the House of Lords before amendments were made to the Bill.

I am surprised that accidents do not happen more often. As a nurse of 25 years in the NHS, I know that it is due only to the people who are dedicated and who do

[Laura Moffatt]

their jobs to the highest standard that the NHS manages to keep accidents and negligence to what I believe to be a minimum. However, if there are accidents and negligence, it is right that there is proper redress. I believe that the scheme will lead to ensuring that there is fairness and consistency in decision making. It is most important that there is faster decision making.

The scheme will encourage a willingness for members of staff to speak out when they believe that something has gone wrong.

Mr. Jim Devine (Livingston) (Lab): During my training and my hon. Friend's training, we were given the message from the very start not to say sorry.

Laura Moffatt: My hon. Friend is entirely right. That was the message, sadly, that was given to us all. For some clinicians, that continues to be the message in terms of any legal action that might be forthcoming. That is why I believe that the scheme will be helpful in trying to get rid of the culture that has been spoken about in the Chamber.

Mr. Hurd: I would be interested to know why the hon. Lady thinks so, given her experience. It is not clear that such an embedded culture can be changed by the Bill.

Laura Moffatt: It is important to provide a fast, fair scheme that is quick to offer an apology and an explanation. If the original event is not dealt with quickly or properly, the aggrieved patient or family member is often more unhappy about the poor process than the event itself. It is therefore right to start to set things in motion and ensure that the system is fair to all. As much as I love solicitors, it is not a marvellous idea for the NHS to spend a great deal of hard-earned taxpayers' money on them. The public are aware that accidents happen, so if someone requires a reasonable amount of compensation—and not a huge sum—it is far better that that money goes straight to them without the NHS spending very much on solicitors. That is another reason why the public generally consent to what the Bill hopes to achieve.

David Taylor (North-West Leicestershire) (Lab/Co-op): Is my hon. Friend aware that Action against Medical Accidents has argued that specialist help is needed because, under the existing arrangements, the vast bulk of cases that result in compensation are vigorously and stubbornly resisted until the last minute, when an overwhelming case has been built up, often using the advice and professionalism of dedicated lawyers?

Laura Moffatt: I am grateful to my hon. Friend for his intervention. No one is running away with the idea that a culture of defending a case to the death or the last minute is a suitable way for the NHS to do business. I sincerely hope that we can create a different culture, because delay and prevarication in cases in which a mistake has been made or in which negligence is apparent are not good for people working in the NHS or for the public.

As I have said, it is extremely sad, but mistakes are made. Anyone who has been a member of an NHS team dealing with a mistake will know that it is extremely distressing for the doctor responsible. When I was working in Crawley hospital, a gentleman in one of the units was sadly given a massive overdose of the chemotherapy treatment that he was receiving for a serious blood disorder. There was a systemic problem, as the way in which the drug was drawn up and delivered had led to the mistake. Everyone in the team was desperately upset and the team leader, Dr. Nandi—she is an oncologist who treats people with blood disorders—worked throughout the night, having worked all day at the hospital. She brought her young children to sleep on the ward because she had to stay at the hospital to deal with the emergency. She conducted an exchange transfusion for the gentleman throughout the night. The whole team was present, including the doctor who had made the mistake and who was utterly mortified. I am glad to report that they managed to save that man's life, which was a spectacular success considering how poorly he was and how awful the event.

It took months for that gentleman to secure redress for a genuine mistake. He did not want to denude the NHS of huge amounts of money. He wanted to make sure that the pharmacy department worked more closely with doctors on the way in which drugs were delivered, and he wanted someone to say sorry. In that case, no one was backward in coming forward. If a different system had been in place and if we had been in a position to set up an investigation that was quick to achieve a conclusion and offer an apology, he would have received his just desserts much sooner. I will always remember him as somebody who would benefit from the Bill.

I have seen the situation from both sides and I believe that the Bill will deliver confidence in the NHS. As I have said, people are not convinced that battalions of lawyers must be involved. They want an apology; they want somebody to accept that a mistake has been made. They want the NHS to recognise that sometimes people do not do the job that they should do. I have no doubt that most of the cases taken under the Bill will be genuine mistakes and things that have gone wrong, but there are, of course, times when people are negligent in their work and need to be admonished. However, we should be glad that such cases are relatively rare. I am sure that a system such as the one under discussion will expose things still further—we must have the ability to ensure that we have a clear pathway for amending mistakes and making apologies.

Let me repeat—delay is not good for the teams of staff under investigation, any more than it is for the people having to wait for their apology. Confidence will be returned to the NHS as a result of the Bill, which will create a culture of change. I have listened carefully to our debate. The contributions have been excellent and there is a willingness in the House to settle the matter and to put a scheme in place. However, the best people to tell us whether the scheme is of value are those who use it, so we should evaluate and review the scheme, without jumping in and assuming that we need to add in all sorts of independents, before we go on to make any changes. I urge the Minister to come back to

the House and tell Members how people feel about the scheme and how effective it is for them. I believe that people will be happy to support a system that is simple and that creates confidence in the NHS, and I am certainly happy to do so.

5.57 pm

Mr. Charles Walker (Broxbourne) (Con): It is a great pleasure to follow the hon. Member for Crawley (Laura Moffatt), who was very clinical in her analysis of the problems facing the NHS.

It is impossible to set a price on loss. Losing a mother or father, or—God forbid—a son or a daughter, is an absolute tragedy. In most cases, those losses are unavoidable, but very occasionally a mistake is made by clinicians and responsibility needs to be taken. If a person has just lost someone they loved very dearly, they are in a hugely complex emotional state. If, on top of that, they have to take on the NHS, they are David challenging Goliath. For most people, that is daunting. After all, where do they start? Most people have never embarked on legal action in their life, so what is the beginning point for them?

One problem, which has been clearly identified in the debate, stems from the fact that we live in a litigation culture, which has developed over the past 20 years and which means that no one—but no one—says sorry. Even if an individual's urge and driving force is to apologise for the mistake that they made, they are taken aside by a lawyer or senior manager and told, "Whatever you do, do not apologise to this family." Often, such an apology at a very early stage would mean so much, and put an end to a great deal of suffering. It would halt much of the needless litigation in the NHS. Hospitals are frightened to admit any form of liability, lest they face a very expensive legal claim.

I broadly welcome the Bill. It is not as good as it could be, but it goes a long way towards addressing some of the concerns that I shall raise. Three years ago, a constituent lost her mother, who had heart disease and lung cancer. She was dying, but she was not meant to die on the day that she did die; she was meant to go into hospital for routine checks and be sent home. A litany of mistakes were made in the treatment of that elderly lady, perhaps the two most serious of which were the fact that bedsides were not put up on her bed, so she rolled out and fractured her hip, and in response to that she was pumped full of fluids, which was the mistake that led to her unfortunate death.

My constituent bravely and nobly took her complaint to the health service ombudsman. I have a 34-page report, which is devastating in its content. One of the saddest parts is in the last paragraph, in which the senior investigating officer, Sarah Gallagher, writes:

"The Trust has asked me to convey—as I do through my report—its apologies"—

to my constituent—

"for the shortcomings I have identified and has agreed to implement the recommendations"

in the report. That was welcomed by my constituent, but what she really wanted was an apology from the chief executive or the chairman of the trust. She did not want an apology via a third party. She wanted an apology from the people who run that organisation, who are responsible for its day-to-day management. It was only after my intervention that she got an apology.

I bear no grudge against the chief executive and chairman of that trust. They were operating within the parameters that the NHS had set them. But I do bear a grudge against a system which for two and a half years made them feel that they could not issue an apology to my constituent. Echoing some of the comments made by hon. Members on both sides of the Chamber this afternoon, I question some of the legal advice that the NHS receives from its lawyers, which seems pretty poor.

My constituent's lawyers are in negotiation with the NHS for a cash settlement. It is not a huge settlement—well below the £20,000 being discussed today. She wants £10,000; the NHS is offering £5,000. This has gone back and forth between solicitors for a year and a half, with the NHS quibbling over £5,000 after a devastating ombudsman's report. If the Bill addresses such inequities, it is a step in the right direction.

When I raised the matter with the then Minister, the right hon. Member for Liverpool, Wavertree (Jane Kennedy), I received a wonderful compassionate response from her. At the bottom of her letter there was a handwritten note passing on her condolences and apologies to my constituent, which was gratefully received. I am sure the Minister of State, the hon. Member for Leigh (Andy Burnham) will do as good a job as his predecessor. In this case she was outstanding, and a credit to her profession as a politician.

My one concern about the Bill is that my constituent's faith in the NHS is shot to pieces. She does not believe that she has been treated fairly. If it was suggested to her that a new system was in place to ensure that she received fair recompense and that there would be an investigation by the NHS to make sure that the mistakes were not repeated, she would not attach much credit to those promises. She believes that the NHS is ultimately self-serving—I am sure that it is not—that it will seek to protect itself, and that the Bill probably would not go far enough to change that.

I hope the Minister will give serious thought to ensuring that the process for helping patients and those who have lost loved ones who bring a claim against the NHS is transparent and, most importantly, impartial. The redress scheme must be the patients' champion and the champion of the bereaved, not just another arm of the NHS which is perceived, perhaps wrongly, as existing to protect the status quo.

6.4 pm

Barbara Keeley (Worsley) (Lab): As colleagues and Opposition Members have done, I welcome to his new role the Minister of State, my hon. Friend and neighbour the Member for Leigh (Andy Burnham). I am sure that he will do a great job.

I welcome the Bill, which aims to ensure that patients and their families can obtain redress by way of an investigation, apology or compensation when something has gone wrong with NHS treatment or care. I particularly welcome the broadening of the scope of redress specified in clause 3 to provide for explanations and apologies. It is extremely important

[Barbara Keeley]

for a patient or a patient's family to be offered an explanation and an apology when things have gone wrong.

Like other hon. Members, in the 13 months since I was elected I have dealt with a number of cases in which the provisions of the Bill would make a considerable difference for constituents. One case stands out for me as a perfect illustration of a situation in which a patient's family desperately need explanations and apologies. Many hon. Members are familiar with such situations among their constituents. In that case, there was inadequate and delayed diagnosis of a condition that was terminal, leaving the family feeling that the patient's life ended prematurely and with little time for the patient or his family to prepare for his death. The family feel that the treatment and care that the patient received as a hospital in-patient were "totally disgraceful".

I shall describe the case in a little more detail, as it shows the extent of systemic failure and why my constituent, Mrs. Dawn Smallman, feels that she desperately needs an answer and an explanation for what happened. Most importantly, the hospital in question needs to admit its errors and take measures to ensure that what happened to the patient, Mrs. Smallman's father, does not happen to anyone else. Regrettably, the hospital seems unable to do that.

The case is that of Mr. Stanley Collins, who died on 30 August 2005, three days after being discharged from the Royal Bolton hospital. Specific areas of complaint were raised by Mr. Collins' daughter. Mr. Collins had a stomach cancer which proved terminal. It was finally diagnosed only a week before his death. He had, however, been attending the hospital as both an in-patient and an out-patient since October 2004 and had undergone colonoscopies, endoscopies, biopsies, scans and X-rays. There seemed to the family to be signs of a serious illness. Mr. Collins was in great pain, he was very ill for the last few months and he was anaemic, but hospital staff insisted, almost to the last, that his condition was neither serious nor terminal.

Mr. Collins felt that his condition was not taken seriously. When he was taken in great pain to the accident and emergency unit, the triage nurse merely referred him to the unit's on-call GP. The GP called for some tests to be done by the family GP to identify the causes of pain, but the request for tests was lost in the hospital's administrative system. That was just a month before Mr. Collins died.

A few times during the last two months of his life, Mr. Collins was admitted to the Royal Bolton hospital as an in-patient. During these stays, the family felt that he was treated very badly. They felt that he was neglected and left to suffer great pain and a lack of dignity. Many aspects of this inadequate patient care involve basic standards of care and professional practice. First, throughout the last weeks of his life, Mr. Collins suffered great pain, yet medical staff dealing with him did not respond with adequate pain control. His family tell me that they repeatedly asked for pain relief, yet observed that he was often kept waiting hours to be given that.

Secondly, in Mr. Collins' condition, he needed help at times—for example, to use a commode—yet even that help was not available when he needed it, although it is a basic aspect of care for the seriously or terminally ill. Thirdly, a ward where Mr. Collins stayed during the last few weeks of his life was described by his family as filthy, with dead insects and even toenail clippings not being cleaned away. Next, basic needs such as the provision of clean drinking water and a clean glass were not provided by the staff on the ward.

Perhaps most serious of all was the way in which hospital staff dealt with Mr. Collins in the last week of his life. In this respect, lessons must be learned. A week before he died, Mr. Collins' family attended a meeting at which the consultant was to give the diagnosis and prognosis for him. The news that Mr. Collins had a cancer that was now terminal, with no real treatment options, was delivered to him and his family on an open ward in the hearing of other patients and visitors. Indeed, Mr. Collins' daughter found that the news of her father's condition was overheard by a relative of a work colleague of hers. Mr. Collins had to ask how long he had to live in the hearing of other patients, and he was told that he had a very short time.

Perhaps unsurprisingly, given that low standard of professional practice, hospital staff also failed to deliver the palliative and nursing care that might have made Mr. Collins's last seven days of life more tolerable. With very little time to live, he wanted to be at home with his family, but even that was not handled well. First, it took from Tuesday to Saturday to get a hospital bed at home for Mr. Collins and for the palliative care consultant to arrange his medication.

Secondly, hospital discharge was arranged on Saturday 27 August by emergency ambulance, but the ambulance never came. Eventually, Mr. Collins's family came into hospital and found him left in a chair with no help with toileting, no pain control—his drip had fallen out and had leaked all over the floor—and no opportunity to summon help, because the emergency button was out of reach. Disgusted by that treatment, Mrs. Smallman and her mother, who is disabled, signed a form to discharge Mr. Collins themselves by car. Mrs. Smallman said that trying to bundle her father into the car was the worst thing that she has had to do in her life.

Finally, hospital staff discharged Mr. Collins with oral medication rather than the intravenous medication that he needed. On a bank holiday weekend, the district nurses told Mrs. Smallman that it would be practically impossible to get the drugs that Mr. Collins needed for pain relief—it is, of course, particularly difficult to get oral morphine post-Shipman. Mrs. Smallman and her sister spent the bank holiday weekend, which comprised the last few days of their father's life, driving around on-call doctors and dentists in Bolton trying to get prescription forms signed and to obtain the necessary permissions for the district nurses to administer the medication that their father needed.

The district nurses who were trying to help Mr. Collins contacted the C4 ward of the Royal Bolton hospital, which told them that Mr. Collins was "no longer their responsibility". Mrs. Smallman has said:

"You cannot imagine the burden placed on us to get this medication in order to relieve his pain. There were times when he was in agony. You cannot imagine what it was like racing back to him with his medication, never knowing if you would be back in time or if he would die while you were out."

On the day that Mr. Collins died, his GP visited him. Astonishingly, the hospital had sent no information on Mr. Collins's diagnosis to his GP.

On her father's death, Mrs. Smallman has said:

"I wish I could say that his death was peaceful, but it was not—he died in pain with absolutely no dignity whatsoever"—

thanks, she feels, to the Royal Bolton hospital. Lack of information from the hospital even made it difficult for Mr. Collins's GP to certify Mr. Collins's death, as he had been sent no information about the diagnosis.

Much of the evidence that I have recounted clearly indicates poor standards of nursing and medical care, bungled administration and very poor communication. However, the situation has been made worse over subsequent months by the inadequate response by the Royal Bolton hospital to complaints from Mrs. Smallman. Since raising her complaint with the hospital on 3 October, Mrs. Smallman has found that responses from the hospital have not been sent to agreed time scales and have often been three to four weeks late, that copies of responses have not been sent to me—I have had to chase every single response from the hospital—and that the responses have been inadequate, which is the worst thing for the family. The delayed answers and prevarication by those investigating the bereaved family's complaints have left the family feeling more angry and upset. The family's feelings of anger were originally due to what it regarded as undue delay in diagnosing Mr. Collins's terminal condition and the poor standard of treatment and care that he received both in hospital and on his discharge home to die.

In making her original complaint, Mrs. Smallman knew that nothing could bring back her father or change how he was treated. She raised the complaint to obtain explanations and an apology and to help prevent any other patient or family from suffering in the same way. It is clear to me and my constituent that the current system for redress is inadequate, and I welcome the change introduced by the Bill. Standards of professional practice were patently not met in that case.

The Government cannot manage the practice of every NHS consultant, but we need to bring about a change of culture to allow acknowledgement when a whole system of treatment and care fails a patient and his family, which seems to have happened in this case. When standards of both professional practice and communication fail, we need a system of redress in the NHS which acknowledges and investigates such failures, explains what has happened and apologises to those affected.

We know that cancer care is improving, but we also know that it is still patchy. It is more than three years since the Commission for Health Improvement report "NHS cancer care in England and Wales" highlighted the fact that some consultants have poor communication skills in giving bad news. What happened to my constituent's father, Mr. Collins, and his family should be seen as an unacceptable standard in communicating such bad news. Indeed, good communication is a key part of the cancer plan. Cancer patients and their families increasingly want help to enable patients to die at home without pain and with some dignity, which did not happen for Mr. Collins, who died in pain and with no dignity. He did not receive the palliative care which he should have received and which many other patients now receive.

The Healthcare Commission has reprimanded some NHS hospitals for failing to pay sufficient attention to complaints, and the number of complaints that went to independent review doubled in 2005. The commission felt that too many trusts were failing to respond promptly and effectively to complaints. That has unfortunately been the case for my constituent, Mrs. Smallman, in her complaint against the Royal Bolton hospital. There is still time for the hospital trust to change the situation and handle the complaint more effectively, and I hope that it will.

I welcome the Bill and the new scope for redress, which will offer the explanation and apology that my constituent and her family need, and benefit other patients and their families.

6.16 pm

Mr. Nick Hurd (Ruislip-Northwood) (Con): I rise to support the Bill in the form in which it has been sent to the House from the other place.

It is a particular pleasure to follow my hon. Friend the Member for Broxbourne (Mr. Walker) and the hon. Member for Worsley (Barbara Keeley), who, in their very different ways, brought home vividly through their constituency case studies some of the human problems faced by a minority of our constituents.

Unlike the hon. Member for Crawley (Laura Moffatt), I do not have personal experience of working in the NHS, but, like most hon. Members, I keep in close contact with my local hospitals. Last year, I had the opportunity to work—I use the word loosely—the night shift at Hillingdon hospital in the accident and emergency department on a Friday night. I said that I was there to "work", but I shadowed the senior nurse through the course of that evening, which covered a period of peak demand for the department. When I left the next morning, I was astonished and impressed by the capacity of staff to cope with the pressure and the flow of decisions—hundreds of decisions were taken that night, and a huge number of decisions are taken throughout the system every day. In his report, "Making amends," Sir Liam Donaldson, the chief medical officer, states that 50 medical decisions are taken every year on behalf of each person in this country. Given the increased complexity and pressure of the environment in which NHS staff work, it is not surprising, as the hon. Member for Crawley said, that mistakes are made.

I have been surprised by the scale of the problem. The trend in the debate has been to downplay the issue, but I hope that we have not given out the signal that we are complacent. Sir Liam Donaldson's report informs us that the level of adverse effects during in-patient episodes in the UK runs at about 10 per cent., of which about 50 per cent. are preventable. On my maths, there are more than 400,000 preventable adverse effects a year, which, again using the figures in the report, cost about £1 billion a year in additional bed delays—those are big numbers. The report also points out that the health care sector has been historically tolerant of error, certainly compared with other industries that have had to be a great deal more robust on

[Mr. Nick Hurd]

accountability for health and safety. I hope that we are not in danger of being complacent in the face of the challenge of driving down the scale of the problem.

The stress caused on both sides of the decisions that I have discussed is not in doubt. Anyone who read the report and the account of the mother whose child died as a result of a GP's failure to diagnose meningitis could not fail to be moved by the thought of how much pain that incident caused on both sides.

I recently met my constituent, Jean McFarlane, a cancer patient who is in remission. She was seriously injured by an overdose of radiation, which left her semi-paralysed and in chronic pain for life. Such was her determination that that should not happen to anyone else, that she joined forces with other women who were injured at the same hospital to form a group called RAGE—Radiation Action Group Exposure. She said, "Sadly, we are now the forgotten hundreds, who get no help from anybody to maintain daily lives. Our injuries are unrecognised, or pushed under the carpet." Her driving motivation is that what happened to her should not happen to anyone else.

Given the scale of the problem and the consequences for those who are unfortunate enough to suffer from it, we need to be sure that we have a complaints system that is seen to be effective and a system of redress that is seen to be fair. Those are surely hugely important pillars on which to build public confidence in the NHS. I suspect that they are underrated and underestimated within the system; the evidence certainly suggests that they are not as strong as we would wish.

The case for reform of the redress system is not seriously disputed. Although it is clear that progress has been made as a result of Lord Woolf's recommendations and the actions of the NHS Litigation Authority since 1995, three trends are of particular concern, the first of which is the rising number of clinical negligence claims and the associated costs. The number of claims has risen from 392 in 1996-97 to more than 5,000 in 2004-05, and the associated costs have risen from £235 million in 1996-97 to more than £500 million in 2004-05. I am sure that no one in the House wants to go down the route of the USA, which spends a staggering 0.2 per cent. of its gross domestic product on medical litigation costs. That is a future that we must reject—not least because, as my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) said, every pound wasted in this area is a pound that could be redirected to front-line care.

The second trend that concerns me, and other hon. Members, is the length of time that it takes for claims to be settled. According to the NHS Litigation Authority, the average is 1.4 years, but the National Audit Office has suggested an average of five years for 2004-05. That is too long, as other hon. Members eloquently stated. During that time, there is a great degree of suffering on both sides involved in decisions.

The third trend that concerns me is the waste of time and money wrapped up in the following statistics: 38 per cent. of cases are abandoned, 43 per cent. are settled out of court, and 75 per cent. of claims under £25,000 cost more to settle than the amount that is claimed in compensation.

All those factors conspire to create the wrong culture: defensive, obstinate, and confrontational. It becomes a game in which the patient holds few cards—truly a situation of David against Goliath, as my hon. Friend the Member for Broxbourne put it. I add my voice to the consensus that something needs to be done to speed up the process of claims and to generate a culture that is more conducive to transparency, co-operation and improvement.

We do not hear enough about the need to reduce the size of the Bill. Some £500 million of taxpayers' money has been redirected. Primum non nocere, "First, do no harm"—I hesitate to introduce Latin into the Chamber—was the motto of Florence Nightingale. I am afraid that we have not heard enough about that this afternoon. For example, how successful has the National Patient Safety Agency been since it was set up in 2001 in helping to reduce the size of the problem, in learning lessons and in identifying risks and mechanisms to track progress with solutions?

I understand that reducing costs is not the main driver of the Bill. Its aim is to provide a simpler means of obtaining compensation in lower value cases. Costs might rise depending on the various assumptions that might be made about future claims. I am happy to applaud that objective, but the test of any new legislation is to ask what it will add to what is already there. What gives us reason to think that it will succeed in its objectives, particularly when one of those objectives is to change the culture? We know how hard that is. How can we be confident about it, particularly given that there is currently nothing to stop the NHS from offering compensation, remedial care, an explanation or apology? That is within its power today. How can we be sure that the Bill will be a turning point in changing that culture so that those options are used more? The frank answer is that it is hard to say because, as the right hon. Member for Berwick-upon-Tweed (Mr. Beith) said, there is so little detail. That point is also made by the Law Society, the British Medical Association and the Constitutional Affairs Committee.

We are told that the NHS Litigation Authority will manage the scheme, so why is it not named in the Bill? The bottom line is that it will still need to be established regardless of whether injuries have been caused by negligence, but what criteria will be used? Who will decide or advise on which cases are eligible? How will proceedings start? Will they be independent of the complaints process? Why was the £20,000 limit chosen? What does it include? Does it include only legal costs or does it include remedial costs? Exactly what type of independent advice will patients and families be entitled to?

Even in the vacuum of detail in which we are asked to debate this afternoon, one real concern stands out: the need for independence and for the process to be seen to be genuinely independent, in terms of judgments being made and of the access that patients will have to independent opinion, not just at the end of the process. The Government are, in effect, bringing everything in-house into the hands of an agency the main purpose of which is to defend the NHS. The model is fatally flawed, because it will remove trust and confidence in that process. If I were a patient who had gone through some of the experiences that hon. Members have described, and I was told that that the

NHS was to be the judge and jury in my case, I would not enter that process with confidence or trust.

How will the new system change the culture? Currently, the clearest way of changing culture and raising accountability is to throw a harsh spotlight on matters from outside to break down the culture of stubborn defensiveness that seems to pervade the NHS, as comes through in the evidence from Action against Medical Accidents. Underlying this is a general feeling that the Government know best and that people should take what they are given. That is why I supported our amendment, which seemed to be a victory for common sense. We should separate the redress process into two parts: find the facts and find the fault. An independent redress system that is overseen by the Healthcare Commission is essential for building confidence. The hon. Member for Crawley mentioned the importance of defining the status, training and legal skills of independent investigators.

It is rich for the Government to complain about cost. The figure bandied around for the cost of this scheme is about £14.5 million at the bottom end of the range. It is ironic that today, in Committee Room 15, the Public Accounts Committee is investigating the shambles that is the Paddington health campus project, which the Department of Health failed to supervise over five years, with a cost to the taxpayer of £14.5 million and an opportunity cost that runs into hundreds of millions of pounds. Given that kind of cavalier attitude to taxpayers' money, it is ridiculous say that the price of a genuinely independent system that will generate confidence is too high at £14.5 million. Only by building a system and a model that can inspire confidence in the independence of decision making can the Government truly say that this Bill is for and about patients.

6.28 pm

Mr. John Baron (Billericay) (Con): This has been an interesting and wide-ranging debate in which there have been many thoughtful contributions from both sides of the House.

The hon. Member for Birmingham, Erdington (Mr. Simon) talked about the importance of independence within the scheme. That is terribly important, as the scheme must be seen to have credibility with regard to NHS patients. He also reminded us that "Making Amends" wanted to move away from the tort-based culture, yet the Government's original Bill had tort as its centrepiece. I remind him of a quote in that report. It stated:

> "Tort sits so uncomfortably in an NHS with an ethos of equity...Even a reformed tort system is unfair".

Despite that, tort is at the centre of the Bill. That is why we proposed amendments in another place and, thankfully, won the day. Our proposals would separate fact finding from fault finding. That is an essential first step.

The hon. Member for Romsey (Sandra Gidley) acknowledged the importance of independence and made the valid point that perception is vital. The Bill and the scheme must be seen to be credible. It is no good simply doing right and claiming that the scheme is independent—it must also be seen to be independent by NHS patients who use it. The hon. Lady made several telling points, including emphasising that the redress scheme must be patient centred and tackle patients' needs. Sometimes in our discussions we have spoken a little too much about the needs of the NHS, which are not necessarily always those of the patient.

The hon. Member for Cardiff, North (Julie Morgan), who is not in her place, reminded us that the scheme does not apply to Wales and wisely suggested that perhaps the Welsh Assembly should wait to see how the scheme beds down here before taking it on. Clause 17 rightly stresses that Welsh solutions are needed for Welsh issues and reminds the Assembly that it has the power to effect that.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) wanted clarification about whether patients who cross the border into Scotland would have access to the redress scheme. My understanding—for what it is worth—is that they would not. Doubtless the Minister will clarify that at least in Committee, but hopefully in his winding-up speech.

The hon. Member for Crawley (Laura Moffatt) wrongly suggested that the original Bill was somehow simpler than our proposals. She forgets that we propose to simplify the scheme by limiting it to a role of fact finding. That is much simpler than trying to determine liability as well. Our scheme is therefore simpler. I shall revert to that point when I consider the Government's suggestion that our proposals mean increased costs.

My hon. Friend the Member for Broxbourne (Mr. Walker) reminded us of how patients must feel in taking on the NHS. He rightly said that the conflict is perceived as one of David and Goliath—an apt description. He also reminded us of what patient priorities often are. Patients want an apology and an explanation, and they want to know what went wrong. Hon. Members of all parties made that point.

Mr. Walker: Does my hon. Friend agree that the lack of that apology forces many people into taking legal action to get financial recompense because that is the only way in which they feel that their voice is being heard?

Mr. Baron: Yes, I agree. In too many cases, the lack of an explanation—and an apology, when appropriate—forces patients to seek alternative redress and prolongs the length of the process, at great cost to the NHS. That money could be better spent on patient care.

The hon. Member for Worsley (Barbara Keeley) mentioned a sorry constituency case. I am sure that the House extends its concern and sympathy to the Collins family. The case reminded us that reform is desperately needed—we all agree with that. The issue is how best to ensure that the redress scheme is effective and has patients' confidence.

My hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) reminded us that, in addition to an explanation and an apology when appropriate, NHS patients also want to ensure that lessons are learned for the benefit of others. That is important. He mentioned the need for transparency and the cost of the current system to the NHS—more than £500 million. He was right to argue for the need for independence.

[Mr. Baron]

The Government know that Conservative Members support their attempts to deal with the problem of clinical negligence litigation. As we have heard, the current process is complex, costly and too lengthy. Most clinical negligence cases are legal aid funded and most fail, at great expense to the NHS, the taxpayer and, ultimately, the patient. However, most people do not qualify for legal aid. They therefore seek a credible and independent alternative to going to court. The NHS redress scheme could offer such an alternative.

However, the fundamental dividing line between us and the Government is that, whereas the Secretary of State today envisaged a scheme that would make the NHS effectively judge and jury in its own case, we firmly believe that investigating the facts of what went wrong should be separated from the process of the NHS assessing its liability and making an offer. Moreover, that investigative process must be independent, like the coroner's court and what happens under the provisions of the Inquiries Act 2005.

The Government have pledged to reverse our key amendments, which were won in another place by a cross-party coalition and with the help of the Liberal Democrats. It falls to the Minister to explain exactly why he will ask 300 or so of his colleagues to troop through the Lobby to remove an essential feature of independence from the new scheme, which has the support of the Law Society and Action against Medical Accidents.

Mr. Graham Stuart: Does my hon. Friend agree that the Government have diagnosed the problem correctly, put enormous effort into tackling it and yet, by failing to put independence at the heart of the new system, could pluck defeat from the jaws of victory? The Minister may not concede the point in his winding-up speech but I hope that the Government will do so in Committee and join Labour Members, including the hon. Member for Birmingham, Erdington (Mr. Simon), and Conservative Members who spoke strongly in favour of the need for independence. We could have true independence and the Bill could be a genuine legacy of the Government if only they agreed to the proposal.

Mr. Baron: My hon. Friend makes a valuable point, which several hon. Members have raised. If we do not put independence at the core of the Bill, no matter how strongly the Government may argue that it is effective and fair, many NHS patients will not perceive it as such. If it does not have the confidence of NHS patients, we are engaged in an uphill struggle to try to ensure that patients receive the redress that they are due and that they are happy with the process. Otherwise, it will solve no problems.

Mr. Simon: It is important to make it clear that, although everything hon. Members said about perception is true, that is only half the point. The scheme needs to be independent for reasons of efficacy as well as perception. It should be independent because only independence will produce the right outcomes and do the job properly. It needs not only to be seen to be independent but to be independent.

Mr. Baron: I agree. Independence should be at the Bill's core. We attempted to do that with the amendments that were carried in another place. We shall now thrash out the arguments in Committee about how best to ensure that independence remains a feature of the Bill.

The bottom line is that we agree with the Bill's overall objectives, which are to create a scheme for efficient and speedy redress for NHS patients who have suffered harm through negligence while receiving treatment. We all agree that reform is desperately needed. A typical claim can take several years. The process is too long and costly and largely fuelled by legal aid. In short, it is a mess and does not reflect patient priorities. As we have heard from hon. Members of all parties, the aggrieved patient often wants an explanation, an apology when due, and the reassurance that those who committed the clinical error acknowledge their wrong and that lessons are learned for the benefit of other patients. However, that does not often happen.

The system is widely viewed as unfair. Most clinical negligence cases are funded by legal aid, yet most people are not eligible for legal aid. Many of the vast majority of those who cannot access legal aid are put off from pursuing a negligence claim because of the cost and complexity involved, regardless of whether the grievance is legitimate.

In its original form, the Bill was fundamentally flawed as it did not provide what is needed—an open, independent fact-finding investigation that reflects the interests and priorities of patients. That is why we combined forces with the Liberal Democrats and Cross Benchers in the other place to force amendments on the Government that ensure the independence of investigations. Otherwise, the Government's proposals would have had the NHS investigating itself as judge and jury in its own cause—a modern form of Star Chamber—which would represent a clear conflict of interest, with the NHS Litigation Authority being asked to take responsibility for running the entire scheme, from hearing the facts to determining liability and awarding compensation.

Paying a fixed fee for a lawyer to adjudicate at the end of the process would not guarantee that the process was independent. We do not know what the fixed fee would be or what sort of in-depth analysis would be conducted. The lawyer may be asked to adjudicate on facts that, for whatever reason, had not been fairly construed.

The Bill, as amended, now provides for a robust, independent investigation, limited to fact finding. We must remember that investigating the facts must logically precede any consideration of fault. We suggest that the investigation should be conducted by independent NHS redress investigators as an inquisitorial process. The coroner's inquest provides a model. The investigation we envisage would also comply with the spirit of the Inquiries Act 2005, which provides that inquiries may be wide ranging but limited to fact finding, and not consider legal liability. However, that should not prevent fault from being inferred from the determination of fact. In other words, what we are suggesting is already in practice every day. The investigation process we envisage may

provide the basis of the explanation, any apology, recommendations and assessment of civil liability.

Under our proposals, the investigation of the facts would be open and with prejudice. That means that the findings of fact would be robust and could have evidential value outside the redress scheme. By separating fact finding from fault finding, the findings of fact by independent investigators would be open. Thereafter, patients would have available to them a range of options for settling disputes. In addition, the NHS Litigation Authority could offer compensation on the basis of its privileged assessment of its liability.

Compensation under the amended redress scheme would be as in the original Bill. However, our proposal provides patients with a range of options at the end of the fact-finding stage should they wish to seek compensation. They may accept an offer under the proposed redress scheme, they may seek to negotiate a settlement or they may wish to enter into a resolve-type scheme. The courts would be available as a last resort. Different cases may require different approaches and procedures. Choice and flexibility should be available. The fact-finding investigation we propose may also provide the basis of an assessment of liability for any proposed claim. We propose that a Mackenzie-type friend should be available to provide support and guidance for claimants.

The original Bill did not reflect patient priorities. Research has shown that when something goes wrong, patients often want an explanation and an apology, and an assurance that lessons have been learned. Compensation does not necessarily rank high on their list. The open, independent, fact-finding investigation that we propose reflects those priorities. Patient safety is promoted by ensuring that lessons learned are not lost. The Government's focus on compensation does not reflect patient priorities and may subvert the purpose of the investigation. It means also that the importance of the explanation and any lessons risk being relegated.

The original Bill would have provided a demand-led, open-ended, cost-free and risk-free scheme for claiming compensation. That would have proved unnecessarily costly and wasteful of resources better directed to patient care. In addition, the regulatory impact assessment states:

"The vast majority of opportunistic claims will be easily rejected".

However, the Government will struggle to provide evidence for that. We know that the Government are concerned about that, as evidenced by their talk last year of introducing conditional fee arrangements as a way of ensuring that only claims with merit proceed. That idea was shelved.

The claim that our scheme would increase costs to £41 million is spurious. The Government do not recognise that the infrastructure has to be in place anyway, and we are attempting to simplify the scheme by restricting it to a fact-finding, independent investigation.

Our proposals put patients, not the health service, at the centre of the redress scheme. By confining the investigation of a case to fact finding by an independent process, and separating fault finding, we would largely avoid the problems of the original Bill. Patients' interests would be safeguarded by independence, so they would be more likely to have confidence in the system. Our proposals would allow patients access to a fairer and perhaps better result. No scheme would be perfect, but our amendments to the Bill are a substantial improvement. Our proposals would be more likely to lead to a fair outcome, weed out spurious claims and meet patients' expectations. My final plea to the Government is: please leave the Bill alone.

6.46 pm

The Minister of State, Department of Health (Andy Burnham): We have had a good debate this afternoon, which has been something of a parliamentary rarity in that we all know something of what we are talking about. That is—dare I say it?—not always the case. All hon. Members, especially those who have contributed to the debate, will have had firsthand experience of the NHS complaints system and of helping constituents to obtain redress from it. As a result, hon. Members talk with knowledge and authority on the issue.

I acknowledge that the process can be unsatisfactory and frustrating, often deeply so, for individuals and their families. The hon. Member for Ruislip-Northwood (Mr. Hurd) cited the statistic that since 1995, 38 per cent. of cases have been abandoned before reaching a conclusion and 43 per cent. have been settled out of court. Those figures show that the current system does not deliver much satisfaction to NHS patients and their families.

The vast majority of patients and families are not motivated by a desire to hurt the NHS or to take it to the cleaners, as my hon. Friend the Member for Crawley (Laura Moffatt) said. They simply want the system to take proper notice of what has happened, to apologise and to show that steps are being taken to ensure that other patients do not suffer in the same way. Members on both sides of the House have made that point about the motivation of the vast majority of those who come through the doors of our constituency surgeries with complaints about the NHS. We are united on that.

It is because the system often does not respond in the right way that people feel that they have no alternative but to use the legal route—it is the only way to get those responsible to sit up and take notice. That said, the hon. Member for Broxbourne (Mr. Walker)—for whom I have great respect—said that the system never says sorry. That is not entirely true. There have been many examples of good practice in the NHS and we increasingly see a spirit of openness and a willingness to accept criticism and address problems head on. However, I am sure that the NHS could improve in that regard.

Mr. Walker: I stand corrected. I should perhaps have said that in many cases the NHS is reluctant to apologise.

Andy Burnham: I agree with the hon. Gentleman that the culture has perhaps not encouraged the issuing of apologies; he was right to draw attention to that point. The point was also made very forcefully by my hon. Friends the Members for Crawley and for Livingston

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(Mr. Devine) that the culture has not been there to encourage those working at every level in the system to accept responsibility.

There has been broad consensus in the House today that we could do better, and the Bill seeks to engender a culture change, a spirit of openness and a willingness to find resolution. This is an important reform that is in tune and consistent with other reforms that the Government are making to ensure that the patient is truly at the heart of the NHS and that the NHS responds first and foremost to the interests of the patient. So we have a good measure of agreement.

Many points of detail have been raised in the debate today, and I shall seek to address them in order. However, I shall leave until last the major point of substance about which there has been disagreement across the House—the issue of independence. The hon. Member for South Cambridgeshire (Mr. Lansley) said that this was not a party-political debate, and he was absolutely right. As a new boy to this job, I was pleased and surprised to hear him outline his policy on clinical negligence. That was the first Conservative policy that I have come across in that area. So there is one up on the board, and we look forward to a few more appearing in the not-too-distant future.

The hon. Gentleman also said that the scheme proposed in the Bill is what the NHS should be doing anyway. That is partly true, but I hope that he will accept that one of the problems with the present system is the confusion that often results because the system is unsure whether a patient is also bringing legal action. This can result in a kind of stand-off, and in uncertainty as to the status of the complaint. The Bill will bring absolute clarity to the situation and create a space in which complaints can be clearly addressed.

The hon. Gentleman also mentioned disclosure, saying that the provisions would not leave the patient any better off, because nothing would be disclosed. That is not the case. Under the scheme, relevant material will be disclosed to the patient. We are also considering whether an investigation report should be issued to the patient at the end of the process, and we will consider that matter further in consultation with stakeholders. The scheme will not leave the patient no better informed. Indeed, the whole point of the Bill is that patients will be able to find out what has happened and see the information relating to their case. So I am happy to put the hon. Gentleman right on that point.

Mr. Graham Stuart: Can the Minister give us any clue as to the time frame within which patients making a complaint might expect to receive the document to which he has referred?

Andy Burnham: That is an important point, and it was also raised by my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart)—

Mr. Simon: And Erdington.

Andy Burnham: Erdington and Edgbaston. There is a confusing number of Birmingham constituencies beginning with "E". Both my hon. Friends raised that point. It is intended that each stage of the scheme will be governed by time limits to ensure consistency and appropriate speed in the handling of cases. The hon. Member for Beverley and Holderness (Mr. Stuart) has asked a fair question, and I can tell him that the time limits will be set out in secondary legislation after full consultation with stakeholders. We want to ensure that the limits are practical and effective, and that they do their job without placing on the service undue burdens to provide information. We accept the principle that there should be time limits, because we want the system to deliver the speediest possible redress while ensuring that a full inquiry takes place. My hon. Friends the Members for Birmingham, Edgbaston and for Birmingham, Erdington (Mr. Simon) both drew our attention to that issue.

The hon. Member for South Cambridgeshire also questioned us on the issue of tort, and asked why we had moved away from the recommendations in the "Making Amends" report. When developing the redress policy, officials had a series of meetings with stakeholders to discuss the practicality and desirability of an alternative to the existing legal test of liability. Among the alternative tests examined was one based more on determining whether harm caused to a patient could or should have been avoided, rather than on making reference to an act or omission of an individual clinician. However, it became clear that changing the whole basis of clinical negligence law was likely to be extremely difficult and time consuming. The Department reached the conclusion that, given that many of the problems in the present system relate to its adversarial nature, to the time that it takes and to the high administrative and legal costs involved, reform of the test itself was neither desirable nor necessary. So we have concentrated on delivering what we believe will be a better system to provide better redress for the cases that meet the existing legal test for liability.

Mr. Simon: I wonder whether the Minister can see the logic in my suggestion. If the Government insist that tort should remain at the heart of the Bill, and if the test is to be a purely legal one, the Bill must surely include the provision of legal advice to the claimant throughout the process if it is to make any sense. If the people who are trying to get justice are to be genuinely empowered, they will need to be given legal advice.

Andy Burnham: I will answer my hon. Friend directly. There is a danger there of replicating the present system. The new scheme will do things differently and better for the individual patient. However, he makes a fair point. I draw his attention to clause 8, which provides the flexibility for legal advice to be made available, not only at the end of the process but throughout it. It could, for example, be made available when a joint medical expert is appointed. It will be possible for advice to be provided; there is flexibility in the Bill in that regard. Perhaps we will return to this issue in Committee, but in the majority of cases, the advice will be needed at the point at which an offer is made, when the process has reached its resolution, and our proposals for the development of the scheme reflect that.

Mr. Hurd: If an offer is rejected, will the patient have the right of appeal, or will his or her only destination at that point be the courts?

Andy Burnham: It is not our intention to allow an appeal. We want the scheme to work properly to provide speedy redress to the patient. The patient will not lose their right to take the matter further, however. The right to refer the matter to the health service ombudsman is enshrined in the Bill, and people will obviously retain their legal right to take further action. In our view, it would be too bureaucratic to keep reviewing and appealing the decisions, and that is not the intention behind the scheme.

Mr. Baron: Will the Minister give way?

Andy Burnham: I want to make a little more progress. I will give way to the hon. Gentleman in due course, if that is okay.

My hon. Friend the Member for Birmingham, Erdington spoke well, and I appreciate the work that he does in his role as patron of AvMA—Action against Medical Accidents. I appreciate the work of that organisation, and his welcome for the Bill. He made the interesting point that the vast majority of cases had already been rigorously investigated by the NHS before going on to be unsuccessfully defended. That underlines the point that we need a different way of doing things, and that the system needs to be able to react differently to the handling of complaints. So my hon. Friend made an important point, but the conclusion that I draw from it is different from his.

The hon. Member for Romsey (Sandra Gidley) placed particular emphasis on the lack of provision for primary care in the Bill. However, as the Secretary of State explained earlier, primary care is governed by an entirely different set of arrangements. The NHS Litigation Authority does not have responsibility for the provision of primary care. It is possible that people might in future seek to extend the ambit of the Bill, but that is not on the agenda at the moment. It is important that we put in place a scheme that works for hospital care—secondary care. The arrangements that already cover patients and provide protection to them in the primary care setting—the professional indemnity that primary care practitioners have—will continue to be the way that their claims can be met. Of course, at that level, claims tend to be smaller than those in the secondary setting.

Mr. Beith: If that is so, why does paragraph 92 of the Government response to the Constitutional Affairs Committee report say of the scheme:

"If it is successful in delivering a better response for patients...the Department will want those benefits to be available for all NHS patients and will consider extending the scheme."?

Was that not meant to imply that the scheme might eventually cover primary care?

Andy Burnham: The right hon. Gentleman is correct in saying that there is not a closed mind here, but we shall review the position in due course. The important thing is to get a scheme that works for hospital care and then to see whether the will or consensus is there in the future. Such an extension would significantly widen the ambit of the scheme and significantly increase its cost. At this stage, it would not be right to go in that direction, but as I have said, that is not to say that the position is closed.

The hon. Member for Romsey made some important points. She said that there is an unwillingness to own up early in the NHS and that we need a change in culture, which would save so much time and effort. On hearing that, I thought that she was about to support what we are doing, because those things need to be internal to the NHS, not externally imposed. The only way to get internal culture change—she rightly drew attention to this—is to encourage the NHS from within to adopt a different culture.

There are issues of independence, which I shall come to, but I want to stress to the hon. Lady that most trusts have a lay non-executive on the board who is specifically charged with dealing with matters relating to complaints. That is true of my local trust. There is already independence within the arrangements, and it is important not to ignore that fact.

The hon. Lady also mentioned the value of compensation and people not being short-changed, but there could be no incentive under this scheme to short-change people or to give them a value less than they would get in the courts, because that would simply encourage taking a claim further to the legal level, duplication of effort and further cost to the system. I do not believe that it is in the interests of the NHS knowingly to offer less than would be obtained in a legal setting. I hope she is reassured on that point.

My hon. Friend the Member for Cardiff, North (Julie Morgan), who has apologised for being unable to be present, made an extremely important point. She welcomed clause 17, particularly its permissive and deliberately broad powers to enable our colleagues in the Welsh Assembly to develop their own redress scheme that meets the needs of the Welsh health service. She rightly drew attention to the speedy resolution scheme and the various aspects of it, which we can learn from. We will seek to draw from them as we take our proposals forward.

The right hon. Member for Berwick-upon-Tweed (Mr. Beith) raised the West Lothian, or the Borders, question. It is obviously a fair question, but it is often one that vexes legislation of this kind. The statement of policy on NHS redress states:

"...ere hospital services are commissioned as part of the NHS in England from a healthcare provider outside of England and Wales, the commissioning body"—

the PCT, in the normal run of events—

"will run the scheme and coordinate the investigation, and where appropriate make the offer of redress."

The liability as I understand it, not being a lawyer, is of a different kind, but I believe that there is protection for the right hon. Gentleman's constituents should they choose to be treated in Scottish hospitals. That is something that we would want to encourage, rather than take away.

The right hon. Gentleman drew attention to the costs of the scheme, but as the hon. Member for Romsey said from the Liberal Democrat Front Bench, the costs can vary from year to year, so it is difficult to give any precise costs for the scheme. Cases can vary and it is important that we all accept that. We cannot plan with absolute certainty on those matters.

My hon. Friend the Member for Crawley spoke passionately and authoritatively, as befits someone of her standing in the NHS. She was right to talk of the

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effect on staff of the pressure that such complaints can bring. That aspect was missing from our debate until she rightly introduced it. I am sure that those complaints place huge distress on the members of a clinical team who have been involved in an incident where something has gone wrong. She drew attention to one herself.

Things are obviously extremely difficult for people in such circumstances, which, again, makes the point for the Bill, in that those people should be supported. People will make mistakes, so we must consider how the system supports someone through that process and encourages them to be able to make redress through their employer or organisation. We must produce a more satisfactory result than a finger-pointing culture and neither the patient nor the staff feeling satisfied.

My hon. Friend was right to draw attention to that issue, and she also said that we need a simple scheme that creates confidence in the NHS that it will work. Again, she was right to make that point. The hon. Member for Broxbourne made a similar point, drawing attention to a particularly distressing constituency case. He spoke well, and also spoke kindly of my predecessor, who would thank him for that. We offer our sympathies to the individual involved in that case and would want to learn from it.

My hon. Friend the Member for Worsley (Barbara Keeley) raised the case of Mr. Stanley Collins, who sadly died at Bolton hospital, and the difficulties encountered by his daughter, Mrs. Dawn Smallman, in getting the system to face up to the clear inadequacies in his care. My hon. Friend described them in a measured and compassionate way. She was right to say that such injury can be compounded by the process of trying to get redress through the system. I am sure that her comments will have been heard by others outside the House today in relation to whether we can, at this stage, get the hospital to take those issues up.

My hon. Friend also raised an important issue of communication by clinical staff with patients at a distressing time. It is my experience of patients who come to my constituency surgery that they recall every single word of what was said to them, as well as the manner in which those words were imparted. They are seared on people's minds for the rest of their lives.

Receiving such news can be the single most important event in people's lives. There is great professionalism in the service, but people would always do well to remember the point that the way in which people hear difficult news can be extremely important. My hon. Friend made a significant point in drawing our attention to that.

Before I close, I want to deal with the main point of substance between us—that is, the measure of independence in our proposals. Our remarks have drawn out the fundamental differences between how we and Conservative Members in particular see the scheme.

Let me say quite clearly that this is the NHS Redress Bill. The Bill relates to the NHS itself; the NHS has ownership of it. It is about getting the NHS to face up to mistakes when things go wrong, take ownership of them and make proper redress to people who are on the receiving end of inadequacies in care. There is a crucial difference, in that this is an internal system that the NHS will feel it owns and has control of.

As I understand the proposals tabled by the Opposition in relation to clause 12, the same process would effectively be created twice, but there would be a more adversarial system—a finger-pointing culture—whereby people would feel under pressure, which is not the purpose of the Bill we are introducing. That takes us back to my comments to my hon. Friend the Member for Crawley.

Mr. Baron: The Minister makes the point that we are considering the question of ownership by the NHS, but I put it to him that the central issue is whether patients will be fairly treated and whether they will have a system that best meets their priorities. We suggest that the best way to achieve that is to have a system that is truly independent.

Our proposal is not more adversarial, because we suggest splitting fact finding from fault finding. Bringing in the fault finding creates the adversarial aspect, so we suggest that the redress scheme simply restrict itself to fact finding. That should not be adversarial in itself.

Andy Burnham: I want to explore that with the hon. Gentleman in Committee, but if we want a change of culture in the NHS and if we really want it to respond differently when confronted with a poor patient experience, it must be right that the NHS can make its own response to take ownership of the situation. It must be right for the NHS to understand what is going on. The service is perfectly capable of establishing and presenting the facts. That is what it does already, but we can ensure that does it even better.

Patients will retain the ability to take their claims to the courts through an independent legal process. That has not been signed away by the scheme. The hon. Gentleman, and others who have used the phrase, are wrong to say that the NHS is judge and jury. That is patently not the case.

Mr. Baron *rose—*

Andy Burnham: I will not give way.

Patients are not signing their rights away in pursuing cases under the Bill. It simply gives some breathing space—some time—in which the NHS can examine what has happened, engage positively with the family involved and establish whether a better way can be found of giving them what they want: an apology, an explanation and, crucially, an assurance that the same thing will not happen to someone else. My argument, which I shall develop with the hon. Gentleman in Committee, is that our proposals will deliver that result better than a replication of an adversarial, finger-pointing, accusatory system. The hon. Gentleman is advancing a fundamentally different proposal, with which we do not agree.

Let me refer the hon. Gentleman to the words of the health service ombudsman, who said:

"I hope that the fact that an independent review of complaints about the scheme will be available will give reassurance to both complainants and the NHS bodies involved."

Numerous elements of the scheme import some independence. The independent legal advice that I mentioned will be available to patients, along with independent medical advice. Experts will be appointed jointly by patients and professionals. There will be an annual independent review by the Healthcare Commission of how the proposals are being implemented by NHS bodies, and there will be an independent ombudsman's review.

Mr. Baron: Will the Minister give way?

Andy Burnham: Yes, for the last time.

Mr. Baron: The Minister is proposing a system under which the NHS will establish the facts, adjudicate and then offer compensation. How can he claim that the NHS will not be both judge and jury in its own cause?

Andy Burnham: The NHS is not signing away the patient's right to pursue the matter further. We are not trying to replicate a legal process; we are trying to create a different system, in which the service accepts its mistakes, considers how it can make amends, and absorbs the lessons to be learned. That is better than replicating an adversarial, independent process in a redress scheme. We do not want a duplication of effort.

Notwithstanding the hon. Gentleman's ill-informed remarks, we have had a well-informed debate with a good measure of consensus that the NHS redress scheme will benefit all our constituents who seek a fairer resolution of their complaints, closure, and the ability to move on more quickly than they can now. Of course, we also want to ensure that there is no let-up in our efforts to create a safe, clean and efficient environment for the delivery of NHS care. That is the other side of the coin. The NHS continues to make huge progress in that regard, and the National Patient Safety Agency continues to work towards best practice to reduce the number of mistakes.

There are issues of detail to which we shall return in Committee, but I think we can assume from today's debate that there is a measure of agreement. We shall probably be able to improve the Bill further, but crucially, we must ensure that the NHS views itself more honestly and openly, and works with patients to give them the redress that they deserve.

Question put and agreed to.

Bill accordingly read a Second time.

NHS REDRESS BILL *[LORDS]* (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83(A)(6)(Programme motions).

That the following provisions shall apply to the NHS Redress Bill [*Lords*]:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 22nd June 2006.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of any Message from the Lords) may be programmed.—*[Tony Cunningham.]*

Question agreed to.

NHS REDRESS BILL *[LORDS]* [MONEY]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the NHS Redress Bill [Lords], it is expedient to authorise the payment out of money provided by Parliament of—

(1) any expenditure incurred by the Secretary of State by virtue of the Act, and

(2) any increase attributable to the Act in the sums payable out of money so provided under any other Act.—*[Tony Cunningham.]*

Question agreed to.

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, I shall put motions 4, 5 and 6 together.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

INTERNATIONAL DEVELOPMENT

That the draft African Development Bank (Tenth Replenishment of the African Development Fund) Order 2006, which was laid before this House on 13th March, be approved.

That the draft Caribbean Development Bank (Sixth Replenishment of the United Special Development Fund) Order 2006, which was laid before this House on 13th March, be approved.

That the draft Asian Development Bank (Eighth Replenishment of the Asian Development Fund) Order 2006, which was laid before this House on 13th March, be approved.—*[Tony Cunningham.]*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Standing Committees),

DEMOCRACY, DIALOGUE AND DEBATE

That this House takes note of European Union Document No. 14775/05 Commission Communication: The Commission's contribution to the period of reflection and beyond: Plan D for Democracy, Dialogue and Debate; and endorses the

Government's support for the principles behind Plan D and the view that implementation to raise awareness of the EU in the UK should be in co-operation with partners at European, national, regional and local levels. —*[Tony Cunningham.]*

Question agreed to.

Mr. Deputy Speaker: With the leave of the House, I shall put motions 8 and 9 together.

COMMITTEES

Ordered,

That Mr Colin Breed be discharged from the Defence Committee and Willie Rennie be added. —*[Rosemary McKenna, on behalf of the Committee of Selection.]*

Ordered,

That Jon Trickett be discharged from the Public Accounts Committee and Mr Don Touhig be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

Antisocial Behaviour (Wellingborough)

Motion made, and Question proposed, That this House do now adjourn.—*[Tony Cunningham.]*

7.15 pm

Mr. Peter Bone (Wellingborough) (Con): I thank Mr. Speaker for giving me the opportunity to discuss an issue that is becoming increasingly significant in my constituency. I also thank the Minister for his attendance and look forward to his response. I welcome my hon. Friend the Member for Kettering (Mr. Hollobone) to the debate—we share the same basic police area, and I know of his concern about crime.

When I applied for the debate, the title that I proposed was "Vandalism, Graffiti, Arson, Muggings and Yob Culture in Wellingborough". That was changed on the Order Paper to "Tackling antisocial behaviour in Wellingborough". I want to make it clear from the start why I do not believe that "antisocial behaviour" is an adequate description of the problem in my constituency.

In certain parts of Wellingborough, yob culture is rife. It is that yob culture—what is described as "low-level crime"—that is having such a devastating effect on many law-abiding citizens in my constituency. Yob culture, vandalism, thuggery, muggings, arson, drug-dealing and generally threatening behaviour may not command the same seriousness in the eyes of the law as high-level crimes, but they blight the lives of many, many innocent people. Those people feel that the law is letting them down—that the law is on the side of the criminal, not the victim. They feel helpless. I am here today to stand up for those people in my constituency.

"Antisocial behaviour" is not a strong enough phrase to describe the despair that families in my constituency are experiencing at the hands of mindless criminals who make it their mission to disrupt the everyday lives of innocent people. These yobs are criminals, and they must be caught and tried as such.

One of my constituents had huge concerns about law and order in the other major town in my constituency, Rushden. Councillor David Childs was both a district and a town councillor, and he was very concerned about the level of crime and violence in the town, especially on Friday and Saturday nights. He had suffered unprovoked attacks on two separate occasions. David was not a professional politician; he was an ordinary, decent person who wanted to serve the community in which he lived. He was a local plumber and a family man. Although he held Conservative views, his interest was in helping the local community, regardless of party politics. He played an active role in promoting social life in Rushden through his many interests, including "Party in the Park".

Like many local councillors, David wanted to see a greater police presence in the town. I have mentioned him first because it was he who first alerted me to the problems of yob culture in Rushden. On 4 May this year, David was made mayor of Rushden. Unfortunately, a week ago today he died of asbestos-related cancer. I shall attend his funeral tomorrow.

David will be sorely missed by his family, friends and colleagues, and by the people of Rushden.

Yob culture is growing in Wellingborough. For some families, the situation has become so unbearable that they feel that the only option is to take the law into their own hands. They are fed up with being victims of the mindless youths who terrorise their lives. I run the Listening to Wellingborough and Rushden campaign. We regularly survey local people because I feel it is important to listen to the views of people whom one represents and then campaign for change on their behalf. The campaign was formed because only by listening to people makes is possible fully to appreciate their problems and concerns.

The listening campaign seeks the views of local people through surveys, public meetings and door-to-door canvassing, as well as by e-mail and telephone. We regularly send out surveys to residents asking what local and national issues are of most concern to them. Time after time, the number one issue of concern for the people of Wellingborough is crime. In fact, the gap between crime and the second biggest concern for my constituents is increasing with every survey.

Just last week, I had a meeting with worried residents in the Croyland ward of Wellingborough. They contacted me because they were fed up with a couple of problem families in the area who were making the lives of everyone else a misery. Several people who live in the Abbey road and Priory road area of Croyland told me how they were subjected to a constant spate of vandalism, graffiti, theft, abuse and even arson. Only a few residents felt that they were able to come forward to let me know of their suffering. Many of the other families, especially the elderly, who have been affected by this explosion of yob culture in the area were too scared to come forward; they were afraid of the repercussions that it would cause. One name did get into the local media and that person's garden was set on fire. How many more cases are there that we do not know about? These are innocent victims who are too scared to say anything in fear of being a target of revenge by mindless criminals.

The meeting I had last week was also attended by the police, the antisocial behaviour officer for Wellingborough council and local councillors Paul Ainge and Lesley Callnon. The residents of Abbey road told us how they were consistently terrorised by the yobs. Their cars have been vandalised so many times that someone made the point that they no longer get the damage repaired because it will just happen again. One person said that they were too frightened to go on holiday because they were not sure what they would come home to.

Many of the residents who attended the meeting own their houses. Some have tried to move out of the area, but their property is unsaleable owing to the reputation of those local yobs. Why should innocent families be forced to sell their homes?

David Taylor (North-West Leicestershire) (Lab/Co-op): I am sure that the hon. Gentleman would not want to give the impression that teenage thuggery, persistent truancy and general antisocial behaviour are restricted to young people who happen to live in rented properties on council or housing association estates. He is coming perilously close to saying that. Some of the worst cases in north-west Leicestershire are in private estates around the town centre.

Mr. Bone: I am grateful for that intervention. I tried to word this passage of my speech particularly carefully because it would be totally wrong and misleading to suggest that it is council tenants who cause the problem. That is outrageous and wrong, but in this particular case, as I shall explain, there are one or two families who are living in council property and the question has been raised of why the council is not doing something about it.

The criminals whom residents spoke of were all council tenants. The residents said, "Why should the council rent accommodation to people who are terrorising the neighbourhood? Surely the council should have powers to evict families who are acting in such an appalling manner." Why should they be terrorised by those very few families, who happen to be council tenants?

The system is failing those people and the criminals know it. One of the mantras that is being muttered around criminal circles in Wellingborough is, "You don't rob off your own. You rob off people who are rich enough to afford insurance." When those yobs and vandals get away with terrorising innocent people, they see no reason why their criminal activities should not continue and grow in degree and intensity.

The residents at the meeting gave the representatives of the council and the police the names of the criminals. Both the police and the local council were well aware of those criminals. Indeed, most of them were repeat offenders, yet they are still living in council accommodation, terrorising the innocent.

Mr. Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend on securing this important debate. I know that he is a constituency champion on these and other important local issues. He has just made the point that the police, the council and the other agencies know who these criminals and yobs are. Does he agree that the system is such that the legal team at Wellingborough council, which is now a joint team with Kettering council, finds it extremely difficult to convince the courts that known criminals and yobs should be evicted from their council tenancies?

Mr. Bone: My hon. Friend makes a powerful and true point. It was interesting that when the residents were naming three or four families who were causing the problems, before they finished the police told them who the next family was. It is ridiculous—the police, the council and the victim know who is doing it, yet no action can be taken.

The police sergeant at the meeting explained how the call centre worked when people telephone the police. He stated that there is a call centre grading system where the operator grades the seriousness of the crime, which then receives the allocated and available resources. General thuggery and yob crime is not high on the priority list, yet it is that type of crime that affects so many people up and down the country. One person summed it up at the meeting by saying that

[Mr. Bone]

there is no point in phoning the police if the group of known criminals are hanging around outside their property because they would just get laughed at—but it is that intimidation and the lack of response which currently allows the criminals to win.

What we need in Wellingborough, what we must have, is an increased police presence on our streets. We need more police officers patrolling the beat, catching criminals and deterring crime. The answer to the problem of yob culture is not regional superforces, as proposed by the Government. In my constituency, we have already lost our chief superintendent, who is now based in Kettering. Public access to Wellingborough police station is now part-time. Police resources have been diverted elsewhere, all to the detriment of my constituents.

Under the Government's plans for an east midlands superforce, Northamptonshire police would merge with Nottinghamshire, Derbyshire, Leicestershire and Lincolnshire.

Our police headquarters would be moved from Northampton to Nottingham, and all that at a huge cost to the taxpayer. The money would be better spent on local policing—on more beat officers patrolling our streets. It is proven that if we have a greater police presence on the streets, the level of crime decreases.

David Taylor: While I took issue with the hon. Gentleman the first time I intervened, I endorse the point that he is making now. If a force serving a population of 4.25 million has its headquarters 40 or so miles away, it is likely to be less sensitive to local priorities on antisocial behaviour not just in Wellingborough, but in Whitwick in Leicestershire and Wirksworth in Derbyshire. The list could go on. There is real concern that those priorities will be damaged as policing resources are transferred to Nottingham and south Nottinghamshire to tackle the evident problems there.

Mr. Bone: Again, I am grateful for the hon. Gentleman's intervention. I know of his concern, which he has expressed on many occasions, about the proposal to create an east midlands regional force, but I will come later specifically to that point.

Another area in my constituency, Queensway, has experienced a lot of crime caused by yob culture. The police recognised that that was a real problem area and ploughed huge police resources into the neighbourhood. In Queensway, there was a particular problem with burglaries. Extra police officers were drafted in to patrol the area 24 hours a day and the number of burglaries went down to zero. As soon as that police presence was removed, the crime levels started to increase again.

The latest crime figures were released last week. In north Northamptonshire, crime figures were down in every area—except Wellingborough. Crime was up 4 per cent. last year on the previous year's figure. One in eight people in Wellingborough is a victim of crime. In adjoining Kettering, the figure is one in 11. In the adjoining area of east Northamptonshire, it is one in 16. In other words, a person is twice as likely to be a victim of crime in Wellingborough as in an adjoining area.

It is not just so-called low-level crime that is on the rise. The surrounding areas of Kettering, Corby and east Northamptonshire had a reduction in violent crime; in Wellingborough, it increased. The other three areas also had a decrease in criminal damage; in Wellingborough, it increased. Crime is, unfortunately, out of control in Wellingborough, and something must be done to protect its law-abiding citizens. It is proven that a strong local police presence works. We need it in Wellingborough, and we need it all the time.

We also need local, accountable chiefs to run our police forces. We need sheriffs, directly elected by the people, to run our police service. If they fail, they can be held directly accountable. At the moment, that just does not happen. What we do not need are the Government's superforces, which will take even more power away from our citizens, who should have a voice in how their service is run. How can a chief of police be accountable to the people of Wellingborough when he is based in Nottingham? It is all well and good going back to having a sheriff of Nottingham, but I want a sheriff of Wellingborough as well.

The Government need to stop spending money on police community support officers and start putting more money into having more real police officers. When senior police officers are asked whether they want more PCSOs or more real police officers, I think I know what the answer is. If the people of Wellingborough are asked what they want more of, the answer is more real police officers patrolling the streets, catching criminals and deterring crime.

I wish to put a number of suggestions to the Minister. Does he accept that top-down policing, with national targets, has failed? How can the priorities of Wellingborough, Nottingham, Lincoln and Market Harborough all be the same? Does he accept that the woolly minded liberal thinking on yob culture of the past 30 years or so has failed us? The liberal excuses are that it is all the fault of poor education, that these young yobs will grow out of it, and that it is always the community's fault and never that of the individuals responsible. Is not all that absolute rubbish? If the Minister does not accept that, will he explain why the policies of the last decade have failed so miserably?

On a more positive note, I suggest that the Government take the problem seriously; that they set up proper, long-term consultation; that they abandon their plans for super police forces; that they look at least at the possibility of elected sheriffs; that they look at mergers of police forces based on operational needs, not regional boundaries; that they look at the case for an office of homeland security; and that they consider running pilot schemes of density policing with a zero-tolerance approach to low-level crime. If they think that such pilots are a good idea, may I volunteer Wellingborough as the first?

Would not it be a good idea to reconsider penalties for yobs, thugs and vandals? Let us have policing based on the needs of local people. It is not rocket science—we do not need a totally remote superforce, costing the taxpayer millions of pounds, to solve the problem of crime. We need more police, out on the

beat. We need our chief superintendent restored to Wellingborough. We need our police station open and manned full time. We need zero tolerance of thugs, vandals and yobs. We need to be surprised if we do not see a police officer patrolling the streets—at the moment, we are surprised if we do see one.

7.34 pm

Mr. Philip Hollobone (Kettering) (Con) *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the hon. Gentleman that although we have more time for the debate than might have been anticipated, it is strictly about Wellingborough and antisocial behaviour.

Mr. Hollobone: I am grateful for your advice, Mr. Deputy Speaker.

I am delighted to support my hon. Friend the Member for Wellingborough (Mr. Bone) on the subject of his debate tonight. He and I share a local paper, the *Northamptonshire Evening Telegraph*, and are delighted that it is, this week and in recent weeks, featuring a series of articles on crime and antisocial behaviour in Wellingborough, Kettering and Corby. We have seen stories about residents in Wellingborough and the sad circumstances of the crime and antisocial behaviour from which they suffer. We should congratulate the paper on its initiative. In raising the issue, it is probing the details of how the problem can be tackled. That goes alongside another campaign that the paper is running on the "seven social sins", which include the graffiti, vandalism and yobbery that my hon. Friend so excellently described.

I have also recently spent time with the local police force I share with my hon. Friend. On two occasions, I have come into direct contact with crime and antisocial behaviour in Wellingborough. On the first occasion, I had the opportunity to telephone my hon. Friend from the Wellingborough library, to which I had been driven, with the police scientific support unit, to try to find fingerprint and DNA evidence of someone who had broken in. After an extensive search, some very good footprints, fingerprints and DNA samples were indeed found.

The chances are that the person who broke in, causing extensive damage to the library, is probably a persistent and prolific offender who is very well known to the local police. It is my view that such persistent and prolific offenders should, when caught—as they are by our local police—and when they are sentenced—as they are by the courts—should serve their time in jail in full. Those persistent prolific offenders are basically extremely bad people, most of whom are incapable of being reformed. They commit 85 per cent. of local crime in Wellingborough, and my point is that the police spend all their time chasing persistent prolific offenders when they are released from jail. If they did not have to do that, they could spend their time and resources on introducing zero-tolerance the policies on crime and antisocial behaviour that the people of Wellingborough want.

My other direct experience of Wellingborough yobbery happened in a car park in Burton Latimer, just over the border. I was on patrol with the local police as part of the police parliamentary scheme when we came across a car at dead of night. Six Wellingborough youths were hanging around outside it. The car was full of drug smoke—it was almost blue—but no one was actually in the car. Because the six youths involved were not in the car, there was little the local police could do. They took names and addresses and searched the youths. They came to the conclusion that the vehicle was a stolen one. Clearly, some kind of crime had been committed, but the police decided that they simply could not take action against the six youths because they were not sitting in the car when the police arrived.

The point is that the law somehow needs to be changed and the system adjusted so that common-sense policing can take place. Despite the best efforts of the local police in Wellingborough and Kettering, it is becoming increasingly difficult for our local officers to present evidence to courts that courts will accept. The burden of proof is simply, in many cases, too great.

In that case, the police took names and addresses and let the youths go. The car was taken to the Northamptonshire car pound and reported as a stolen vehicle. I asked the officer concerned, "What will happen now that these youths have to walk back to Wellingborough?" and he said, "Well, another car crime will probably be committed tonight." That is the sad and sorry state that we have got into in Northamptonshire.

My fundamental point is that, as my hon. Friend said, the police and the authorities know who the yobs and the criminals are and they are doing their very best to sort out the situation, but when those people are caught and sentenced, they should serve their time in full.

7.40 pm

The Minister for Policing, Security and Community Safety (Mr. Tony McNulty): I congratulate the hon. Member for Wellingborough (Mr. Bone) on securing the debate and commend him on his eloquence. These are hugely important issues. I take the point that he made at the start: of course, these offences do not rank with the most serious crimes—murder, manslaughter and so on—but the impact on our communities is none the less quite severe, and blights communities every day.

May I, through the hon. Gentleman, pass on my commiserations to the family of Councillor David—I did not catch his second name; I do apologise—the recent mayor of Rushton? I commend his sadly now deceased colleague for his public service and all his endeavours. I say without fear or favour that councillors of all parties throughout the country are doing a fine job for their communities, day in, day out, and very often with little reward.

David Taylor: The Minister says that councillors throughout the country are doing just that sort of job, but does he acknowledge that some councils appear reluctant to tackle antisocial behaviour and all that goes with it in a systematic and adequate fashion? Does he welcome what the Prime Minister has said today about the funding of councils that do not get to grips with that as the three Back Benchers who are in the Chamber are urging tonight?

Mr. McNulty: I am grateful to my hon. Friend for that intervention, because I agree wholeheartedly with all that he says. We must get to a stage where all the agencies involved in such matters take them as seriously as our assorted communities in various constituencies do, and I fully concur with him in that regard. Again, beyond any sort of party dimension, there are councils up and down the country that work very closely with their crime and disorder reduction partnerships to great effect and do get it—to use the modern parlance—with regard to the impact of such apparently low-level crimes and yobbery on our communities. So I commend what my hon. Friend has said, as well as the comments made by the hon. Members for Wellingborough and for Kettering (Mr. Hollobone).

The exasperation of many people in our communities, not least that of the hon. Member for Wellingborough, may well lead them, at least in passing, to think of taking the law into their own hands. I am sure that he will join me in trying to exhort people not to do so, regardless of their frustrations. As my hon. Friend the Member for North-West Leicestershire (David Taylor) suggests, this is about invoking the local machinery and stakeholders to ensure that things improve.

The hon. Member for Wellingborough will know of examples of such improvements in Wellingborough and elsewhere. None the less, as he suggests, the starting premise is that yob culture, low-level crime, vandalism and all that is wrapped up under the label of antisocial behaviour are unacceptable and should not happen. That is very much on the agenda for all of us, and the Government have tried to do any number of things in that regard.

Before I go into some of the detail about Wellingborough and Northamptonshire, and the national plans, let us take one step back. There are things that can and should happen regarding the responsibilities of the individual citizen and the family rather than the state, whether locally or nationally. The hon. Gentleman will know that many of the things that we outlined in the respect action plan relate to parenting, education and how people should learn effectively to be good citizens, and if not to respect, at least to tolerate one another.

As my hon. Friend suggests, the more people who condemn such behaviour as unacceptable and against the grain the better. The notion of a culture that says that such behaviour is acceptable, and just the way things are these days with young children, is simply unacceptable, in Wellingborough and elsewhere. It is clear in Wellingborough and elsewhere that people of all generations and backgrounds are united in wanting antisocial behaviour to be tackled head on, as it directly affects their quality of life.

The last time I had the pleasure to share such a forum—upstairs, I believe—with the hon. Gentleman and his colleague the hon. Member for Kettering was in a debate specifically on the restructuring of the east midlands police force. With respect, I will not go down that route today, except to repeat that I am more than happy to meet all the MPs from the east midlands, on a county basis or any other basis, to speak directly to that policy, which, as I have been saying over the past couple of days, involves important issues.

Crucial to the direction that policing will take in this country, with or without superforces, as the hon. Gentleman describes them, is the continued implementation of what we are trying to do with forces throughout the country in relation to neighbourhood policing. We are trying to determine—this is already well advanced in some ways in Wellingborough—how such neighbourhood policing will dovetail with all the assorted local stakeholders, for want of a better phrase, including the crime and disorder reduction partnership, so that those involved can give the best of their resources to help local people. I am know that the hon. Gentleman is aware of that, and that he works well with Wellingborough's antisocial behaviour co-ordinator and others in that context.

The truth is that whatever the Government do in offering resources for policing and in setting out our agenda and legislation on antisocial behaviour and the respect action plan, we cannot impose those things on communities to assist them. We must all work together locally and nationally across assorted agencies to ensure that people get the protection that they deserve.

Notwithstanding my hon. Friend's comments, communities, councils, police forces and other authorities throughout the country are increasingly taking a stand against such behaviour. There are examples up and down the country of the sort of tipping point that is reached when sufficient effort and resources are put in by assorted local agencies—when we get to the stage where people say, "We won't put up with this sort of behaviour any more." At worst, the antisocial behaviour moves elsewhere; at best, it is not displaced in that way, because the people next door, too, make dealing with it a priority.

We want to get to a stage where CDRPs, local police and local councils all work together successfully to move towards precisely the sort of zero tolerance that the hon. Gentleman suggests. It is almost a cultural change, and that takes time. As my hon. Friend suggests, it has taken time to break down some barriers between those assorted agencies, but in the end more and more people are moving towards an acceptance that although such crimes may be low level, they are increasingly important.

I do not want to quibble with the hon. Gentleman about crime rates. The latest information that I have for Wellingborough CDRP area and Northamptonshire is that many of the figures that he has quoted are not accurate about the measures taken in 2003-04 compared with 2004-05, when burglary, theft, fraud and criminal damage all went in the right direction—down—in Wellingborough and Northamptonshire. However, I am sure that we can talk about statistics after the debate.

I still accept that even if crime levels are moving in the right direction, because of the malaise of antisocial behaviour, the perception in our communities is that crime is being anything but reduced. I have attended meetings similar to those that the hon. Member for Wellingborough has organised, and I can say until I am blue in the face, "Yes, but Harrow is the safest but one borough in the whole of London," only to be told time and again, "Well, it doesn't feel like it." So it is not just a question of dry statistics, although I would contend

that the statistics are going in the right direction; we must do all we can with all the agencies concerned, to improve the situation.

The hon. Member for Wellingborough referred, perhaps a tad unkindly, to the Caspar project in Queensway. As he will know, it involved not just a police presence but a whole series of other important elements that, in some cases, sought to re-establish the fabric and infrastructure of the local community. It did not, as the hon. Gentleman implied, provide "something for the kids to do" in a liberal, woolly, wishy-washy way; rather, it turned round that estate and improved the situation. The project has not been 100 per cent. successful in eradicating all the difficulties associated with antisocial behaviour, but I hope that he will agree that it has improved the situation in Queensway, and that the collective behaviour is far better than it was. Such interventions are important. They may seem to be as low-level and unimportant as many of the activities that we are discussing, but the hon. Gentleman will know that they have led to significant improvements in the community.

Following the hon. Gentleman's discussions with residents in Abbey road and Priory road, the police are at least considering the use of measures such as cameras and additional patrols. That shows that, through a partnership in which the community and individual agencies collectively recognise that such behaviour is no longer acceptable, the situation will improve.

There are record numbers of police throughout the country, and there has been an equivalent increase for Northamptonshire. While that should be taken as read, it is important that local constables use the record level of resources to the best of their ability in servicing local communities. We are examining ways of ensuring that civilians do the jobs that civilians should be doing, so that we can increase the number of uniformed officers on the streets and reduce the number in police stations. I should point out that that project has the full indulgence and active participation of the police forces themselves, who are keen to get officers out on the beat. I take issue, however, with the notion that police community support officers have no real place in the equation; they do, and they can work very well with the police. They are not, and were never meant to be, substitute policemen, but they do act as their eyes and ears and complement what they do in a particularly productive way. *[Interruption.]*

Despite the fact that, as instructed, my phone is on "Boothroyd" mode, the vibration is particularly loud and I cannot turn it down. I apologise, Mr. Deputy Speaker.

There are plans to introduce more community support officers to assist the record numbers of police, which is only right and proper. To judge by the London experience and the way in which the Metropolitan police have configured their local neighbourhood policing scheme, such schemes work very well. We will try to ensure that the importance of neighbourhood policing is recognised not only in Northamptonshire but throughout the country, regardless of the debate on super-forces. The hon. Gentleman will know that Wellingborough was one of the key locations in Northamptonshire where the scheme was started. I do not have the timetable for when the rest are to be introduced, but he will doubtless find out that information far more readily than I could. Getting these people out on to the streets is extremely important.

There was a meeting at Downing street today to discuss antisocial behaviour—as the hon. Gentleman said, that was astute timing—at which, among other things, my right hon. Friend the Secretary of State for Work and Pensions announced that we are seriously considering the use of housing benefit sanctions for those who rent in the social sector. However, I take the point, made by my hon. Friend the Member for North-West Leicestershire, that antisocial behaviour is not the preserve of those who rent in the social sector.

David Taylor: I am grateful to the Minister for that reassurance. It is certainly true that powerful levers are available to housing associations and local authorities in dealing with families guilty of persistent antisocial behaviour. However, is there any new thinking on the levers that might be necessary to tackle some of the most persistent and dreadful incidents of antisocial behaviour, which are just as likely to involve owner-occupiers? Indeed, two of the worst cases of antisocial behaviour in my time as an MP—in the Coalville area of my constituency—occurred precisely because no such levers were available.

Mr. McNulty: My hon. Friend makes an entirely fair point. In dealing with such cases, the focus will have to come from a different legislative base. As he suggests, it is through assorted social housing powers and the dimension of housing benefit sanctions that we can fix on those in the social sector. Thought is being given, in a general sense, to how we might deal with those for whom such a sanction does not exist. My own constituency experience shows that it in no way follows that even the most persistent of offenders in an area are from a particular social tendency; it depends entirely on the area in question. The respect action plan provides new standards for housing management, so that social landlords can understand what is expected of them in dealing with misbehaving tenants. We are considering extending that plan to the private rented sector, but that is a small, less burgeoning sector, even in this day and age. A lot is happening.

I take the hon. Gentleman's point about the impact on policing of low-level inquiries into the "fabric" issues—for want of a better phrase—associated with antisocial behaviour. Such inquiries might better be undertaken by, say, environmental health bodies, councils or others. We are trying to set up an alternative, non-emergency number, called the 101 service. Northamptonshire is included in the third wave of that service. We want to increase awareness, so that people realise that if a car has been abandoned or windows have been broken—such behaviour might encourage those who choose to hang around and make mischief—they can call the 101 number.

When the service is up and running, it will, through the use of a filter, divert the caller to the relevant council department, environmental health body or agency. That will, we hope, take a significant burden away from 999 in the form of the sort of intermediate call that should go to the police station rather than

[Mr. McNulty]

being dealt with in that way, and get some reciprocity in terms of action following soon after our communities have made such an inquiry. That will not solve all the issues, but it does assist in that regard and addresses the important point that the hon. Member for Wellingborough made at the start, which is that someone somewhere should recognise that the consequences of destructive behaviour, or of messing up a particular street scene or park, matter. They matter to local communities, and so should matter to everybody else.

The key to success is the vigilance of local communities, of local councillors and MPs in properly representing their communities, and of all community agencies, including the crime and disorder reduction partnerships, working together. It is also getting a model where neighbourhood policing has far more substance than it has now—and we are trying to do that. I fully concur with the notion that the impact of such antisocial behaviour and yobbery matters because it matters to our communities and to the cohesion of those communities, and that our communities deserve a voice against it. That is what all our legislation on antisocial behaviour has been about, and what all the resources and investment that we have put into policing up and down the country have been about. It is what the respect action plan is about.

Across the Chamber, with the armoury of assorted ways to go forward, and with that voice engaged, with locally elected councillors and the community proper, we can get to the stage at which our communities can feel that someone is listening—I know that that is the frustration—that their voice matters, and that things will be done both about the individuals concerned and the consequences of those individuals' antisocial behaviour. I again commend the hon. Gentleman and congratulate him on raising this important debate, and on the manner in which he has done so.

Question put and agreed to.

Adjourned accordingly at two minutes past Eight o'clock.

House of Commons

Tuesday 6 June 2006

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

NEW WRITS

Ordered,

That Mr. Speaker do issue his Warrant for the Clerk of the Crown to make out a new writ for the electing of a Member to serve in this present Parliament for the county constituency of Blaenau Gwent in the room of Peter John Law, Esquire, deceased.—*[Jacqui Smith.]*

Ordered,

That Mr. Speaker do issue his Warrant for the Clerk of the Crown to make out a new writ for the electing of a Member to serve in this present Parliament for the borough constituency of Bromley and Chislehurst in the room of the right hon. Eric Forth, deceased.—*[Mr. McLoughlin.]*

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Sectarianism

1. **Mr. Jim Devine** (Livingston) (Lab): What discussions he has had with the Scottish Executive on tackling sectarianism in Scotland. [74952]

The Secretary of State for Scotland (Mr. Douglas Alexander): I have regular discussions with the First Minister on a range of issues.

Mr. Devine: As I am sure my right hon. Friend knows, sadly, a small number of football fans bring sectarianism on to the football ground. Will he join me in congratulating the fans of Celtic and Rangers, who at the last old firm game unfurled a banner condemning sectarianism? What can we do, as Members of Parliament, to assist the Scottish Labour party's anti-sectarianism campaign?

Mr. Alexander: I wholeheartedly endorse my hon. Friend's sentiments. The First Minister has rightly addressed the issue of sectarianism in recent years. He has shown real political courage in raising it and ensuring that it has been discussed throughout Scottish society. I believe that, along with all other members of Scottish society, Members of Parliament have a role to play in ensuring that sectarianism has no place in modern Scotland.

Identity Cards

2. **Mr. Mark Harper** (Forest of Dean) (Con): Whether the introduction of identity cards in Scotland will differ from that in the rest of the UK. [74953]

The Parliamentary Under-Secretary of State for Scotland (David Cairns): The introduction of identity cards is a reserved matter. The procedures for issuing them will be the same in Scotland as in the rest of the United Kingdom.

Mr. Harper: What discussions has the Minister had with the First Minister and the Scottish Executive about the extent to which the Scottish Executive will have access to the national identity register?

David Cairns: It may help if I explain the constitutional position. Because the legislation involves an issue of identity and nationality, it is an entirely reserved issue, and has been introduced as such. Decisions much further down the line—as and when the cards become compulsory following a further Act of Parliament—on what services can be accessed will be for the House of Commons in respect of reserved matters and for the Scottish Executive in respect of matters that are devolved to them.

Mr. Jim McGovern (Dundee, West) (Lab): Does my hon. Friend agree that the people of Scotland deserve the same level of protection against terrorism and identity fraud as their fellow citizens in England and Wales?

David Cairns: My hon. Friend goes to the heart of the matter. It often amuses me when others seek to represent the people of Scotland as being wholly opposed to identity cards. I have never seen any evidence of that. Identity cards have been introduced because there has been a big increase in identity theft and fraud, because 30 per cent. of terrorist suspects have been using false identities, and because of ongoing problems of illegal immigration. That move will be welcomed in Scotland, as it will be throughout the rest of the United Kingdom.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): The Secretary of State's predecessor told the House on 28 March that most people in Scotland supported identity cards because they would be linked to social security payments in Scotland. Can he confirm that that will be the case?

David Cairns: Any introduction of identity cards, as and when they are made compulsory and as and when it is necessary to use them to gain access to social security benefits, will apply uniformly throughout the United Kingdom, because issues relating to social security payments are reserved.

Jo Swinson (East Dunbartonshire) (LD): Will the Minister join me in congratulating our colleagues in the Scottish Executive on doing their bit to resist the creeping Big Brother state by declaring that identity cards will not be required for access to devolved services in Scotland?

David Cairns: It is entirely within the legislative competence of the Scottish Parliament to make

whatever arrangements it sees fit for access to services that the House of Commons has devolved to it. On the issue of identity cards, I note that the hon. Lady did not mention anything to do with terrorism, illegal immigration or fighting crime—which is hardly surprising, coming from a Liberal Democrat.

Nuclear Waste Disposal

3. **John Robertson** (Glasgow, North-West) (Lab): What discussions he has had with the First Minister on the disposal of nuclear waste in Scotland. [74955]

The Secretary of State for Scotland (Mr. Douglas Alexander): I continue to discuss a wide range of matters with Scotland's First Minister.

John Robertson: I thank my right hon. Friend for that expansive answer. The lack of solutions on the disposal of nuclear waste has been used by opponents for as long as I can remember. He will be aware that CORWM is to publish an extensive report at the end of July. Will he ensure that the findings are published in full and that the issues raised by the report will be debated in an adult and sensible way and not for short-term politics? Some parties seem to spout off without knowing what they are talking about.

Mr. Alexander: I thank my hon. Friend for his gracious thanks for my earlier answer. I make it clear that the CORWM process, which has been marked by an open and consultative approach, will continue in that vein. CORWM will publish the final report in full in due course. However, I cannot take responsibility for how other parties choose to respond to what I believe will be a substantial and significant work.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): The west of Ireland is protected from being used as a nuclear dump, as Ireland is a successful nation and independent from Westminster. What will the Secretary of State do to ensure that the west coast of Scotland and, indeed, the rest of Scotland are similarly protected?

Mr. Alexander: The first thing that I should make clear is that I will not indulge in ill-informed scare tactics. People in the Western Isles and the west of Scotland deserve better from some of their elected representatives. The establishment of CORWM was a joint initiative by Scottish Executive Ministers and the UK Government, and it is clear that there has been a serious and substantial attempt by both the Scottish Executive and the UK Government to address the important issue of legacy nuclear waste. In terms of the prospect of further steps being taken in the future, let us be categorically clear that planning restrictions and the treatment of nuclear waste are both devolved matters, which are appropriately dealt with by the Scottish Executive and the Scottish Parliament.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): My right hon. Friend will be aware that the chief executive of the Met Office warned yesterday that the UK's nuclear power stations, many of which are on the coast, could be in particular danger if climate change leads to more severe storms and increased coastal flooding. Will he assure the House that we can have an adult and mature debate on what that means for the cost of dealing with nuclear waste and the cost of eventual decommissioning of existing and perhaps future nuclear power stations?

Mr. Alexander: My hon. Friend makes my case that it is important that this matter is dealt with in a serious fashion. That is why we have brought together leading academics and a range of voices in the CORWM process. It is why it is important that the Scottish Executive and the UK Government have worked together effectively to access the best knowledge and learning on what is a huge challenge, not just for one part of the UK but, given the legacy of nuclear waste that has accumulated, the whole of the UK.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): It would be helpful if the Secretary of State confirmed what he said earlier—that the final decision on the burial of nuclear waste in Scotland will lie with the Scottish Executive. Is that correct?

Mr. Alexander: I confirm that, post devolution, both the disposal of radioactive waste and the planning that would be required in order for such a disposal site to be established lies within the list of competences of the Scottish Parliament, rather than the UK Government.

David Mundell: That is a helpful answer and puts into context some of the activity in the Scottish political climate at the moment. Will the Secretary of State join me in condemning those politicians who run around Scotland claiming that it will be turned into a nuclear dump, when it is the case that, whatever the final decision on new nuclear power stations, we will still have to deal with legacy nuclear waste? Those who fail to face up to that reality or who pretend otherwise are unfit to govern Scotland.

Mr. Alexander: The hon. Gentleman makes clear the risk of prewritten questions in Scottish questions. I made it clear just a few seconds ago that I condemn those politicians who choose opportunistically to raise fears rather than deal with facts on this issue. I am happy to confirm that. However, in light of the rather desperate attempts by the Scottish Conservatives in recent days to find coalition partners in the Scottish Parliament, I am not very keen to join the hon. Gentleman in any invitation that is extended to me.

New Deal

4. **Mr. Frank Doran** (Aberdeen, North) (Lab): What the most recent figures are for the number of young people in Scotland who have found employment through the New Deal. [74956]

The Secretary of State for Scotland (Mr. Douglas Alexander): The latest figures published at the end of April show that 77,580 young people in Scotland have found employment through the new deal.

Mr. Doran: I thank my right hon. Friend for that reply. The new deal has been important to thousands of youngsters in Scotland and it is important that it continues. We are lucky in the city of Aberdeen because we have relatively low unemployment, but we do have an employment problem at the moment. We have young people who are still looking for jobs. Many of them have had problems in their lives and are getting special assistance from voluntary organisations such as Aberdeen Foyer in the constituency of my hon. Friend the Member for Aberdeen, South (Miss Begg). At the other end of the spectrum, we have a boom in the oil industry and an ageing work force. We need additional resources to assist with training and to achieve synergy between the young people who are looking for jobs and an industry that is desperate to employ people. Is that an area that he will discuss with his colleagues in the Cabinet to see what can be done?

Mr. Alexander: I am certainly happy to raise with colleagues the points that my hon. Friend has made, but it is important to keep in context the challenge that he describes. Long-term youth unemployment in Scotland has been virtually eradicated—it is 90 per cent. lower than in 1997. Secondly, 1,120 young people in his own Aberdeen, North constituency have been helped into work by the new deal. On his first assertion—that the new deal has been hugely significant—I am afraid that that is not a consensual view in all parts of the House. The Conservatives opposed the new deal and would abolish it, the Liberal Democrats never supported it, and the Scottish National party did not bother to turn up to vote in favour of it.

Mr. Mike Weir (Angus) (SNP): The Secretary of State will be aware that many young people who find work through the new deal or otherwise are on relatively low wages. Does he therefore agree that it is absurd that the Department of Trade and Industry has withdrawn support for the minimum wage helpline run by the Scottish Low Pay Unit, which has helped thousands of Scots on low wages? As a result, the helpline is due to close at the end of the month. Will he demand that the DTI reverse its decision and continue to provide the relatively small amount of finance needed to keep this valuable service in operation?

Mr. Alexander: What I will demand is an explanation from a party that failed to turn up to vote not only for the new deal, but for the minimum wage.

Mr. David Marshall (Glasgow, East) (Lab): Given the enormous success of the new deal for young people, despite opposition from Opposition Members, will my right hon. Friend consult the Secretary of State for Work and Pensions to see how best the new deal can be extended to include other groups of unemployed people in areas of high unemployment such as, sadly, many parts of the city of Glasgow?

Mr. Alexander: I am of course happy to give an undertaking to consult my right hon. Friend the Secretary of State for Work and Pensions. Although more than 200,000 people have found work in Scotland since 1997, I fully recognise that in the great city of Glasgow, and particularly in its east end, considerable challenges are being faced. I pay particular tribute to the work undertaken recently at the Forge, where young people have been taken on, training has been provided and a very effective public-private partnership has been established to address the urban regeneration issues that my hon. Friend is seeking to deal with in his constituency. The new deal has not only been successful in tackling the first tranche of unemployment that we encountered—since then, it has become an innovative and imaginative tool in our efforts to ensure that we further extend the number of people in work in our economy.

Miss Anne McIntosh (Vale of York) (Con): Will the Secretary of State confirm that the youth unemployment figures were on a downward trend before 1997, and that that has continued subsequently? Will he also confirm that whereas the new deal for young people is available at the very early stages of unemployment, the new deal for the over-50s is not available for the first six months? Will he review that arrangement and ensure that that age group, among whom unemployment is growing, benefits from the new deal at the earliest possible stage?

Mr. Alexander: I am glad that the question that has been asked seems to reflect a continuation of Conservative policy, which is an instinctive knee-jerk hostility to effective measures to address some of the challenges that we face in the labour market. If it is as easy as the hon. Lady suggests to drive down unemployment, there are genuine questions to be asked about why we now have the highest level of employment in many decades, contrary to the position during the boom-bust years of the Conservatives.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): My right hon. Friend will know that unemployment is the single most important determinant of policy. Although we have made great advances through the new deal for young people in each of our Scottish constituencies, there are still 7,000 people on benefit in my constituency, which makes it the joint 41st highest in the United Kingdom in that regard. Will my right hon. Friend ensure that pathways to work and other innovative projects are maintained in constituencies such as mine, so that we can get young people who are unemployed for six months for more, in particular, into work?

Mr. Alexander: I have taken a very close interest in this issue in my constituency. Renfrewshire was one of the first pathfinders for pathways to work, and by meeting Jobcentre Plus staff I saw for myself the innovative approaches that are being taken to ensure that genuine assistance is provided to people who may have issues such as drug dependency, literacy or numeracy difficulties that have inhibited them from entering the labour market. I believe that pathways to work represents the way forward in terms of innovative labour market strategies, which is why I am glad that it is being extended to my right hon. Friend's constituency.

Pension Credit

5. **Ms Katy Clark** (North Ayrshire and Arran) (Lab): What discussions he has had with the Department for Work and Pensions on how to increase awareness of pension credit in Scotland; and if he will make a statement. [74957]

The Parliamentary Under-Secretary of State for Scotland (David Cairns): My right hon. Friend discusses a wide range of issues with ministerial colleagues. As my hon. Friend will be aware, tackling pensioner poverty is one of our key priorities and some 280,000 households in Scotland are in receipt of pension credit.

Ms Clark: My hon. Friend has already said how many people in Scotland receive pension credit and, in my constituency, 5,650 people are in receipt of that benefit, which has been a huge help in providing many of my constituents with a route out of poverty. It has been a very effective policy from this Government, although some people have still not applied for it. Will he join me in encouraging those who are entitled to the credit to apply for it? Pensions are one of the big challenges that we face, and although the White Paper that has just been published is part of the long-term solution, pension credit is essential now to help pensioners.

David Cairns: My hon. Friend is right and I pay tribute to what she has done in her constituency to publicise the pension credit, which has led to the great take-up levels that she has mentioned. People talk a lot about the pensions crisis, but there was a genuine pensions crisis when we came to office—the crisis of pensioner poverty, which was at unprecedented levels and grew throughout the 1980s and 1990s. Pension credit has helped to tackle the appalling level of pensioner poverty that we inherited and we will continue to combat it.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): When we consider the reasons why people do not take up pension credit, can we look at how Her Majesty's Revenue and Customs is operating? From my recent constituency correspondence, especially in relation to overpayment of other tax credits, that department is rapidly becoming as dysfunctional as the Child Support Agency.

David Cairns: Pension credit is not paid by Her Majesty's Revenue and Customs, but by the Pension Service.

Renewable Energy

6. **John Barrett** (Edinburgh, West) (LD): If he will make a statement on funding for potential sources of renewable energy in Scotland. [74958]

The Parliamentary Under-Secretary of State for Scotland (David Cairns): The Government and the Scottish Executive continue to support expanding use of renewable energy in Scotland through the renewables obligation and other forms of assistance.

John Barrett: The Minister will be aware of the recent announcement by the Deputy First Minister of £20 million to be spent in Scotland over the next two years on renewable energy. Does he agree that that points to a marked contrast between the Administration in Holyrood, where the Liberal Democrats have an influence, and down here in Westminster, where the Labour Government seem to have abandoned all hope of green electricity?

David Cairns: I am happy to welcome the £20 million of assistance announced by the Scottish Executive, but I would point out to the hon. Gentleman that in the current five-year period this Government are investing £500 million in renewable and other low-carbon technologies. Much of that investment is being spent in Scotland, including at the maritime centre in Orkney, which I am sure is welcomed by the local Member of Parliament. This is far too important an issue to play such party politics with. This Government have put massive amounts of additional resources into promoting renewable energy, which is why we are on target to meet our Kyoto obligations six years early, when many other countries either did not—regrettably—sign up to Kyoto or are miles behind their targets. We have a very proud record on the issue.

Mark Pritchard (The Wrekin) (Con): Does the Minister agree that there are many similarities between Shropshire and Scotland, not least in the scores of farmers who want to help the Government to reach their climate change targets through biomass and biofuels? However, there are no tax incentives, capital grants or other carrots offered to farmers—just stick and punishment. When will the Government get serious about incentivising farmers and people in rural industries, in Scotland and in Shropshire, to help to reach their climate change targets?

David Cairns: The hon. Gentleman raises a serious point—*[Interruption.]* Yes, he does. That was hardly a vote of confidence from his Front-Bench colleague. The simple question is how we can provide the energy that our country needs without wrecking the planet in the process, and biofuels will play an important part in answering it. I suspect that when we bring forward the results of the energy review next month, they will include a considerable amount on that issue, including what we can do to encourage biodiversity.

Scottish Economy

7. **Mr. Alex Salmond** (Banff and Buchan) (SNP): When he last met the Chancellor of the Exchequer to discuss the Scottish economy. [74959]

The Secretary of State for Scotland (Mr. Douglas Alexander): I meet my right hon. Friend the Chancellor regularly to discuss a range of issues.

Mr. Salmond: Does the Secretary of State recall the last time that he was in charge of the Labour party campaign in Scotland, when he said that he wanted to engender fear in the Scottish population? Is he aware that the leading Labour economist, Mr. John McLaren, recently published an index of success for the Federation of Small Businesses? It gives Scotland a middle ranking among Organisation for Economic Co-operation and Development countries, but places it only 10th out of the 10 small countries to which it refers. Can the right hon. Gentleman supply any reason why Switzerland, Iceland, Norway, Sweden, Finland, New Zealand, Ireland, Denmark and Austria should all be above Scotland in the index, save that they are independent countries where it would be difficult to engender fear?

Mr. Alexander: I am fascinated that, today of all days, the hon. Gentleman should choose to raise the issue of the leadership of campaigns for the Scottish Parliament, given that his party has just announced that its 2007 campaign will be led by a Westminster MP. That seems to be the criterion for leadership in the Scottish National party.

The hon. Gentleman asked a substantive question about Scotland's economic performance. He mentioned the OECD, and I refer him to that organisation's economic survey of the UK. It described the UK as a "paragon of stability" and stated that that was

"a testament to the strength of the institutional arrangements for setting monetary and fiscal policy".

If the hon. Gentleman wants to talk seriously about the state of the Scottish economy, I suggest that he looks at the report published this month in Scottish Engineering's quarterly review. In his statement accompanying that report, Dr. Peter Hughes, Scottish Engineering's respected chief executive, said:

"It is particularly gratifying to see our industry performing well in so many areas. Our home markets remain healthy and exports continue to grow."

If things are as bad as the hon. Gentleman says, why does everyone accept that they are so good?

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Is my right hon. Friend aware that there has been a remarkable transformation of the economy in Coatbridge, Chryston and Bellshill under this Chancellor of the Exchequer? Does he rejoice with me that we have the lowest unemployment, the highest employment and the lowest youth unemployment in a generation? Inflation is at its lowest level that many of us can remember, and mortgages are at their lowest level for a very long time. That gives our young people unprecedented prosperity, with new homes and new opportunity—

Mr. Speaker: Order. I hope that the Secretary of State can give a brief reply.

Mr. Alexander: Of course, the Scottish economy is in a strong position. Economic growth in Scotland last year exceeded that of the major European economies, and our employment rate is higher than in the rest of the UK and almost all other European countries. My right hon. Friend raises a specific constituency point, and I know that he has been a tireless campaigner for the interests of Lanarkshire and his community for many years. Representing Paisley as I do, I am fully aware that it is exactly the maintenance of economic growth over so many years that means that prosperity is reaching even those parts of Scotland that were left behind by the temporary economic booms of past decades. That is why I am unyielding in my admiration for the work of this Government in securing economic prosperity for all parts of Scotland.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): Does the Secretary of State agree that when it comes to measuring the Scottish economy, one problem is the disparity between statistics for Scotland, the UK as a whole and for England? When he next meets the Chancellor of the Exchequer or the Scottish Executive, will he see what can be done to bring into harmony the statistics for the UK provided by the Office for National Statistics and by the chief statistician for Scotland?

Mr. Alexander: I am not convinced of the hon. Gentleman's case. If one looks across the range of indicators, it is clear that the Scottish economy is strong. There is no doubt that we have had sustained economic growth for a number of years, and that levels of employment have risen as a consequence.

Glasgow (Regeneration)

8. **Ann McKechin** (Glasgow, North) (Lab): What plans he has to meet the leader of Glasgow city council to discuss regeneration of the city. [74960]

The Parliamentary Under-Secretary of State for Scotland (David Cairns): I have met the leader of Glasgow city council on many occasions and I know that my right hon. Friend the Secretary of State will be delighted to meet him formally, as the occasion arises.

Ann McKechin: My hon. Friend will be aware of the substantial progress achieved by Glasgow city council in regenerating the city and increasing employment. However, does he agree that we need the closest possible partnership between the council, the Scottish Executive and Whitehall, as well as a Government who are fully committed to providing the additional extra resources needed to continue the good progress and achieve full employment for the city?

David Cairns: First, I wish to correct an earlier comment. My right hon. Friend the Secretary of State met the leader of Glasgow city council two weeks ago.

Anyone who has visited Glasgow in recent years will have seen the remarkable renaissance that Glasgow has been through. It is absolutely booming. A lot of that has to do with the tremendous leadership that has been shown by successive leaders of Glasgow city council, including Councillor Purcell. What must now happen is that the wealth that has been generated in the centre of Glasgow be spread out to the outlying districts. That work is being taken forward through such initiatives as the welfare-to-work forum. The council plays a large part in making such initiatives relevant to all parts of Glasgow.

Asbestos (Compensation)

10. **Jim Sheridan** (Paisley and Renfrewshire, North) (Lab): What assessment he has made of the effect on people in Scotland of the recent Law Lords decision on compensation payments to those affected by asbestos. [74962]

The Secretary of State for Scotland (Mr. Douglas Alexander): The Government have profound sympathy for people suffering from asbestos-related illness and their families. However, we need to consider carefully whether, in order to ensure fair compensation, we should respond to this judgment. I can assure the House that Ministers are studying the reasons for the decision very carefully, with this in mind.

Jim Sheridan: I thank my right hon. Friend for that answer. He will be aware that literally thousands of former shipyard workers, particularly on the Clyde, will be deeply disappointed with the Law Lords' decision. Does he agree that Clydeside Action on Asbestos is

doing a wonderful job in supporting those people? I hope that the Government can support them by adding something to the compensation Bill that will reverse the decision taken by the Law Lords.

Mr. Alexander: I know from my experience of the neighbouring constituency just how many people are afflicted by this series of terrible conditions. I know that many families in the west of Scotland have direct concerns about these issues. Equally, I know of the efforts of the Clydebank group to raise the profile of the issue. That is why Ministers are studying carefully the reasons for the decision.

Let me add, in no way diminishing the significance of my answer, my congratulations to the hon. Gentleman on the announcement only today of 300 new jobs in Erskine, which I am sure will continue the economic development of that part of Scotland.

COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked—

Home Information Packs

16. **Mr. Edward Vaizey** (Wantage) (Con): What the timetable is for the introduction of home information packs. [74893]

18. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): What the timetable is for the introduction of home information packs. [74896]

The Minister for Housing and Planning (Yvette Cooper): The timetable for the introduction of home information packs has been set out. It will be introduced from June 2007.

Mr. Vaizey: I am grateful for that answer. In November 2004, the Government promised to road-test home information packs in a specific geographical area in England and Wales to see how effective they were. Can the Minister let us know when that road test will take place and in which geographical area?

Yvette Cooper: What we said during the passage of the Housing Act 2004, when the packs were extensively discussed both in this and the other place, was that we would properly test the components of the home information pack. We shall do so. Already, many providers are starting to supply home information packs and will do so on a more extensive basis from the autumn, when the certification schemes are in place. We will set in place detailed testing and research arrangements to monitor progress. The industry was clear with us that it did not want a geographically isolated pilot, but wanted a scheme that tested the programme more widely across the country.

Mr. Evennett: Surely not enough testing has taken place. What was promised as a dry run has really been just a sham. Which independent body will audit the testing? How will it be judged whether the packs are a success or a failure? It seems to me that the Government just wanted to railroad this ahead without serious consideration of how it would operate.

Yvette Cooper: The hon. Gentleman is wrong. One hundred and fifty organisations keen to be involved in the dry run have now approached the Department. They wish to work with us on testing the various elements of home information packs. We will set out an independent testing and research process to ensure that we properly monitor the dry run as it unfolds. It is important to remember that we are introducing reforms that are strongly backed by the Consumers Association, and it is right that we should introduce them to make big improvements for people buying and selling their homes.

Lynda Waltho (Stourbridge) (Lab): There appears to be some discrepancy between estimates of the cost of HIPs. They range from £1,000 recently cited in an early-day motion to £700 cited by HIP providers. Will my hon. Friend assure the House, especially the sceptics, that the cost is more likely to be at the £700 end, and that the cost will not be duplicated further up the chain? Does she agree that encouragement of those fears is irresponsible?

Yvette Cooper: My hon. Friend is right. The cost and price of the home information packs will be set by the market. There is huge potential for considerable competition to bring down costs in various areas of home buying and selling. She may be interested to know that some providers have already said that they intend to reduce the price of home information packs. One has even said that it would offer them to consumers for free. We assess that the current average costs of the component parts of the home information pack under the current process amount to somewhere between £600 and £700—most of those are costs that are already paid in the current process. We will transfer the cost from buyers to sellers. Most of us are sellers and buyers so it will not make any odds to us, but it will make a really big difference to first-time buyers, because they will get home information packs for free.

Gordon Banks (Ochil and South Perthshire) (Lab): Does my hon. Friend agree that mixed messages are coming from the Conservative party? The Conservatives say that they support first-time buyers, but they will not support a measure that will reduce the cost to first-time buyers—*[Interruption.]*

Mr. Speaker: Order. I am sorry I was distracted—those matters have nothing to do with the Secretary of State.

Angela Watkinson (Upminster) (Con): There is a significant mismatch in Upminster between relatively low local income levels and very high property prices. Does the Minister share my concern that sellers are likely to add the cost of the home information pack to the asking price, making the cost of properties even higher and less affordable for local people?

Yvette Cooper: No, but the hon. Lady is right to say that there are pressures on affordability. In particular,

there are pressures on first-time buyers in terms of getting into the housing market. That is why there are strong benefits from transferring the costs from buyer to sellers because that gives first-time buyers the chance to get into the housing market in the first place. Many of the providers have said that they would not charge for the home information packs up front. We think that this is a huge opportunity to improve the efficiency of the market and cut waste—something that the Consumers Association has long argued for.

David Taylor (North-West Leicestershire) (Lab/Co-op): As the Minister will know, there are large numbers of last-ditch opponents to home information packs—and not just on the Conservative Benches. Two of the points that lawyers and estate agents who are trying to protect their privileged position make is that there will not be enough home inspectors and that HIPs will have a negative effect on the housing market. Will she reassure us that neither criticism is valid?

Yvette Cooper: On home inspectors, more than 4,000 people are already in training to become home inspectors. Their work will begin in the autumn and we expect that, therefore, the process of people completing their training will accelerate around that time. My hon. Friend spoke about the impact on the market. In Denmark, where a version of home information packs has been introduced, the Danish chief executive of the estate agents organisation believes that home information packs did not have any negative impact on the market at all and that they have been extremely good for buyers and sellers in Denmark.

Michael Gove (Surrey Heath) (Con): The Minister is all too well aware that every industry expert insists on the need for an appropriate dry run before we press ahead with this intervention in the marketplace. However, so far only 200 of the 4,000 promised home inspectors have actually qualified; no specific geographical areas have yet been earmarked for dry runs, despite what her predecessor as the Minister for Housing and Planning promised in 2004; and we have no clear, unambiguous and independently audited criteria for judging the success of those dry runs. Can the Minister tell us what the benchmark for success in the dry runs will be, or will Ministers simply award themselves a pass mark irrespective of the results?

Yvette Cooper: The hon. Gentleman has long been an advocate for those in the property industry who are opposed to the introduction of home information packs because, frankly, they make money out of the existing system. The advocate on behalf of buyers and sellers, the Consumers Association, is strongly in favour of home information packs. I caution the hon. Gentleman against becoming the parliamentary spokesperson for the National Association of Estate Agents, which might have its own interests in the process.

The hon. Gentleman asks about the dry run. We have made it clear for many months that we will have a dry run throughout the country so that we can test the component parts of home information packs. It is important that buyers and sellers are able to see improvements being made to the existing system and more efficiency. Conservative Members can hide as much as they like behind the questions that they ask, but we know that they have opposed the scheme from the beginning. We will set out proper research, as I said in an earlier reply to which the hon. Gentleman was clearly not listening. I caution him that he, like the Consumers Association and buyers and sellers throughout the country, should recognise the importance of home information packs. The scheme is all about buyers and sellers throughout the country because they are wasting loads of money due to the existing system, and I do not think that that is fair.

Retail Development

17. **Keith Vaz** (Leicester, East) (Lab): What future reform she is proposing regarding planning gain in respect of retail development. [74894]

The Minister for Local Government (Mr. Phil Woolas): At the pre-Budget report 2005, the Government published a consultation document setting out their proposals for a planning gain supplement, which was designed to capture a proportion of the increase in land value that arises when planning permission is granted. The proposed planning gain supplement, which would not be introduced before 2008, would apply to all types of development, including retail.

Keith Vaz: Although I welcome the proposals, big developers will be able to use the planning system until 2008 to maximise their profits without putting anything back into local communities. Tesco obtained planning permission for a huge superstore in the northern part of my constituency, but has put nothing back into the local community by way of planning gain and has forced several small retailers out of business. What steps does my hon. Friend propose to take to ensure that that situation is not repeated in other areas?

Mr. Woolas: I am grateful to my hon. Friend for his courtesy in informing me of the subject. I have indeed looked into the proposed store in Hamilton. As well as introducing the planning gain supplement in 2008—the Government will be responding to the consultation on that in due course—we will shortly be issuing guidance on good practice to try to improve the way in which negotiations take place under the existing system and thus create more consistency across local authorities.

Andrew Stunell (Hazel Grove) (LD): The hon. Member for Leicester, East (Keith Vaz) has set the framework for me. The Minister will be well aware that major retail developments often create difficulties for local communities because they lose their diversity of shopping and sometimes jobs as well, not to mention experiencing problems due to congestion. Will he undertake to talk to the Chancellor to ensure that when the planning gain supplement comes along, the money will not simply fill the Treasury's pockets, but will be sent back directly to local authorities so that they can spend it on saving their communities from the congestion and economic and environmental damage with which such major developments leave them?

Mr. Woolas: The hon. Gentleman makes a fair point and, indeed, I can give him such an assurance. There

was a joint consultation between my Department and the Treasury—indeed, Revenue and Customs. We intend that the bulk of the money should be beneficial—*[Interruption.]* Let me just clarify the situation before the cynics in the Chamber get too suspicious. The bulk of the money will go to the local authority concerned. The intention in the consultation—we are yet to respond to it—is that there will be a top slice to allow infrastructure investment that does not fall specifically in the local authority area that is directly involved, but from which it will benefit. However, the bulk of the money will go to the council, as the hon. Gentleman suggests.

Mr. Brian Jenkins (Tamworth) (Lab): Will my hon. Friend explain to me and the House how the proposal will vary from the existing section 106 agreements?

Mr. Woolas: I am grateful for the opportunity to do exactly that. Under existing practice involving section 106, more than 79 per cent. of all retail developments make no contribution through planning obligations. Again, with the proviso that the consultation response is yet to be published, the proposal in the consultation is that the planning gain supplement should be universal to all types of development, including those of one or more dwellings.

Alistair Burt (North-East Bedfordshire) (Con): The Minister can propose whatever adjustments he likes to the process for delivering infrastructure through taxation and paying for it that way, but even he cannot invent the basic raw material that is needed for some parts of our infrastructure if it does not already exist. Why should the public have any confidence in the planning and decision-making processes of the Government if it they cannot find out the adequate water supply that is needed to sustain their development programme in the south-east of England? Is it not the case, to paraphrase the old Sunday school song, that the wise Minister builds his house not only upon the rock, but one with an adequate water table, given that the rains no longer come a-tumbling down as they did?

Mr. Woolas: We hear yet again a perpetuation of a myth. The last time that I looked into this matter it was people who used water, not bricks and mortar. Housing improvements and increases in housing numbers are driven not by population increases but by changes in demography—more single people, people living longer and changes in family life. That is why the accusation made by the hon. Gentleman and by others on the Opposition Benches is based on a false premise. Independent studies have shown that the amount of extra water required for the additional homes will account for an increase in demand of less than 1 per cent., and its supply is not related to the point that the hon. Gentleman is making.

Rushenden Link Road

19. **Derek Wyatt** (Sittingbourne and Sheppey) (Lab): When she will announce the decision on funding for the Rushenden link road. [74897]

The Parliamentary Under-Secretary of State for Communities and Local Government (Angela E. Smith): I am pleased to announce today that £12 million of Thames Gateway programme funding will be made available for the Rushenden link road in Kent. This will unlock new development sites by linking those to the new Swale crossing, which has had more than £100 million of Government investment to upgrade the local transport infrastructure.

The full scheme will provide over 2,000 new homes and more than 500 new jobs, and will be a milestone in the regeneration of the local area, as part of the Thames Gateway programme.

Derek Wyatt: I thank my hon. Friend for that reply. It is not every day that I get a question answered in the House that gives me a big smile on my face, but the £12 million for Rushenden and Queenborough citizens has been wanted since 1945. On top of the new hospital in 2001 and the new bridge that opens next month, costing £100 million, that £12 million will be the most welcome news for those two communities, so I thank the Minister very much.

Angela E. Smith: I am delighted to put a smile on my hon. Friend's face. *[Interruption.]* There are some things that always get the House excited.

My hon. Friend has always been a tireless and persistent campaigner on this issue. Had he not consistently raised the matter and pushed for the project, he may not have received that news today. He has constantly highlighted the value of the project, and he should take some pride in his achievement.

Mr. Peter Bone (Wellingborough) (Con) *rose—*

Mr. Speaker: Order. The link road is far too far away from the hon. Gentleman's constituency.

Social Housing (Halifax)

20. **Mrs. Linda Riordan** (Halifax) (Lab): How much funding has been allocated to improving social housing in Halifax since 2000. [74898]

The Secretary of State for Communities and Local Government (Ruth Kelly): Halifax homes have seen major refurbishment as part of the Government's decent homes programme. Since 2000-01, Calderdale metropolitan borough council has invested £4.3 million on improving its council homes, the majority of which has come from Government. Since the stock transfer, it has had an annual average investment of more than £14 million.

Mrs. Riordan: I am grateful for that reply. I draw my right hon. Friend's attention to a recent editorial in the *Halifax Evening Courier*, which praised Pennine Housing 2000 for the way that it managed social housing in Halifax. Will she join me in congratulating Trans-Pennine on completing a £150 million five-year investment programme, which has helped to improve the lives of many tenants in my constituency?

Ruth Kelly: I certainly will congratulate Trans-Pennine Housing, which has done a fantastic job. As I am sure that many hon. Members are aware, Trans-Pennine Housing has recently received top inspection marks for doing a superb job, so I would be grateful if my hon. Friend takes back to it my wholehearted congratulations.

Mrs. Caroline Spelman (Meriden) (Con): First, may I welcome the right hon. Lady to her new post. What a legacy! I am sure that the voters of Halifax will be as surprised as I was that in the open letter from the Prime Minister to the right hon. Lady upon her appointment there was no mention of social housing or homelessness. Does that mean that in addition to the loss of Dorneywood, the Department has also lost its social conscience?

Ruth Kelly: I very much welcome the hon. Lady's thanks. I have a fantastic, wide-ranging brief. The Deputy Prime Minister and, indeed, my right hon. Friend the Member for South Shields (David Miliband) left a superb legacy, particularly the number of social homes that have been refurbished since 1997. I remind the hon. Lady that her Government left a £19 billion backlog of repairs, which the Government have started to put right. That is quite right—we need to build more houses.

Michael Gove (Surrey Heath) (Con): Like we did.

Ruth Kelly: The hon. Gentleman says that that is what the Tories did, but anyone who casts their mind back to the 1990s will remember the days when land values were low, when houses—

Mr. Speaker: Order.

Lesbian and Gay Rights

21. **Mr. Rob Wilson** (Reading, East) (Con): If she will make a statement on the effects of the Equality Act 2006 on lesbian and gay rights. [74899]

The Parliamentary Under-Secretary of State for Communities and Local Government (Meg Munn): We published a consultation paper in March setting out proposals for regulations that will prohibit discrimination on the grounds of sexual discrimination in the provision of goods and services. The consultation period ended yesterday, and the proposed regulations will be made using the power in part 3 of the Equality Act 2006.

Mr. Wilson: I thank the Minister for her answer. Does she believe that the principles and membership of an organisation such as Opus Dei can be reconciled with the delivery of lesbian and gay rights in the Act?

Meg Munn: The whole of this Government have a proud record on gay and lesbian rights; the equalisation of the age of consent; the repeal of the abhorrent section 28, which was introduced by the Opposition when they were in power; the introduction of civil partnerships; and the introduction in 2003 of regulations that make sexual orientation discrimination unlawful in the workplace. That is what I am answering for—this Government and nothing else.

Chris Bryant (Rhondda) (Lab): What a delight it is to see my hon. Friend in her new job, as she holds those issues close to her heart. Does she accept that it is as important to oppose the prejudice of some people against Catholicism as it is to oppose prejudice against homosexual people? Will she make sure that when the regulations are finally laid before the House they do not include wide-ranging exemptions for faith-based organisations, as many Labour Members would find that difficult to stomach?

Meg Munn: My hon. Friend has raised an important issue. He will know that the Equality Act introduced regulations to outlaw discrimination on the grounds of religion and belief, as the Government believe that that discrimination should be outlawed too. The two sets of regulations will be introduced together, as requested by many Government Members in our debate on the issue. As for exemptions, the consultation paper proposes that activities closely linked to religious observance or practices arising from the basic doctrine of a faith should be exempted from the regulations, but we do not propose to exempt activities provided by an organisation relating to religion or belief where the sole or the main purpose of the organisation offering the service is commercial.

Mr. Speaker: I call Mr. Loughton.

Hon. Members: Not here.

Mr. Speaker: I believe that Mr. Loughton's question was withdrawn.

Council Tax Bills

24. **Bill Wiggin** (Leominster) (Con): How many copies of council tax bills were sent to her Department and its predecessor in the last 12 months. [74904]

The Minister for Local Government (Mr. Phil Woolas): The Department for Communities and Local Government and the Office of the Deputy Prime Minister have received approximately 4,600 copies of council tax bills in the past 12 months as part of the campaign correspondence.

Bill Wiggin: What response has the Minister made to the 4,000 people who have written to him? Now that the croquet team has gone, what plans does he have to abandon its proposed rebanding exercise?

Mr. Woolas: A rebanding exercise was never proposed. [Hon. Members: "Oh!"] A rebanding exercise was never proposed, despite the myths and speculation. As for the hon. Gentleman's question about what has been done to reply to correspondence, obviously if an individual name and address is supplied, we reply directly, but some of the postcards in the campaign did not include an address, so we could not respond directly.

Hertfordshire Fire Service

25. **Mr. Andrew Dismore** (Hendon) (Lab): If she will make a statement on industrial relations in the Hertfordshire fire service. [74905]

The Parliamentary Under-Secretary of State for Communities and Local Government (Angela E. Smith): Industrial relations in the Hertfordshire fire and rescue service are primarily a subject for the attention of Hertfordshire county council, acting in its capacity as the designated fire and rescue authority for the county. It is not the direct responsibility of the Department, but during the current dispute I have been in contact with Hertfordshire's chief fire officer, the county council and the Fire Brigades Union.

Mr. Dismore: Will my hon. Friend have a discussion with the chief fire officer for Hertfordshire to ask him to look again at his integrated risk management plan, which proposes the closure of two fire stations, Bovingdon and Radlett, and the loss of 39 firefighter posts? Many of the firefighters in Hertfordshire who voted for industrial action played an important role in dealing with the emergency at Buncefield last year, as well as the rail tragedies at Potters Bar and Hatfield and the frequent crashes on the M1. Hertfordshire makes great demands on the fire service. Will my hon. Friend talk to the chief fire officer to get him to review his IRMP, and will she meet a delegation from the FBU parliamentary group to discuss the matter further?

Angela E. Smith: That was rather a long question, but I shall do my best to answer the points that my hon. Friend made. I can assure him that I have been in regular contact with the chief fire officer and have spoken to the Fire Brigades Union as well. The chief fire officer's assessment of the plan that he has made is a professional assessment, and I would not try to second-guess or change that assessment. It takes account of the risks today and tomorrow in Hertfordshire and the response that the fire and rescue services should make. In response to my hon. Friend's comment about Buncefield, I can assure him that in major incidents gold command kicks in, and the Fire Brigades Union and others ensure that there is proper and adequate cover. We all want to ensure that the industrial action ends as soon as possible. A key role that I have played is ensuring that talks can take place. I have encouraged the FBU, the chief fire officer and Hertfordshire county council consistently to talk in order to find a way through the current difficulties.

Brownfield Land

26. **Lorely Burt** (Solihull) (LD): What plans she has to review the definition of brownfield land. [74906]

The Minister for Housing and Planning (Yvette Cooper): The brownfield definition has not changed for 20 years. We have not proposed any changes in the new draft planning guidance, but we are considering the responses to the consultation on draft planning policy statement 3 on planning for housing.

Lorely Burt: In the past few years in areas like mine, Solihull, lovely old houses have been knocked down. Because of the planning rules, blocks of flats and other unsuitable properties can then be built on people's back gardens. Conservative Members and I have tabled early-day motions on the subject and I have tabled a ten-minute Bill. Will the Minister please urgently consider the implications of this development, which is ruining our leafy suburbs in England?

Yvette Cooper: As I said, we are considering the responses to the consultation. The hon. Lady should raise the matter with her local council if she thinks inappropriate planning permissions are being granted. Local authorities have considerable powers to resist inappropriate development. They have powers to resist on the basis of design, and they can consider a wide range of issues if they think the development is inappropriate. We think it is right to promote new development on brownfield land. Such development has increased from 57 per cent. in 1997 to 72 per cent. now. That is important because it allows us to build more homes for the next generation, which we desperately need, while also protecting greenfield land and green belt land so that we can safeguard the countryside for the next generation.

Andrew Mackinlay (Thurrock) (Lab): May I invite the Minister to amplify her reference to draft planning guidance 3, and what she said in reply to the hon. Member for Solihull (Lorely Burt), by stating that the Government presume and intend that in the Thames Gateway there will be building on derelict or brownfield land, not on green belt land? The scaremongering by the Conservative party in and around Essex to the effect that there will be wholesale development and building on the green belt is false and unnecessary—

Mrs. Eleanor Laing (Epping Forest) (Con): But there will.

Andrew Mackinlay: The shrill voice from the Conservatives is the reason why I am inviting the Minister to set the record straight by saying that the Government are proud of the green belt that they created, that they intend to protect it, and that there will be building on land that requires it—brownfield and derelict land.

Yvette Cooper: My hon. Friend is right. The opportunity in the Thames Gateway is not only to regenerate an area that has suffered significant deprivation over a long period and to bring new jobs to the area, but to build on brownfield land—derelict industrial land—to provide new homes for the next generation. Conservative Members need to face up to what may for them be a difficult truth—that their party's policy is now apparently to support the building of new homes for the next generation. They also have to face up to where those homes are going to be built. They do not want them on the green belt, they do not want them on brownfield land, they do not want them anywhere in the south—in fact, it is not clear that they want them anywhere. We need new homes for the next generation, and this Government are committed to delivering them.

Point of Order

3.31 pm

Nick Herbert (Arundel and South Downs) (Con): On a point of order, Mr. Speaker. On Thursday 25 May, I tabled a series of written questions to the Home Secretary about a serious situation that had arisen in my constituency in Ford open prison, where it had become clear that 11 foreign national prisoners had absconded. A day later, 141 of the prisoners were removed back to closed accommodation. I had no opportunity to raise the issue on the Floor of the House because the House had risen for the recess. I wrote to the Home Secretary about this serious matter. No reply has been forthcoming and there have been no proper answers to the questions that I tabled, which were due for answer yesterday, but only holding replies. The Home Office has previously taken four months to answer questions that I have tabled in relation to police force amalgamations, using the cover of holding replies. What protection can you give us, when we seek to raise such serious matters, from this incompetent Department, which is also seeking to cover up what is going on in it?

Mr. Speaker: I have said to the House before that replies to hon. Members' questions should be timely. I have raised this matter with the Leader of the House, who has agreed to assist me in seeing that timely replies are made. The hon. Gentleman has been able to put the matter on the record, and I thank him for doing so.

Scotland (Oil and Gas Resources)

3.32 pm

Mr. Alex Salmond (Banff and Buchan) (SNP): I beg to move,

That leave be given to bring in a Bill to provide for the transfer to the Scottish Parliament of competence for Scottish oil and gas resources; to provide for revenues from the Scottish sector of the United Kingdom continental shelf to be paid into the Scottish Consolidated Fund; and for connected purposes.

This is a Bill to repatriate control of the oil and gas industry to Scotland and to the Scottish Parliament. It is timely and relevant to what is happening now, but it is also informed by the past and very relevant to the future.

At present, oil is once again king, at more than $70 a barrel. This year, we are approaching a record for oil revenues to the Exchequer in nominal terms. The Budget estimate was £10 billion, but that was based on $57 a barrel. Since then, oil has been more than $70 a barrel and it is likely that, this year, oil revenues to the Exchequer will reach £12.5 billion—even greater than the previous record of the mid-1980s. I am aware that the shadow Chancellor of the Exchequer is constantly expecting the Chancellor of the Exchequer to fall into a black hole. The reason why that has not happened as yet is that, this year, Brown's black hole has been filled by black, black oil.

In the House, we frequently hear Tory and Labour Members whining about public expenditure in Scotland. It is therefore relevant to note that, this year, while the United Kingdom has a budget deficit of £40 billion, there will be a £4 billion relative budget surplus in Scotland. To put it in the language that English Conservative Members often use, that means a subsidy of £800 for every man, woman and child in Scotland flowing from Scotland to the London Exchequer.

I have always held that there are three great lies in life. The first is, "The cheque's in the post"; the second is, "Darling, I'll respect you in the morning"; and the third is, "I'm from the London Treasury and I want to help Scotland." I hear from Conservative Members the explanation that the Chancellor is Scottish. Indeed, some people think that he is too Scottish. Let me reassure hon. Members that he is morphing into an Englishman. Even now, the Chancellor spends long hours at the Treasury trying to memorise the names of the England football team. He has planted a Union jack in his garden in North Queensferry. He says that Paul Gascoigne's goal against Scotland in 1996 was his favourite football moment. He has the songs of the barmy army almost off by heart. The Chancellor may have been born Scottish, but he is desperate to become an Englishman. Greater charity hath no man than this, to lay down his nationality for a job application form.

The Chancellor, however, whether Scottish or new-born English, like his predecessors, wants to keep his mitts on Scotland's resources. The Bill is informed by the past. Recently, through precise and detailed questioning under freedom of information legislation and what has tumbled out under the 30-year rule, we can examine the real story of the 1970s, which one or two hon. Members present can remember. Guess what skeletons have tumbled out of the cupboard?

Professor Gavin McCrone, who was then economic adviser to successive Scottish Secretaries, both Tory and Labour, wrote in a secret memo:

"An independent Scotland could now expect to have massive surpluses both on its budget and on its balance of payments and with the proper husbanding of resources this situation could last for a very long time into the future... The country would tend to be in chronic surplus to a quite embarrassing degree and its currency would become the hardest in Europe, with the exception perhaps of the Norwegian Kroner."

The explanations tumble not only out of the Scottish Office but from down here under the 30-year rule. Sir Kenneth Berrill, then head of the central policy review staff for Harold Wilson, said that it would be hard to fight Scotland's economic case for independence because

"on fairly reasonable assumptions about the profits to be made from North Sea oil, Scotland could go it alone quite comfortably".

An unnamed civil servant stated:

"Progress towards devolution should be delayed for as long as possible"

in case the Parliament got its hands on oil revenues. Another civil servant stated:

"Information Division has sought for some time in briefing to undermine SNP claims to North Sea Oil... indeed it is part of my standard sales patter."

That civil servant was Mr. Bernard Ingham, who went from spinning oil to spinning Thatcher.

Revelations are tumbling out from the past and Tory and Labour Members of Parliament must therefore forgive people in Scotland if we show some scepticism about their bona fides when they explicitly express concern for the Scottish economy. In the past 30 years, we have witnessed perhaps the greatest act of international larceny since the Spanish stole the Inca gold.

When the economic adviser to the Scottish Office said that Scotland would be richer than Switzerland, Labour politicians were telling the Scottish people that they would be poorer than Bangladesh. The difference between advice and reality was the same then as it is now. If people were prepared to lie then, why should they tell the truth now?

The Bill is about the future—"the undiscover'd country", the thing yet to be determined. *[Interruption.]* I thought that I would quote an English poet. We are halfway through the North sea oil story. Thirty years have gone and there are more than 30 years to go; 30 billion barrels of oil have been produced and perhaps there are more than 30 billion barrels to come; £200 billion has gone in revenue to the Exchequer and perhaps there is that and more to come. Indeed, at current oil prices, the value of the resource is equivalent to £170,000 for every man, woman and child in Scotland, which is even more than the annual expenses of the average Labour Member of Parliament—*[Interruption.]* I was not looking at the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) in particular. He should not get so nervous when I make remarks like that.

Oil has been the milch cow of successive Chancellors and that has damaged investment in the industry. This year alone, there is a supplementary tax of £2 billion that threatens future exploration. Yet experts in the industry estimate that, with modest exploration

incentives, an oilfield could be developed every three weeks for the next 10 years. We are told that there is a gas shortage in this country, which is somewhat surprising, given that Scotland produces seven times the amount of gas that it requires, and that there are 20 undeveloped gas fields off the west of Scotland awaiting development.

English Members of Parliament frequently whinge about Scots interfering in English business. Let me assure the House that I have no territorial designs on ruling England. I believe that, despite all evidence to the contrary, it is perfectly capable of self-government. England is a great nation and could go it alone, despite what the doubters say.

The Bill is not just about the repatriation of oil but about two different visions of the future. Instead of the moaning and groaning of English MPs, or indeed of Scottish Members of Parliament, why do not we have a vision of two nations, equal before each other, each standing on its own two feet, reaping its own harvest and ringing its own tills—two nations, each taking charge of their own economic destiny? Would that not be a much healthier relationship than the one that we have now?

When I was a lad in Linlithgow, my next-door neighbour—a Mrs. Borthwick—was a very wise woman. She had two favourite sayings. One was from Abraham Lincoln, but the other is the one that concerns us here. She said that someone once told her that if Scotland became independent, England would lose a surly lodger and gain a good neighbour. I believed that then, I believe it now and I know that the House will want to give resounding support to this Bill to make that prospect a reality.

Question put and agreed to.

Mr. Speaker: Who will prepare and bring in the Bill?

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Sean Connery.

Mr. Salmond: He is the first on my list, Mr. Speaker.

Bill ordered to be brought in by Mr. Alex Salmond, Pete Wishart, Angus Robertson, Stewart Hosie, Mr. Mike Weir, Mr. Angus MacNeil, Mr. Elfyn Llwyd, Adam Price and Hywel Williams.

SCOTLAND (OIL AND GAS RESOURCES)

Mr. Alex Salmond accordingly presented a Bill to provide for the transfer to the Scottish Parliament of competence for Scottish oil and gas resources; to provide for revenues from the Scottish sector of the United Kingdom continental shelf to be paid into the Scottish Consolidated Fund; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 20 October, and to be printed [Bill 191].

Orders of the Day

Company Law Reform Bill [*Lords*]

Order for Second Reading read.

3.43 pm

The Secretary of State for Trade and Industry (Mr. Alistair Darling): I beg to move, That the Bill be now read a Second time.

In a world of change and competition, the Government work to create the conditions for business success, helping the United Kingdom to respond to the challenge of globalisation. We support successful firms by working with business to identify and tackle market failures and to overcome barriers to growth. We promote world-class science and innovation by supporting our science base and by ensuring that those ideas can be turned into high-value products and services. We also encourage a competitive energy market to deliver reliable, sustainable and affordable energy for business as well as for domestic consumers. We ensure fair markets by promoting open markets and creating the frameworks within which companies can compete freely and fairly, giving UK consumers more choice and better value.

It follows that the corporate law framework is a fundamental aspect of all that and the strengths of our company law have helped make this country a prime location for incorporation by companies. Indeed, since 1997, new incorporations have risen by 60 per cent. and the number of EU firms incorporating in the United Kingdom has more than quadrupled in the same period. I note that a recent World Bank survey found that it was quicker and cheaper for companies to set up in the UK than in any other part of the EU.

We want to continue investment in the UK and we want investors to retain their confidence in our system of corporate governance. We have been extremely successful in attracting our share of global business because overseas investors recognise those strengths, as well as our macro-economic stability, our science base, high skill levels, high rates of enterprise and our competitive markets. Our overall objective is to ensure that the country remains an excellent place to do business.

As many hon. Members will know, the Bill is designed to consolidate and update company law. It is the result of a great deal of thinking done by the company law review in the late 1990s and early part of the present decade. It was followed by two White Papers in 2002 and 2005 and a great deal of consultation. The Bill has also benefited from close scrutiny in the other place, which has improved it in many respects. I pay tribute to my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael). When he was a Minister in the Department of Trade and Industry, he made a substantial contribution to the legislation.

It may help if I set out the general approach that we have taken. Over many years, existing company law was built up by layers of additions that often obscure its meaning. Any student of company law will know that it is often less clear than it should be. The Bill thus restructures and redrafts, in clearer language, about two

[Mr. Alistair Darling]

thirds of the Companies Act 1985 and the Companies Act 1989, which had, in turn, consolidated the 1948 legislation, including all the provisions most frequently used by small companies.

We said in the other place that we hope to restate without substantive change those parts of the Companies Act 1985 that have not until now been incorporated in the legislation during the passage of the Bill through this House. We do so simply because it has been put to us that it would be convenient for practitioners to have as much of our corporate law in one place as possible. I understand from discussions between the Minister for Industry and the Regions and the major Opposition parties that there is broad agreement with proceeding in that way. If we can—I do not think that it is a matter of any controversy—those who have to implement the law would appreciate it if what I hope will become the Company Law Reform Act before the end of the year codifies as much law as possible in one place.

Mr. Edward Davey (Kingston and Surbiton) (LD): I confirm that the Liberal Democrats certainly support the proposals for consolidation that the Government conceded in the other place. Our concern relates to the Government's programme motion and whether sufficient time is being given to scrutinise the new clauses that will have to be tabled to get the codification through. Will the Secretary of State elaborate on his thinking? Does he really believe that the House and the Committee can properly scrutinise the hundreds of clauses that will probably be needed between 15 June, when the Committee is scheduled to start, and 13 July?

Mr. Darling: As I understand it—I may be wrong—the timetable was agreed through the usual channels, though they are not always foolproof. I certainly said to the hon. Member for Rutland and Melton (Mr. Duncan), who speaks for the Conservative party, that we would like to complete the Bill, which has come so far, in this parliamentary Session. I do not adopt a hard-and-fast rule about the matter and I agree that we need to ensure that there is adequate time for consideration of a Bill that comprises more than 900 clauses.

Mr. Davey *rose—*

Mr. Darling: I am not the usual channels, but I will give way again to the hon. Member for Kingston and Surbiton (Mr. Davey). As long experience tells me, it is a bad idea to fall foul of one's own Whips too often. If there is a particular problem, I undertake to speak to my Government colleagues who arrange these matters, as it is important that what will be well in excess of 900 clauses are properly examined.

Mr. Davey: I am sure that the Secretary of State will not fall foul of the usual channels on his side, because he is held in such high esteem by them. There are already 925 clauses for the Committee to scrutinise. Consolidation will mean hundreds more, which outside practitioners in particular will want to scrutinise and which will not have been scrutinised in the other place. May I present a simple proposal to the usual channels, through the Secretary of State? I suggest that the Committee stage be split into two parts, the first between now and the summer recess to deal with the 925 clauses, and the second during the wash-up period. When we return after the recess, we shall have benefited from examining the earlier clauses and will then be able to deal properly with the new clauses for codification.

Mr. Darling: Wherever discussions between the usual channels may be held, it is probably best that they do not take place across the Floor of the House. However, I understand what the hon. Gentleman has said. That approach will work only in relation to the clauses that involve merely a restatement rather than substantive changes. One of the advantages of the Bill's long gestation has been widespread consultation and, although not everyone will be happy at the end of the day because there are some strong views on the legislation, it has benefited from a degree of consensus that I should like to maintain. Nevertheless, I will pass on the hon. Gentleman's suggestion.

Mr. Alan Duncan (Rutland and Melton) (Con): Members on both sides of the House genuinely want to maintain the consensus. In view of that, and given what the Secretary of State said, may I invite him not to move the programme motion? That would enable us to decide how to proceed with the Bill in a mature, grown-up way.

Mr. Darling: I am not in a position to give that assurance. Even if the programme motion is moved, if it turns out that other arrangements would be more appropriate we can still have discussions. We do not want to find ourselves with no timetable for the Bill. However, I will pass on what has been said to those who negotiate these matters on behalf of all the political parties and we will see what we can do. That is about as far as I can go.

Mr. Stephen O'Brien (Eddisbury) (Con): Will the Secretary of State give way?

Mr. Darling: Not if the hon. Gentleman wants to discuss procedure. I should like to begin dealing with the Bill itself, or at least to embark on one of the 900-odd clauses.

Mr. O'Brien: My point arises from the discussion that has just taken place. Clearly, consideration in the other place benefited hugely from not being curtailed by a programme motion: there was an enormous amount of helpful debate.

The Secretary of State spoke of incorporating parts of the Companies Act 1985 in the Bill. Until a recent concession, that was not going to happen. One of the problems initially identified was that so much interpretation in the courts had been based on phrases in the 1985 Act. Importing some of that precedent into consolidated legislation that would also apply was seen as one of the main difficulties. Is the Secretary of State taking enough advice to ensure that it will be catered for?

Mr. Darling: As I have said, we want, where possible, simply to restate the law in what we hope will be the 2006 Act. We do not seek to change the law, which would require not a consolidation measure but a new measure. I think that Members on both sides of the House would consider that substantially different. I am anxious to do as much as possible on the basis of consensus. What we are asking the House to accept—the incorporation of a large amount of earlier legislation into a new Bill to consolidate it—is unusual, but I hope that we shall be able to be as accommodating as possible. I repeat that such matters as the timetable are best dealt with through the usual channels.

Let me return to the Bill. It has a number of broad themes, to which I shall return shortly. It deals with better regulation, shareholder engagement and a long-term investment culture, which is particularly important. It also provides for some flexibility in the future.

At the heart of the Bill is a new approach to directors' duties and what is known as narrative reporting. The Bill recognises that to achieve sustainable success for the benefit of shareholders, directors must have regard to a wide range of factors. For the first time, the Bill includes a statutory statement of directors' general duties. It provides a code of conduct that sets out how directors are expected to behave. That enshrines in statute what the law review called "enlightened shareholder value". It recognises that directors will be more likely to achieve long-term sustainable success for the benefit of their shareholders if their companies pay attention to a wider range of matters, which are set out in clause 158.

Directors will be required to promote the success of the company in the collective best interests of their shareholders, but in doing so they will have to have regard to a wider range of factors, including the interests of employees and the environment. That is extremely important. It has been recognised by successful companies for a long time, but the Government believe that it is important that all companies recognise their wider obligations. Under the Bill, they will have to have regard to those in reaching their decisions.

That is a major step forward. I recognise that it is controversial. It was opposed in another place, certainly in the earlier stages, by the Conservatives, but I hope that, during the passage of the Bill, we can reach some unanimity on that matter because it is a major step forward in corporate governance.

Mr. Jim McGovern (Dundee, West) (Lab): The Secretary of State mentioned the new codification of the responsibilities of a director. Can he tell us why he has decided on the "have regard to" formulation rather than the "duty to" formulation, which was suggested by many members of the Trade Justice Movement?

Mr. Darling: We decided on that after a great deal of consultation. We are trying to put into statute something that is workable and that makes it clear that directors have to have regard to a wide range of issues, which are set out in the Bill. However, we want to do it in a way that does not open directors up to a range of claims or litigation. It has to be workable. We need to bear it in mind that companies do not have to incorporate in this country. By reaching a degree of consensus, which I think would not have been possible a few years ago, we have legislation that could put a duty on directors—it is not stated at the moment—and that enables them to take into account a wide range of matters, about which many people, including the Trade Justice Movement, feel strongly. We are doing it in a way that allows regard to be had to all those things. We should not get ourselves into a situation where the legislation is over-complex and wide open to litigation, which could result in it not having any effect at all, with companies choosing not to act.

Mr. Philip Hollobone (Kettering) (Con): On the point of the world Trade Justice Movement, I, along with many other hon. Members, have received lots of postcards from Christian Aid, Traidcraft, War on Want and the World Development Movement, which are clearly not satisfied that the Bill addresses the concerns that constituents have. What discussions has the Secretary of State had with the Secretary of State for International Development about the impact of the Bill on international development issues?

Mr. Darling: There have been wide-ranging discussions both within Government and between Government and many of the organisations that the hon. Gentleman mentioned. Indeed, my right hon. Friend the Member for Cardiff, South and Penarth had many such discussions in past weeks. Like every other hon. Member, I have had many letters and cards from constituents. I have also seen the letter written on behalf of all those groups that was sent to the Prime Minister today. They make three demands. The first is that companies be

"legally required to report on their social and environmental impacts."

That is to a large extent covered in clause 399, under which companies are required to report on their performance, which will include the environmental and social impacts.

In relation to the second demand that those groups make, it is true that they want to go further. We say that directors should have regard to the wide range of measures that are set out in the Bill, whereas the campaign talks about "a legal duty". I am concerned that we do not get ourselves into a situation where, whenever a company takes an individual decision, it has to go through legal hoops and a great deal of red tape, and establish almost an audit trail to examine each and every possibility to ensure that it is covered. We are trying to strike a balance.

The third element is that those groups want people in other countries who believe they have been harmed by a UK company to have the right to take legal action in a UK court, and to have access to legal aid in order to do so. We would have some difficulty in accepting that proposition. I understand that many people want to go further, but the hon. Member for Kettering (Mr. Hollobone) will recognise that many in his party in another place opposed this measure, and do not even want what is in the Bill. We are trying to steer a sensible middle course.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): If I am successful in catching your eye later, Mr. Speaker, I should like to develop the following point. Does my right hon. Friend agree that the consequence of giving in to the suggestions from the

[Alun Michael]

Trade Justice Movement would be to reduce the clarity of the accountability that it seeks, which would not help it to achieve its ends? As someone who has been involved in the Trade Justice Movement for many years, it seems to me that it is barking up the wrong tree.

Mr. Darling: I should say at the outset that the broad objectives of the Trade Justice Movement, particularly the Make Poverty History campaign, are supported widely throughout the country. Members of this House, including many Opposition Members, also support those aims. However, we must recognise that company law has a specific purpose, and has its limitations. There are many different ways in which we will make poverty history, and in which we can meet environmental concerns and concerns about what companies do in different parts of the world, but it is not possible to do all that in a companies Bill.

Several hon. Members *rose—*

Mr. Darling: I will give way to all Members who are standing, but I want first to answer the points that have already been made.

The second point that my right hon. Friend the Member for Cardiff, South and Penarth made is also important. It is vital that we in this House make it clear to whom a director is responsible. We do not want a director to be responsible to everybody in theory, but in fact to nobody. That would result in good directors—people acting in the best of faith and with the best will in the world—being unclear what they are supposed to do and to whom they are answerable. Bad directors—if I might use that term loosely—could easily play one side off against the other.

Those who actually have to operate the law—all Members present must have received letters on this issue—get extremely fed up when Parliament puts on the statute book a measure that is not clear. The main knock-down point is that such a provision would not achieve the very things that many people behind the Trade Justice Movement want to achieve. I do not want a British company to look at British law and say, "If that is the case, I shall incorporate in France, where perhaps there are not quite so many restraints." The Bill strikes a sensible balance that meets people's legitimate concern that directors should have an explicit duty to consider all such issues, but at the same time, it is clear and workable.

Mr. John Gummer (Suffolk, Coastal) (Con): The Secretary of State is of course right to say that directors have a duty primarily to their shareholders. Why, therefore, does he think it necessary to ensure that when they are dealing with financial risks, they give very clear reportage to their shareholders, whereas when they are dealing with equally important non-financial risks—particularly of an environmental and social kind—there is not the same legal requirement? It is that distinction that many of us find difficult to take.

Mr. Darling: If the right hon. Gentleman looks at clause 399, which deals with the reporting requirements, he will see that it makes clear that directors have to report on a range of matters, and have to draw attention to the fact that they are not reporting on a particular matter. If any ambiguities come to light that can be resolved when these measures are examined line by line in Committee, obviously the Government will consider them. I am anxious to ensure that when the Bill leaves this House and is put on the statute book, it is clear and understandable and does not provide huge scope for litigation, from whichever angle it might come.

Several hon. Members *rose—*

Mr. Darling: I give way first to my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan), who has been waiting to get in.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May I bring my right hon. Friend back to the environment? It is somewhat ironic that taking place today is the annual general meeting of the all-party group on Nigeria, of which I am a member. When I visited Nigeria, and in particular the Niger delta, I witnessed at first hand young children being choked almost to death by the gas flaring of major oil companies, including Shell. Where in the Bill will protection be provided for those people?

Mr. Darling: I am not sure that I would quite share my hon. Friend's view, but when he has a chance to look at the Bill he will see that it sets out clearly the matters to which the directors have to have regard. However, as I said a few moments ago, we also have to ensure—whether through international agreements and treaties or local legislation—that environmental and other concerns are met. While we can achieve a lot through company law, it is not possible for the Bill to deal with all the problems that might concern us. While I do not wish to labour the point, it is important that the duties imposed on directors are clear, and that they know to whom they are accountable and what they are supposed to take into account. The more complex the requirements become and the more wide-ranging the duties imposed, the more difficult it will be in practice to achieve what we actually want. The Government have sought to put before the House a Bill that is workable, represents a major step forward and will deliver what most of us want.

Mr. John Redwood (Wokingham) (Con): I am with the Secretary of State on what he is trying to do to strike the right balance. I am a company director, but not of the kind of business about which I wish to ask. Clause 158 states that directors must

"have regard...to...the impact of the company's operations on the community and the environment".

Would that provision give people living near a quarry, a coal mine or a nuclear power station the right to take the company in question to court because they did not like the activity, even though it was legal and had all the health and safety permissions?

Mr. Darling: No, it would not. The requirement is for the director, in reaching a decision, to have regard to all such matters, including the impact on the community. We cannot have a situation in which, essentially, two groups of people are running a company—one being

the directors and the other being people who like or do not like what the company is doing and ask the courts to second-guess the company's decisions. If we as a society decide that we do not want quarries, the best way to achieve that outcome is to pass legislation forbidding them. If quarries are legal, and provided that all planning permissions are obtained and other legal obligations are met, directors are entitled to reach that decision, because their duty is to the company. However, they do have to have regard to what they are doing. This is an important step forward and many in the other place were deeply opposed to it, but I hope that the House will support it.

Mr. Mike Weir (Angus) (SNP): To return to the point made by the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan), is there not an argument that allowing legal action to be taken in the UK against UK companies by people abroad would provide them with an avenue not otherwise available? In many foreign countries where British companies operate, it is almost impossible to take legal action in the local courts. It is right that if a company is causing environmental degradation—the hon. Gentleman mentioned Shell and the Niger delta—it should be held responsible for that in the UK courts.

Mr. Darling: I would be very reluctant to encourage widespread litigation in the UK courts simply because remedies might not be easily available in some countries. There are many problems in various countries, but they cannot be resolved by simply opening up the jurisdiction of UK courts. The duties that we will impose on directors and the greater openness and transparency—so that people can see what is happening—will put more pressure on companies. Directors will be in no doubt about their duties, but the demand that we should open up the UK courts and, for good measure, provide legal aid to people bringing cases is not one to which the Government can accede. It would lead to substantial difficulties for British companies, and it would not be long before many decided to decamp to a jurisdiction more amenable to what they wanted to do. Belonging to the party that he does, the hon. Gentleman sometimes has difficulty with the concept that we live in a global economy, but he should be aware that companies can come and go very easily.

David Howarth (Cambridge) (LD): I accept much of what the right hon. Gentleman has just said, but I want to return to the contents of the business review, as set out in clause 399. Many people are worried that that clause is too narrow, and subsection (2) states:

> "The purpose the business review is to inform members of the company and help them assess how the directors have performed their duty".

Is not another legitimate public purpose of the review to allow potential investors in the company to know whether it has been acting ethically? Does he agree that it is important for this House to try to make a better and more stable market for ethical investment?

Mr. Darling: A business review produced under clause 399 by an oil company working in Nigeria, for example, would contain a formal report from the directors to company members, but it would also be available to the public. As I said a moment ago, the fact that companies will have to set out what they are doing and the effect that that is having will focus public attention on their activities. That is very important.

Ms Dawn Butler (Brent, South) (Lab): I want to ask another question about the business review outlined in clause 399. The transparency requirement means that company directors will have to make clear any negative social or environmental impact that their companies might cause, in the UK or overseas, but what will happen if the directors deliberately omit from the review matters that might be of concern?

Mr. Darling: Clause 399 will legally oblige directors to say why they are omitting information. When the Committee comes to consider that clause, I hope that it will accept that we have tried to draft it in a way that requires companies to report what they are doing, yet at the same ensures that people who might otherwise be tempted not say what is happening must explain what is going on.

Susan Kramer (Richmond Park) (LD) *rose—*

Jo Swinson (East Dunbartonshire) (LD) *rose—*

Mr. Darling: I have dealt with only two of the Bill's 950 clauses, and must move on. However, first I shall give way to the hon. Members for Richmond Park (Susan Kramer) and for East Dunbartonshire (Jo Swinson).

Susan Kramer: A moment ago the Secretary of State said that the information in the business review would be a valuable guide for investors. However, Lord Sainsbury of Turville said in the other place that the purpose of the review was to inform members of the company. He said:

> "It is not designed to help individuals decide on investment decisions, nor is it targeted at the wider public in the sense that they should feel entitled to rely on it."—[*Official Report, House of Lords,* 10 May 2006; Vol. 681, c. 920.]

Does not that exactly contradict what the right hon. Gentleman just said? Does it not define the problem involved in shifting from an operating and financial review to a business review?

Mr. Darling: I do not think that it does. As I said at the outset, a director's duty is to the company and therefore to its members—its shareholders. A company's annual report or business review is primarily for its members, but it is also something that would-be investors or outside groups can read, and so form judgments about what the company is doing. The hon. Lady illustrates why we must make sure that the Bill makes it clear to whom a director is responsible. If we do not have that clarity, all sorts of difficulties will arise, both in getting directors to make sensible decisions and in achieving our objective. Clause 399 will provide much more openness and transparency than is available at present, and will also meet requirements other than those specified under clause 158. I believe that we have struck the right balance. It is inconceivable that what large public companies publish in their business reviews will not be very widely studied.

Jo Swinson: The Secretary of State seems to accept that many people increasingly take social and

[Jo Swinson]

environmental factors into account in their purchasing and investment decisions—I am sure that that is backed up by the contents of our postbags—so it is vital that people have clear information. However, does he not also accept that the Government have missed a huge opportunity in abandoning OFRs in favour of the business review? The business review is much narrower, applies to far fewer companies and will not be subject to the clear mandatory standards that would allow consumers to compare like with like.

Mr. Darling: I do not accept that. I agree that many members of the public want to make informed decisions as to where they buy their goods and services. The Bill will help, as will other measures. The reason why the Government decided not to proceed with the OFR was that we were anxious to minimise the regulatory burden on companies in general. I forget whether the Liberal Democrats have a policy on that—I suppose it depends who they are talking to at the time. I do not accept the point that the hon. Lady makes about the business review. It will allow ample scope for all the things that need to be reported on to be set out as fully as possible.

In Committee there will obviously be a great deal of scrutiny of the two clauses relating to the business review, as of others. The Government have sought to put on the statute book a major step forward. I accept that it is controversial, but it provides clarity, and something that will actually work and, in the years to come, will influence companies' behaviour. Let us be in no doubt: the duty is certainly intended to affect a company's behaviour so that it behaves ethically and has proper regard for all the matters set out in the Bill. I also want to make sure that the business review is properly understood. I believe that it will encourage directors to provide information that will enable people to make decisions.

I shall now say a word about a small part of the Bill that was controversial in another place. It relates to derivative actions. We recognise that occasionally directors of a company may put their own interests ahead of those of the company. We have sought to introduce a new procedure that means that claims lacking merit will be thrown out at an early stage.

We have provided a two-stage process. First, any applicant has to make a prima facie case. At the second stage, still before the substantive action begins, the court has to consider whether the decision of the directors was one that the company could reasonably and independently have taken. I believe that what the Government have done here will ensure that the process is not open to misuse, but will avoid the situation that we have seen in the past whereby a small section of the shareholders have felt that the directors have done something to the company's detriment. Until now the remedy in such a situation was not clear. It is time that the remedy was put on the statute book.

A lot of the Bill is designed to regulate companies better. It is essentially a deregulatory measure. Much of our companies legislation was put in place with large companies with numerous public investors in mind. It is worth bearing in mind the fact that more than 90 per cent. of companies have five shareholders or fewer, and that many shares are not publicly traded. The Bill will help smaller companies. It will make it more straightforward to set up a company. It will remove the prohibition on private companies providing financial assistance to purchase their own shares. It will simplify the way in which they take decisions, they will no longer have to have annual general meetings, and it will allow greater use of written resolutions.

The Bill will also help bigger companies. It produces significant savings by removing obstacles in the way of electronic communications. We believe that the saving could amount to about £50 million a year for FTSE-listed companies alone.

Mr. Weir: The Secretary of State talks about private companies. Concerns have been raised with me about the provisions that allow a private company to do away with the post of company secretary. While I understand that in a small private company, such as a husband-and-wife operation, that is sensible, there are some very large private companies. Has the Secretary of State given any consideration to whether the provision should relate to the size of the company rather than whether it is private or public?

Mr. Darling: We did consider that, and came to the view that the right distinction was between private and public. Of course, not having a company secretary does not mean that someone does not have to be authorised to take decisions. But just as there does not have to be a company chairman—although there usually is a chairman, for private companies as well as for public companies—we thought it best to remove that requirement. As the hon. Gentleman says, for a very small company that is properly run, some requirements are excessive. A husband and wife may have to hold an AGM in their front room once a year.

The hon. Gentleman makes a fair point, in that some private companies are quite big, but for that reason, and because of the amount of money that they handle, they probably would take up the option of having a company secretary. It is not mandatory not to have one, but we are giving them that option. If he is lucky enough to be on the Committee that will scrutinise the Bill, he may want to press that point further.

Mr. Stephen O'Brien: For the purposes of dealing with company secretaries, I declare my registered interests. The answer that the Secretary of State has just given betrays one of the fundamental misunderstandings about the proposal for getting rid of the requirement for a company secretary in a private company: a company secretary, as opposed to the chairman of a board, is an office holder—otherwise we would not even have the term "directors' and officers' liability insurance". An office holder is a completely different species from the chairman of a board, who is another co-director, chosen by the board to chair that board, and who has the accountabilities that go with that. I hope that I will be able to develop some of those points if I get the chance to catch your eye, Mr. Speaker. As we develop the debate on the requirement for a secretary, it is important to recognise that the secretary is, uniquely, an office holder. That was not part of the Secretary of State's answer.

Mr. Darling: I think that I acknowledged the fact that the secretary of a company performs an extremely useful function in many companies. The point of the legislation is to remove the requirement for private companies to have a secretary—although they may still choose to have one. Certainly they will probably want to designate somebody to authorise signatories. If the hon. Gentleman or I were dealing with a company, we would want to be sure that whoever was entering into an agreement with us had that company's authority to do so. Those safeguards exist in the Bill—but I am sure that he will return to the matter if he catches your eye, Mr. Speaker, and that he will return to it in Committee if he catches his Whip's eye. We look forward to hearing what he has to say.

Lorely Burt (Solihull) (LD): Will the Secretary of State explain why the Government are trying to improve their own cash flow at the expense of private companies by reducing the accounting period from 10 months from the end of the financial period to only seven months from the end of the financial year?

Mr. Darling: Again, we thought that that was the right thing to do. Perhaps I will come back to the hon. Lady if she wants that to be explained further. What the appropriate accounting period should be is always a matter of judgment, but I will happily come back to her on that matter.

We think that the Bill will save businesses about £250 million a year, of which £100 million will benefit small businesses—so the deregulatory measures are important. In relation to the engagement of shareholders and encouraging long-term thinking, the Bill also carries forward the long-established principle of enabling shareholders to be the primary regulators of corporate behaviour. It is designed to encourage and enable companies to create internal structures and controls that will promote trust and transparency and lead to better performance.

The Bill also contains a number of other provisions, to which I want briefly to turn. The first seven parts relate to the fundamentals of a company and how it can be formed. Later in the Bill, there are clauses that remove any obstacles to electronic incorporation. There are a number of measures on shareholders and management generally. Part 8 provides a balance between, on the one hand, the public right to know who a company's members are and how to contact them, and, on the other, protecting members from attempts to defraud or harass them.

There is one important measure that I hope will be supported on both sides of the House—the part of the Bill that is designed to protect directors and shareholders in companies that have been targeted by a tiny minority of people who threaten or intimidate them simply because they do not agree with them. The measure will allow directors' names to be withheld and will also mean that if a company suspects that someone is trying to get hold of its register of shareholders for an improper purpose, it can get the protection of the court. The measure has been widely welcomed by the industry, and I hope that it will be welcomed by everybody in the House, because it is important that we show our unconditional support for people who are exposed to that totally unjustified behaviour.

Mr. Davey: We totally support those moves, although we will suggest in Committee that the Government need to go further to protect individual shareholders. In the other place, the Government appeared to create the offence of using the register for improper purposes. However, surely the Secretary of State will admit that people who wish to access the register for bad purposes are not worried about another criminal offence, given that they are accessing the shareholder register to commit a crime. The protection that he is giving shareholders appears to be weak, so will he be prepared to be open-minded and examine the matter again?

Mr. Darling: If there is a feeling that we need to do more to help companies in such circumstances we will, of course, do so. However, we will want to ensure that any proposal is workable, strikes the right balance and is not open to abuse, because there has been worry about that. If the hon. Gentleman can make proposals that would help people who would otherwise be subject to such harassment, the Government will consider them. He might be interested to know that we had quite extensive discussions with several pharmaceutical companies about the matter, and as I understand it, they are happy with our approach.

Part 9 of the Bill deals with the ability of indirect investors to exercise governance rights. It might be helpful if I tell the House—especially the official Opposition—that the Government intend to reverse an amendment that was successfully made in the other place, which on the face of it extends the exercising of members' rights for shareholders who hold shares through nominees. I understand perfectly well what the official Opposition were trying to do, and I am not against extending the democratic process in such a way, but subsequent to the passing of the amendment, many representations have been made suggesting that the measure now in the Bill would be pretty unworkable and expensive. We thus propose to table a further amendment, and my right hon. Friend the Minister for Industry and the Regions will hold discussions with the spokesmen for other parties in the House with a view to trying to get a measure that is actually workable.

Mr. Jonathan Djanogly (Huntingdon) (Con): Will the Secretary of State please clarify what he is proposing? Is he proposing to amend or scrap the concept that beneficial shareholders should have access to documents and votes?

Mr. Darling: We are already holding discussions with sections of the industry, and there will be discussions in the House with a view to trying to address people's understandable desire that the franchise should be widened, without imposing an unjustified burden on companies by causing them to go to huge expense for no obvious purpose. In keeping with what I said earlier, it is important that we get a system that is workable.

Part 10 of the Bill will tighten up the law on child directors. Many people will find it strange that in this country a director need not be a person, so long as it is a legal person, and that anyone of any age can sit on a board. It may be novel to stick a toddler on a company's board of directors, but that can be done at present. We propose to change the law so that a

[Mr. Darling]

director must be over 16. There will be regulations to provide for exemptions—for example, a charitable company might want a young person as a director—but I think that the change to the law is welcomed.

We are also simplifying the decision-making process and making changes on accounts and auditing, especially regarding auditors' liability, which people think are sensible. There will be a new offence for those who knowingly or recklessly cause misleading, false or deceptive material to be included in audit reports.

There are measures in the Bill on the raising of share capital and takeovers. There are also provisions that preserve the independence of the takeover panel, which has worked well in this country. On the regulatory framework, there are provisions to provide for the greater use of electronic communications. Part 36 of the Bill includes changes that will make procedures a bit more transparent.

A measure on institutional shareholders' voting was discussed in the other place. I think that I am right in saying that both Conservative and Liberal Members of the other place voted to remove a provision that would have allowed the Government to make it compulsory for institutional investors to reveal how they voted. I am not sure why they did that, but the Government believe that transparency is important. I can think of no reason why companies' institutional investors should withhold such information. The provision would have allowed us to introduce measures to make such transparency mandatory—albeit at some point in the future, because we would like to encourage a voluntary approach. As the Bill stands, institutional investors who do not wish to disclose what they do could remain in such a position for ever, but that would not be in keeping with the modern view that companies should be as open as possible.

Although there is no Member representing a Northern Ireland constituency in the Chamber at present, I should say that the Bill does extend company law to the whole of the United Kingdom, which I think will be welcomed by Northern Ireland businesses. Until now they have always had to wait to get what the rest of the United Kingdom has been getting.

This is an important Bill. It may be lengthy, but if we pass it I believe that it will add to the value that people see in investing in this country. The Bill is deregulatory; it aims to simplify. It also aims, crucially, to give investors a greater say and greater access to what companies are doing. As I have said, the changes that we are making in relation to directors' duties are, I believe, a major step forward and should be accepted. I hope that we shall be able to continue to discuss the Bill in a largely consensual way. It will make a difference not only to corporate Britain, but to Britain's well-being overall. I commend it to the House.

4.30 pm

Mr. Alan Duncan (Rutland and Melton) (Con): I welcome the Secretary of State to his first Second Reading debate in his new role. I had the pleasure of being his opposite number in my previous role as shadow Secretary of State for Transport.

The Secretary of State went to great lengths to explain what is in the Bill. Although I do not agree with him on some aspects of it, I am grateful for his explanation. Furthermore, I appreciate the way in which he took many interventions during his speech. I am sure that the Bill will receive detailed scrutiny in Committee, as far as we are able to engage in it.

We broadly support the Bill. As it has nearly 1,000 clauses, it is pleasing that we have to disagree with only a handful of them. We are glad that the Government have moved towards our position on some of the issues that remain before us.

The reports, consultations and reviews on which the Bill is based argued for putting deregulation and a "think small first" approach at the heart of company law. The Bill that has come to us, much amended in another place, is broadly to be supported. In many areas it deregulates and simplifies existing law, for which companies will be grateful.

The Opposition have some concerns about a number of the provisions in the Bill. I hope that the Secretary of State will not sweep aside our concerns on the ground that the overall effect of the Bill is to be deregulatory. We must examine the specifics.

Our shared objective with business is that it should achieve sustainable economic growth. That is why, under the leadership of my right hon. Friend the Member for Witney (Mr. Cameron), Conservatives have put ideas such as corporate social responsibility very much at the heart of the agenda that we wish to champion. Company law forms the framework in which business must operate. Achieving our aim of seeing a growing, competitive and high productivity economy depends on the legal framework being right. It has to be comprehensive and effective yet simple to understand and as unburdensome as possible.

Against those measures, much of the Bill stands up very well. Existing companies legislation certainly needs revision so that it better reflects modern business practice and technological developments such as electronic communications. Businesses have rightly complained that existing law involves unnecessary formalities and creates administrative burdens that no longer have any corresponding benefits. The Bill does good work in tackling some of these issues. We therefore congratulate the Government on realising how important such matters are.

Small business and private companies have in the past suffered from having to comply with requirements that were designed for larger public companies. The Bill goes some way towards rectifying that. We support, for example, the provision that one person alone can set up a company and that he will not have to appoint a company secretary, although they may choose to do so if they so wish. The requirement to hold an annual general meeting was a burdensome formality—it was a nuisance for some small firms. It is the recognition of these issues in the Bill that we thoroughly support.

I should offer my thanks to their lordships for their admirable work on the Bill. They took a long time, quite rightly, to consider it. I particularly thank Lord Hodgson of Astley Abbotts, Lady Noakes and Lord Freeman, who on behalf of the Opposition put in an enormous amount of work to improve the Bill. More than 1,600 amendments were considered in the

other place. We are pleased that, on some issues, the Government took our suggestions on board. For example, the removal of what was part 31 was a sensible victory for the principle that the law should be clear to those who must abide by it. The idea that the fundamentals of company law should be changed by a Government without the full scrutiny of Parliament was deeply disturbing to people who know how difficult this area of law is. We are pleased, too, that the Government have agreed that the Bill should fully replace the Companies Act 1985. It was absurd to expect to be able to repeal of three quarters of that Act, leaving behind a stubby remnant and making cross-referencing impossible and company law even more complex.

We welcome the extension of shareholders' rights to ensure that someone who invests in a company has the same rights regardless of whether they invest in their own name or do so through an individual savings account, personal equity plan or nominee account. I heard what the Secretary of State said a moment ago, but we must debate the issue in Committee. I hope that between us we can find a workable solution that will extend shareholder democracy without placing an unwarranted burden on company administration. The wording of the relevant provision requires significant work, and during the passage of the Bill we will go to great lengths to consult interested parties to achieve the workable solution that we all want.

Other significant improvements have been made to the Bill, and I hope to come on to them shortly. Elsewhere, however, serious problems arise from provisions that add new burdens and from clauses that confuse existing practice. In the other place, a number of controversial issues became clear. One that attracted significant public notice was the codification in statute of directors' duties. We support the principle underpinning the relevant provision. Good directors take account of a range of long-term factors when acting in the best interests of their business. Good business involves making assessments of short and long-term risks, and using them to achieve success for the company. Furthermore, we entirely agree that a successful director pays close attention to the factors listed in clause 158, as well as many others. Fulfilled employees and satisfied customers are good for business, and a concern for the environmental impact of one's activities may attract consumers and investors who are increasingly conscious of corporate social responsibility. Our anxiety is not that part 10 fails to fit with an ideological position, but that it is inflexible and will lead to confusion. In flagging up the issues associated with part 10, the Opposition were initially on their own, but now, largely as a result of the work done by my noble Friends and my hon. Friend the Member for Huntingdon (Mr. Djanogly), we have received the support of the *Financial Times*, *The Economist*, the Law Society and the CBI.

The existing common law position holds that directors' duties are more complex than simply maximising profit from a given transaction. The provision appears likely to reduce the courts' ability to develop the law to suit changes in business practice, so we must look at what the codification adds.

Mr. Davey: I am surprised by the position that the hon. Gentleman's noble Friends took in the other place. Is he not aware, for example, that in section 309 of the Companies Act 1985, a Conservative Government legislated to ensure that employees' interests had to be taken into account by directors when pursuing the company interest? The position that he has outlined marks a return to the position that applied many years ago, when corporate practice was not as good as it is today.

Mr. Duncan: That is a red herring—the Government removed that provision, and we will probably take steps to restore it. The codification provides a list of just six factors, so it is a little like a written constitution—if we try to codify something in simple terms in clause 159 there is a danger that we may lose the wealth of experience and practice that has built up over time. Some people believe that the list is designed entirely to replace the greater number of fiduciary duties in common law. That would be a simplification—but, in our view, a bad one. The courts would be unlikely to consider themselves bound by this simple list, and in any case it is clear from Government guidance attached to the Bill that that is not what they intend.

Mr. Darling: Clause 158 states that directors must have regard to the matters set out there, but it adds "amongst other matters". I cannot see how on earth passing the Bill will curtail the courts' consideration of these issues. Furthermore, if the hon. Gentleman speaks about green issues, he might think about how such aims are to be achieved.

Mr. Duncan: The problem is that there are about 650 "other matters" which have built up over time as considerations that guide the behaviour of directors. By picking out a mere six, the simplicity of the codification may make matters worse. It seems clear that directors will have to look, as the Secretary of State said, at both statute and case law to find out what their legal duties are, and perhaps at guidance as well.

Yet more confusing is the lack of clarity about how the list of factors provided in clause 158 should be approached. Are they listed in order of precedence? If not, what happens when there is a conflict between them? Ministers have given assurances that decisions taken in good faith will not be subject to review by the courts. The Secretary of State stated that yesterday in the *Financial Times*. However, the Law Society and many leading lawyers think otherwise. If it is not the Government's intention that decisions taken by directors in good faith should be hauled through the courts, we urge them to work with us to tackle a provision that we think will lead to confusion. After all, it is what is in the Bill that matters, not what Ministers say they meant by the Bill.

Confusion in this area will inevitably lead to costly litigation. As Miles Templeman of the Institute of Directors cautioned,

> "The Government has to make sure that the proposed legislation does not fundamentally change the current law. There is a danger that some of the drafting of the Bill could well have this effect, leaving confusion and uncertainty until the provisions are interpreted by the courts."

Mr. Gummer: I am following my hon. Friend's argument with great care. Mr. Templeman does not want the present law to be changed because he does not want to take seriously issues of the environment and

[Mr. John Gummer]

social concerns. That is a different position from the one that my hon. Friend is advancing. I hope that he will not quote the IOD on the matter, as it wants to restrict the responsibilities of directors, whereas he wants to clarify those responsibilities. That is a different issue. If he is doing the one, I support him. If he is doing the other, there is a real difference.

Mr. Duncan: I imagine that if Miles Templeman were standing in my little shoes at this moment, he would robustly say that as a responsible businessman he would, in everything he does, wish to take seriously issues of the environment. If I may leap vicariously to his defence, I am pretty sure that that is what he would say in riposte.

We are perfectly willing to work with the Government to improve the clause and will table amendments in Committee. Our preference is for the Government to issue a single document of non-statutory guidance, which they have indicated they are willing to do. That would give directors a greater measure of certainty and clarity than does the current drafting. If, instead, the Government insist on the new statutory statement of duties, it must be drafted so as to make it clear that, as the Secretary of State wrote yesterday,

"directors are not required to keep additional records as a result of the statutory duties; and directors who act in good faith will not be held liable".

Mr. Redwood: Is my hon. Friend suggesting that, in the case that I put to the Secretary of State, if a business successfully applied for planning permission for, say, an opencast coalmine and met all the regulatory and other legal requirements, the local community could take an action against the directors under clause 158 if it did not approve?

Mr. Duncan: No. To be fair, the Secretary of State answered that and, however reluctant I might be to do so, I largely go along with his attitude. In Committee we will have to consider the detailed working of all the clauses. This is a crucial Bill that the House must scrutinise word by word to make sure that every potential unintended and intended consequence is foreseen and properly understood, so that as a result of this mammoth piece of legislation we do not end up with a legislative corporate nightmare.

Those concerns about part 10 relate closely to concerns about part 11, which sets out a new procedure for individual shareholders to bring claims against directors. We are pleased that that procedure requires that the shareholder obtain the permission of the court to continue a claim, but we wait to see how high the bar is set when allowing such cases. This is, to some extent, an answer to my right hon. Friend the Member for Wokingham (Mr. Redwood). We believe in the principle that shareholders who suffer from the negligent actions of directors should have the right to bring an action, but because there is confusion arising from the statement of directors' duties set out in the Bill, this part is problematic.

Under the new procedure, a pressure group could purchase a relatively small number of shares in a business and attempt to sue a director for a decision that he took with which the pressure group disagreed. If that decision had some environmental consequence, for example, the pressure group could reasonably argue that insufficient regard was given to that. Even if the case failed at the first hurdle, the damage done to the company could be significant, but if the court did allow the action to proceed, the company could find itself paying the legal costs of both sides, leaving the pressure group with no financial risk. The same procedure would be open to employees and ex-employees who owned shares, whereby decisions taken by directors that affected their jobs would be open to challenge in the courts. It seems likely that this part of the Bill will increase the likelihood of litigation without sufficient safeguards. It is possibly a recipe for disaster.

Mr. Davey: I am surprised by the hon. Gentleman's remarks, because I thought that his colleagues in the other place had been fairly pleased with the Government's approach. The standard by which the courts will have to form a judgment is whether there is prima facie evidence that a tort has occurred. That is quite a high standard. The hon. Gentleman is in danger of scaremongering on this issue when there has been a degree of compromise and consensus in the other place.

Mr. Duncan: We will see. No doubt it will be discussed in Committee. Nevertheless, the provision opens the door for generously funded single issue pressure groups to try to use corporate law to undermine companies rather than to do what a company's shareholders should, which is to try to make it a success.

Mr. Darling: There are two points here. First, it is already possible to bring such an action; the difference is that we are putting on to the statute book the rules that will govern it. Secondly, there are two stages: first, as the hon. Member for Kingston and Surbiton (Mr. Davey) said, there would have to be a prima facie case; and, secondly, the court would have to consider whether the decision was one that the directors could reasonably and independently have taken. That is a very high standard. People may not like the decision, and may come to the view that they would have taken a different one, but if it was found that the company could reasonably have taken it, an action of this sort would fail.

Mr. Duncan: The other danger, though, is that the winners from the new procedure might well end up being not shareholders but insurers who offer to indemnify directors against such claims. Premiums are already shooting up. There is a risk, too, that the losers are likely to be British companies. As the provisions add to the liability of directors and the likelihood of litigation against them, it will become increasingly difficult to attract high-calibre candidates to be directors of UK companies. In extremis, it would make certain companies incorporate in another jurisdiction.

I should like to turn my attention to the growing concern regarding the uses to which registers of shareholders are being put. The issue hit the headlines most recently with shareholders of GlaxoSmithKline being targeted by animal rights extremists. In typical fashion, that led the Government to ensure that they were seen to be doing something; to be fair, I think that in the end they did. It is essential that the Bill contains the necessary protections on members' register. We have called for

that repeatedly, and as the Bill progresses we will be looking to see whether the Government's specific proposals are the right ones. The UK Shareholders Association certainly thinks that so far the changes have not been thought through. We want to make absolutely sure that those who face potential intimidation from animal rights extremists are thoroughly and comprehensively protected.

This morning, we learned from the *Financial Times* that the Government are planning to reintroduce provisions in the Bill to compel institutional investors to disclose how they voted. The Committee will have to examine that in detail to ascertain exactly how it will be achieved and what it will achieve. We shall consider the Government's proposals in detail to ensure that they are proportionate and avoid unnecessary burdens.

Clearly, the Bill deserves proper scrutiny. We are concerned that the Government still intend to move a programme motion for such a large measure about which there is so much agreement. We appreciate that the Secretary of State does not want it to spill over into the next Session and we understand that that is the bookend for the debates. However, in another place, three days were allowed for Report and one for Third Reading—a total of four days. It would therefore be unfortunate and dismaying to allow only one day for the House to consider the Committee's work on Report. We understand that the Committee will have to debate more than 1,000 amendments. Given that we will work hard until we rise for the summer and then have the summer to examine everything that has happened, I hope that the Secretary of State will consider a proper extended period for Report and Third Reading, probably when we come back in October.

There is much to commend in the Government's aims for the Bill. The consultations and reviews that preceded it have been long and detailed. We want company law to be brought up to date and we want to give firms in Britain a legal framework that promotes their success. In recent times, some British businesses have struggled under an ever greater burden of regulation and red tape. On productivity, the rate of growth has slowed since the Government took office. In competitiveness, Britain has dropped from fourth to 13th in the World Economic Forum's league table. Our trade deficit is at a record high and our deficit with China jumped by 20 per cent. last year alone. Britain's tax burden is rising to all-time record levels while many other countries are lowering theirs.

That is why we believe that the Bill is important and repeat our offer to work with the Government to improve it, and why my hon. Friends will table amendments in Committee to give British business the best chance of succeeding by giving it the best legal framework in which to operate.

4.52 pm

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): I am pleased to be able to use the freedom of the Back Benches to commend the Bill to the House and to congratulate my right hon. Friend the Secretary of State for the manner in which he introduced it.

The Bill focuses on modernisation and simplification. As I have said on several occasions, it is long because it is simpler. When I became involved with it in May 2005, it became clear that the time—some seven years or more—since the days of the company law reform group and the time invested by Ministers and interested parties from every sector of business and the third sector had been well spent. That dialogue continued over the past year as clauses were published. I commend the approach as an example of especially good practice, open debate and confidence on the part of Government in discussing the way forward on an important measure.

I especially commend the officials whom my right hon. Friend has inherited. A particularly good team has worked on the Bill and that has enabled the discussions in the House of Lords to be well supported. I also commend the people who are described as stakeholders, although I am not sure whether that term does them justice. They come from all sorts of fields, including accountancy, law and investment as well as large and small businesses. In my time at the Department of Trade and Industry, I found the discussions intellectually stimulating and even entertaining.

The hon. Member for Rutland and Melton (Mr. Duncan) praised the Bill graciously, although I believe that I detected gritted teeth in some parts of his contribution. On the timetable, I remind him that there have been seven years of discussion before the Bill's introduction. It has not appeared out of the blue and many people, certainly Labour Members, have taken the opportunity of being involved in the discussions that led to the measure.

The hon. Gentleman referred to the dangers of bureaucratic record keeping that could arise from the advice that some lawyers seem impelled to give. That would involve taking an excessively legalistic and bureaucratic approach to the way in which company decisions are taken, and it is somewhat divorced from the real life situations in which decisions are made and business done.

We experienced a similar problem with data protection. I well recall making it clear, when I was at the Home Office, that data could be shared between the police and local authorities for the purposes of crime reduction, and the legal experts advised that that was already what the law said. However, even after we had put a clause to make that abundantly clear in the Bill that was to become the Crime and Disorder Act 1998, some people still said, "If in doubt, don't share the information." That was bad advice. It is bad law, it is inappropriate and it is wrong. Data protection seeks to ensure that people share information appropriately and responsibly. Similarly, this Bill is about helping directors to know where they stand, to take good responsible decisions and to understand how they will be held accountable for their actions by their shareholders.

The law will not require the kind of bureaucratic record keeping that the hon. Gentleman suggested is feared by some people. He was also wrong to suggest that there was a danger of increased litigation, although that might have been the case without the amendments that have arisen from the considerable contribution made to the Bill in another place by the Attorney-General. Far from discouraging high-quality people from coming forward to serve as directors, the measures seek to make it clear that only when there is a genuine case to be made and evidence to be considered by the courts can such cases go forward to consideration or even disclosure.

[Alun Michael]

It was irresponsible and inaccurate of the hon. Gentleman to suggest that such dangers existed, or that the Bill might discourage high-quality people from acting as directors. Given the more consensual way in which he concluded his speech, I suggest that it would be in the interests of us all to ensure that the Bill does not threaten responsible directors, and that it encourages good practice by the directors of companies.

The principle of "think small first" is absolutely right, but I would counsel my right hon. Friend the Secretary of State that there will be pitfalls to be avoided when the Bill becomes an Act. Many of us remember occasions on which the House has got the legislation right, only for the detail of its implementation—through regulations and so on—to move away from what was intended either by the Bill's authors or by the House. The Bill must be about enabling and encouraging business and enterprise to flourish.

I was pleased to see today's visit to No. 10 by the corporate leaders' group on climate change. The group comprises business leaders who recognise the global challenge to the environment—as well as to trade—as an opportunity and a challenge, rather than as a cause for panic and alarm. They recognise that sustainable development that balances and integrates economic, environmental and social considerations involves a joined-up approach that is good for business as well as for the wider community. That leads to a win-win-win opportunity for us, in regard not only to encouraging business and our competitiveness abroad but to environmental and social issues.

There is a lesson here for the CBI, because there is a temptation to argue that attacks on the Government are good and attractive to its membership. I would contrast that argument with the work that has been done on the Bill by representatives of the CBI, including those on its manufacturing council—which makes a massive contribution to the manufacturing forum—and on its small business council. I would also draw the House's attention to its initiative on information technology security. Those are significant contributions, and they are much more important than the public face of criticism of and confrontation with the Government. Such activities might satisfy some of the CBI's members, but they are not in their best interests. The kind of co-operation that we have seen on the Bill certainly is, however, and I commend it as best practice.

Mr. Gummer: Does the right hon. Gentleman agree that it was a pity to hear the CBI on this morning's radio attack the position of the Aldersgate group and not be prepared to go along with a proper estimate of the necessary degree of cut that would be required to reduce emissions by 60 per cent. by 2050?

Alun Michael: Without any gritted teeth whatever, I am happy to agree with the right hon. Gentleman and to say that the development of that sort of consensus and leadership within business would be a welcome development, which we should encourage on both sides of the House.

I want to focus on a concern that is peripheral to the Bill, but is likely, as we saw from earlier interventions on the Secretary of State, to prove an irritation as our debates on the legislation develop. The long-standing effort to achieve consensus has been largely successful, as illustrated by the Opposition's response, but there is a risk of our debate being hijacked by a mistaken attempt by the Trade Justice Movement to introduce an inappropriate burden on directors of companies registered in the UK. As I have told people in that movement, of which I have long been a part, I am particularly sad about that.

If we were to place in company law a burden in respect of environmental and social issues, when the Bill is about the vehicle of the company rather than the activities of companies, it would have two effects. First, large international companies, which see Britain as a good place to be located and to do business—in an environment, incidentally, where good business practice and responsibility on environmental and social issues is encouraged—will move to Paris, New York or Tokyo. The burden of the legislation would then fall on small and medium-sized businesses, which generally do not have that choice.

Secondly, accountability will be diminished rather than increased. The Bill is clearly focused on the vehicle—the company—and how to simplify and make more effective accountability to shareholders. That is what enlightened shareholder value is all about. The Bill makes it clear that directors have to consider the interests of employees and the environment in carrying out their duties to shareholders, but it would be a mistake—I underline the fact that it would be a mistake from the point of view of those who care about trade justice as well as shareholders—to dilute that clarity.

Let us remember that we are all shareholders now—by our pension funds, if not directly—and participating in the practice of enlightened shareholder value is the way to work as citizens. Creating confusion about who directors are accountable to—as my right hon. Friend the Secretary of State rightly said earlier, being responsible to everyone is being responsible to no one—will not help the interests of trade justice. Securing international agreement and making progress on the Doha round are the right ways for the Government to move.

I am particularly disappointed by today's letter because the point has been explained to campaigning organisations. Indeed, I had the unique experience of participating in a debate in St. Mary le Bow, a church with two pulpits. I am not sure what happens when sermons are given—perhaps two approaches are debated—but I had the opportunity of speaking from one pulpit while the Trade Justice Movement spoke from the other. The key point is that it is like muddling up a piece of legislation about a vehicle such as a car—or in this case, a company—with legislation about a journey, the map, the purpose and where one wants to get to by using that vehicle.

To put it another way, a company and its directors have responsibilities to employees. They fall, in general terms, within the range of responsibilities that they have to consider as directors, but placing specific responsibilities on them should not be done through a companies Bill, but through employment law or health and safety at

work legislation. To take another example that the voluntary organisations should well understand, enacting a charities Bill is a way of dealing with the vehicle and trying to ensure its roadworthiness. If requirements about child protection, animal welfare or cancer research were built into such a charities Bill, everyone would understand that that meant losing all sense of the distinction between legislation about the vehicle and legislation about a series of specific policy issues—the sort of destination a charity might wish to pursue and would specify in its constitution, but not something that should be placed in charities law. With respect to those in the Trade Justice Movement, such an approach is neither sensible nor democratic, because the Bill is designed to ensure that there is accountability to company shareholders.

The Bill introduces a major reform of company law: it makes it clear that the company's directors must consider its long-term viability—the future interest of shareholders—rather being under an imperative just to make a quick buck. In running the company for the long-term benefit of the shareholders, the directors must have regard to factors such as the impact on employees, the environment and so on and report on the wider context of the business review. I believe very strongly that that is the right approach to take.

Trade justice issues are so important to me that the only campaign event that I organised during the period before last general election was on trade justice, under the title "Poverty is Political", but I have always stressed that there are three ways in which citizens can campaign for trade justice: first, by pressing MPs and Ministers, as electors and constituents. Indeed, the Trade Justice Movement has been very grown up and effective in the way that it has done that in recent years, and it has affected and strengthened Britain's hand in the world as a result.

Secondly, people can influence companies as shareholders. The Bill will help to provide the right environment by creating a long-term context for a company's decisions and enabling shareholders to play a greater role in holding directors to account. Thirdly, people can influence companies by buying fairly traded products and influencing the thinking of companies as consumers. Incidentally, in that context, I commend the House authorities for the way in which fairly traded products are made available in our canteens. Those in the Trade Justice Movement should welcome the Bill without amendment. They should certainly raise the issues that they are raising in a mature way but not pursue the amendments that would weaken the cause of trade justice.

The Government have rightly sought to promote business, and that means promoting enterprise, so we need to make it easier for people to set up a company. Let us consider the statistics. We are told that, if we had the same number of women running companies in this country as in the United States of America, we would have 750,000 more companies than we have at present. Let us consider the need to promote youth enterprise. Great success has been achieved with enterprise week and a number of other recent initiatives. Let us consider social enterprise, which has a developing place in our economy and makes extremely constructive social and business contributions.

I very much welcome the changes made in another place to protect companies and their shareholders against spurious derivative actions, while ensuring that genuine challenges on good grounds by shareholders can proceed. The Bill is about nurturing good practice and enabling Britain to go on being the best place to do business and increasingly the best place to set up a company. The Bill will provide good practice and a sound basis for the future, and I commend it to the House.

5.8 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): It is good to follow the right hon. Member for Cardiff, South and Penarth (Alun Michael). The House and the people who will have to use the law owe him a debt for the work that he did on it during his time at the Department of Trade and Industry. I half agree with the points that he made about trade justice. With respect to directors' duties, he is right: the idea proposed by some campaigners that directors should have two, three or four duties to wrestle with at the same time would be a mistake. It would be like asking directors to speak from both the pulpits that he mentioned at the same time and therefore not to lead their companies correctly. However, he is wrong about the financial reporting of companies, particularly the narrative reporting of companies—a point that he did not cover with respect to the Bill and what the Trade Justice Movement wants.

I enjoyed our exchange during a Statutory Instrument Committee on 16 March, when we talked about how the Government had got themselves into a bit of a tizz when the Chancellor suddenly did a volte-face on their previous position on operating financial reviews at the CBI conference at the end of November last year. The right hon. Gentleman, who was the Minister, had a wry smile during that debate, and I had hoped that he might feel liberated on the Back Benches and say a little more about what he really felt about the Chancellor's move.

Alun Michael *rose—*

Mr. Davey: I shall give him a chance to do so now.

Alun Michael: I think that my wry smile of amusement must have been prompted by the hon. Gentleman's speech rather than anything else. My position remains the same: I approve of the simplification that has taken place, and I favour a proper discussion about the way in which the business review should develop. I do not think it sensible for there to be two vehicles.

Mr. Davey: The right hon. Gentleman's ultra-loyalism has been tested and has met the test, not for the first time.

Mr. Gummer: The right hon. Member for Cardiff, South and Penarth (Alun Michael) may think that, but do not most progressive business men take exactly the opposite view? They had prepared for the operating and financial review and were ready to carry it through, and found themselves entirely disadvantaged—to the benefit of those who were not doing the job properly—by the Chancellor's very peculiar action.

Mr. Davey: The right hon. Gentleman is absolutely right. I did not mean to make light of the point. I think that the anger expressed by the right hon. Gentleman was felt throughout the country by people who paid attention, in the commercial sector, the trade unions and the campaigning movements. It was a hugely retrograde step. I shall say more about it, as, I am sure, will my colleagues.

In my interventions on the Secretary of State thus far, I have been remiss in not welcoming him to his position and congratulating him. Some say that his new post is a preparation for another that he will occupy in due course. We enjoyed hearing the emollient tones for which he became famous in his previous Department. When he was Chief Secretary to the Treasury and I shadowed him, he was slightly less emollient, but I am sure that he was pleased to begin his new job by presenting a Bill that commands a great deal of consensus.

On behalf of the Liberal Democrats, I can give the Bill a warm welcome. The enlightened shareholder value that is at its heart represents exactly the right approach. The deregulatory aspects are incredibly welcome; the concept "think small first" is incredibly important, taking company law to a new generation and recognising that modern companies are normally relatively small. The simplicity is also incredibly important. Even non-lawyers such as me can read some of the Bill and understand it. I doubt that I would have been able to understand the earlier Companies Acts.

Some have criticised the process adopted by the Government for being lengthy, but I think that that probably resulted in the quality of the legislation. The procedures here and in the other place have shown both Houses working at their best. There is no doubt that the Bill deserves the support of the whole House tonight.

On occasions such as this, however, we have to highlight a few of the differences between us. I want to discuss two, relating to the environmental, community and social aspects. We have one difference with the Chancellor, and another with the right hon. Member for Witney (Mr. Cameron). In the context of two key aspects of the Bill, those would-be emperors have no clothes.

In relation to corporate accountability reporting, the Chancellor was originally fully clothed, but at the CBI conference that I mentioned earlier he performed a very unsightly striptease. To please the crowd, he threw off an election promise to make firms report properly on their activities and their impact on the environment. That was a huge disappointment, and I think that the Chancellor will rue the day. He often likes to portray himself as the champion of poorer nations and of the environment, but in this important instance he was found lacking. I consider the Government's U-turn on OFRs to be not just a retrograde step but a huge missed opportunity. I welcome some of the moves in the other place to strengthen the business reviews that we were already going to have as a result of the European Union directive on modernisation of accounts, but the strengthening has not gone far enough. We want the OFRs back, as they were originally proposed by the Government, and that is what we shall argue for.

As for the Leader of the Opposition, some of us doubt whether he ever had any clothes when it came to corporate accountability and the environment, but the Tory peers have left him stark naked by voting to oppose the requirement for directors to have regard to the impact of companies' operations on the community and the environment. That was astonishing.

Mr. Djanogly: Has the hon. Gentleman given any thought to the fact that a responsible attitude towards the environment and the community can be encouraged other than through regulation?

Mr. Davey: Of course that is the case. There are many ways of pursuing environmental policy. This one has the support of many people in business and it has support among environmentalists. The Conservatives in the other place sought to oppose it. I find that astonishing. The hon. Gentleman will have to do rather better if he is going to persuade us that the Conservatives have not recently been rather dishonestly sporting new green credentials. If, in this place and in the other House, they vote in exactly the opposite way, their claims to be the new environmentalists will lack any substance.

It is possible that Tory Members will reject the views of their colleagues in another place. So far, judging by the remarks of the hon. Member for Rutland and Melton (Mr. Duncan), it does not seem that they will. However, perhaps we will see a U-turn. Perhaps he will become his leader's new chauffeur, driving behind him carrying a spare set of clothes to hide his leader's embarrassment. We will wait and see, but the Conservatives better be on notice that the people looking at this debate and the attempts by the Conservatives to rechristen themselves as the new environmentalists will not be impressed.

I want to deal with those points and other disagreements later, but it is important in the bulk of my remarks to focus on what unites the House on these matters. I have talked about the process already. Can the Minister say how the Bill's benefits will be communicated to small business? She will be right to say that small businesses are major beneficiaries of the Bill. They need to know that. Large corporates will have their sections briefing their chief executives and boards on the implications of the Bill, but it may pass small businesses by. They are not tuning in to today's debate.

The process on the Bill has been excellent up to now, both prior to the Bill coming to the House and during its passage through the other place and here. I hope that the Government will reflect carefully on my intervention on the Secretary of State about making sufficient time available for consideration of the draft new clauses that the Government will have to table on full codification. That is an important point. If we are going to continue the excellent process that we have had to date, that needs to be taken forward.

Another positive point that has not yet emerged in our debates but which is important is the Bill's move on dematerialisation. Under the Bill, documents such as registration certificates will be acceptable electronically. It will be easier to set up a business because one will be able to do it online. That process will lead to huge savings for business, which is incredibly welcome. In

many ways, it is not before time. That is not meant as a criticism of the Government, because this is a step forward.

As the hon. Member for Rutland and Melton said, the Bill's further protections against extremists, particularly animal rights activists, are welcome. As I said to the Secretary of State, they could be stronger, particularly with respect to shareholders. The Government have made it an offence—I think that it is in clause 118—for people who have access to the shareholder register to use that information for illegal purposes. I do not think that that is much of a deterrent for the sort of people we are talking about. The Government need to look at that again to see if the protections can be stronger.

I put forward one option. I cannot say that we have thought it through in terms of the legalese, but it may be possible to allow firms to keep their register of shareholders confidential, as long as there are safeguards for the public interest. One option would be to alter the threshold at which a shareholder can require the company to circulate information to other shareholders. That will strike a balance between protection against animal rights extremists and the public interest, ensuring, for example, in the case of a takeover, that all the shareholders can understand the terms of that offer.

There are a number of areas where the Government made concessions on the original Bill and where there is now wide cross-party support. It is worth flagging those up, too. The tightening of the political donations measures had cross-party support. Under the original proposals, the Government intended to bring in super-affirmative procedures to fast-track company law changes. They have been taken away because, as the Lords rightly said, such changes were constitutional and should not be included in company law itself. Again, progress has been made.

The tighter rules on derivative claims, which have already been debated, are also welcome. The restrictions on auditors' liability, which can now be expressed in non-monetary terms, is a very important measure that came about because my noble Friend Lord Sharman proposed it and the Government were willing to listen. There has been much progress and agreement.

Where do disagreements remain? The Secretary of State flagged up one: the idea that we and Conservatives in the other place were concerned about the Government's proposal to require certain institutional investors to disclose how they voted. The Secretary of State made a lot of that in the press, but I think that he has pressed his case too far. I have spoken to my colleagues in the Lords and their concern was not so much the principle of disclosure, which they agree with, but how greater disclosure should be brought about. Let me flesh out where we agree and where there is room for compromise, because it is important that we engage in that spirit.

We agree with the Government that we should take the voluntary approach first for disclosure of how institutional investors vote. I think that we also agree that the Government should take only a reserve power to force disclosure if the voluntary process does not work and that Ministers would have to return to this House before taking up that reserve power. Our concern is whether the one-size-fits-all approach that seemed to be in the original drafting would in fact work. We want to avoid over-prescription and to ensure that business is fully consulted about how a flexible regime for disclosure might be introduced, building on the best practice learned from voluntary disclosure. I say on the record that we are keen to discuss with the Government how we can take that forward. There are public interest cases for regulating institutional investors in this way so that they do disclose. The Government are therefore, in principle, broadly right. As my hon. Friend the Member for Cambridge (David Howarth) said, there is a case for boosting the market for ethical investment, and disclosure is important for that.

There is also a general point about transparency and accountability. It is important that people can be held to account for the way they vote on behalf of citizens—in some cases, millions of citizens. It is ironic that some of the investment institutions that do not want such disclosure are demanding extra disclosure and transparency in respect of corporates—the ones that they invest in—but they are not prepared to have the same principles of transparency applied to themselves. They are in danger of double standards in that respect.

There is a third public interest reason why we should at least have this reserve power: the confidence of investors and savers. They should be able to know what they are investing in, and to look at the track record of how that investment institution has voted and behaved in the past. I say to the Secretary of State that we may need to meet to thrash out that issue and to see how we can make progress on disclosure. I do not think that the difference between us is very great.

Where there is a difference—given the Secretary of State's remarks today, there might be room for compromise—is on the enfranchisement of shareholders who hold shares through nominee accounts. The Liberal Democrats and the Conservatives in the other place tabled an amendment that would require the compulsory enfranchisement of shareholders where they hold their shares in that way. It is important to understand the benefits of that approach. First, it would enable shareholders to receive all the information—annual reports, notice of meetings, resolutions—that other shareholders currently receive. Surely they should have that right. It would give them the right to attend, speak at and vote at general meetings, and to vote on resolutions. Why should they not have that right? It would give them the right to be treated equally with shareholders who hold their shareholdings directly during corporate restructuring. We saw in the cases of O_2 and Shell that shareholders who held their investments through nominee accounts were not given the same priority and benefits as other shareholders. There was also the case involving P&O, which gave shareholders various perks that did not go to shareholders holding their shares through nominee accounts. There are a lot of reasons why we should enfranchise this group of shareholders.

Key principles are at stake—this is about shareholder democracy. If the Secretary of State changes the Government's position, he could enfranchise more shareholders than Baroness Thatcher. I am sure that he would like that to be one of his many epitaphs. He says, in his rhetoric, that he is in favour of shareholder engagement and accountability, and that is the way to do it.

We must also consider the key practical benefits for business of that approach. Often, when the institutional

[Mr. Davey]

investors are giving guidance or making their voices heard at a general or other meeting, they have conflicts of interest because they are employees of very large institutions. They do not always talk common sense. It is often the individual shareholder who says what needs to be said. On issues such as the remuneration of directors, it was not the institutional investors who chased the so-called fat cats, but the individual shareholders who asked why directors were paying themselves so much. The voices of individual shareholders are important, and that is why the Government should embrace that change.

The arguments about cost do not stack up, because we live in an e-world and costs can be minimised. The companies are already making savings to the tune of £100 million thanks to the dematerialisation of documents and they could share that with some of the shareholders who put money into their companies. Ministers need to engage with that issue and not say that they will overturn the Lords amendments at all costs. I hope that the Secretary of State will consider the issue in a spirit of co-operation.

We can deal with some of the practical difficulties that have been outlined. For example, we could put more of the burden on the people operating the nominee accounts, so the costs could be shared between the businesses and the people who are the nominees. We could try to make the Lords amendment less prescriptive, because there must be room for debate. We could also consider difficult cases, such as employee share ownership schemes.

Whatever practical problems are raised by those who oppose such enfranchisement, we can deal with them, if we have the will. It is up to us all to do so, because we must end shareholder apartheid. It is wrong to have second-class shareholders and it would do the country a real service to change that. More than 50 per cent. of shareholders hold their shares in that way, and that percentage is likely to grow in the next few years. We need to act now.

I mentioned two more major disagreements earlier. The first is the OFRs, on which I fear we have less room for negotiation. Let us be clear about how we got here. Just a few months ago, the Government were very much in favour of OFRs. They dreamed them up and consulted on them, and worked with business and the accounting standards boards. The OFRs had been thought through perfectly. Indeed, the 2004 annual report of the DTI said that OFRs were at the heart of the Government's policy to improve corporate governance. Suddenly something changed, but what was it?

Thanks to the excellent work of Friends of the Earth, we know what changed. A senior official at the Treasury's enterprise unit met a fund manager from Hermes last summer. They had a general chat about how the Government were doing and what they could usefully do. The fund manager suggested that if the Government wanted a quick win, they could get rid of the OFRs. It would, he suggested, be a good deregulatory measure that would go down well in the City. The official worked up the issue and sent a memo to the Chancellor, who ticked the right box, so other officials were told to work it up further. The officials then sent another memo to the Chancellor, dated 29 September—I have a copy if the Secretary of State wants it—suggesting that he talk to colleagues in the DTI before going ahead with any announcement at the CBI conference.

The Chancellor did not engage with the DTI. He received another memo, dated 23 November that stated:

"Urgent. Action required this week...It is anticipated that a number of Ministers will have concerns about this proposal, given their departments' specific interests in the initiative."

The Chancellor made his speech five days later, on 28 November, and it is clear that there was a shambles in the Government. The Chancellor of the Exchequer took a unilateral decision and went against all other Cabinet Ministers without informing any of them. Most Ministers do not believe in the business review: their hearts are not in it, because they believe in the original proposal. Our aim is to give the Secretary of State a way to save the Chancellor's face and return to the Government's original position.

Martin Horwood (Cheltenham) (LD): The Accounting Standards Board put a great deal of work into developing accounting and audit standards for OFRs. Does my hon. Friend agree that that was an enormous waste of effort, given the fact that they are no longer part of the Bill? Will not the result be that companies are less transparent in their reporting and that reviews will be more expensive because companies will have to develop those standards themselves?

Mr. Davey: My hon. Friend is exactly right. He is something of an expert in this area and we intend to table an amendment on the subject.

The business review proposals arose out of European legislation. The Chancellor put the DTI in some difficulty and, in an attempt to put matters right, the Government tabled amendments in the other place. We welcome the progress that has been made in strengthening the proposals, but the Government have not gone far enough, especially in respect of reporting standards.

Mr. Stephen O'Brien: The hon. Gentleman may recall that the former Secretary of State called OFRs the last piece in the jigsaw when she introduced them. She is now Secretary of State for Health, and the phrase might be applied more aptly to that Department. She was very proud of OFRs, which the official Opposition decided would not present an extra regulatory burden, but would benefit both citizens and companies. No pressure was exerted by business or the CBI to get rid of OFRs—it was one of those strange instances when business was rather compliant and accepted the proposal—but it is clear that the Chancellor wanted something to announce at the CBI conference. The new proposal satisfies no one.

Mr. Davey: The hon. Gentleman is exactly right, although he has given a clear indication to the House of how the Conservatives keep changing their position. The Labour party does that too, whereas we Liberal Democrats have been consistent throughout in our support for OFRs.

Despite the amendments in the other place, the business review proposals remain unsatisfactory. My hon. Friend the Member for Cheltenham (Martin Horwood) mentioned reporting standards, and noted that they had already been worked up by the ASB, but the Bill contains no mandatory requirement that they should be adopted. If they were adopted, compliance would be easier, as would comparability, with the result that narrative reporting would be of greater use in meeting the objectives set out in the Bill.

Moreover, the Government's amendments in the other place also fell far short in respect of applicability. The business review proposals will not apply to large, non-quoted firms or medium-sized enterprises, and the audit requirements applicable to narrative accounting are nowhere near stringent enough. One would expect auditors to have to check that narrative reporting is accurate and ensure that it is consistent with the facts, but the Bill does not require them to do either.

Another problem has to do with coverage. I believe that about 1,009 large quoted firms will have to compile business reviews, but they will not have to detail their relationship with suppliers. That may seem a minor point but, in some countries, British companies subcontract much of their work. There is evidence that they subcontract some of their social and environmental obligations to people who are less well known and who are not covered by the business review requirement. That alarms many people concerned about the proposed changes. The Government have made themselves look shambolic over OFRs and I hope that they will change their proposals between now and Third Reading.

My final major point concerns director duties, which are at the heart of the Bill. Clause 158 has already been discussed. Liberal Democrats agree with the Government. We think that Ministers have struck a good compromise. We are astonished by the position now advocated by the Conservative Front Bench, which seems to go against previous Conservative legislation. The hon. Member for Rutland and Melton did not seem to appreciate that section 309 of the Companies Act 1985 says:

"The matters to which the directors of a company are to have regard in the performance of their functions include the interests of the company's employees in general, as well as the interests of its members."

That was in 1985 under Lady Thatcher.

Mr. Djanogly: My hon. Friend the Member for Rutland and Melton (Mr. Duncan) did not mistake the position. Section 309 has not been included by the Government in the current Bill. It was not removed by the Conservative party in the other place. We think that it should remain in the Bill and we shall be proposing amendments that it should be included.

Mr. Davey: We may have seen the first of many U-turns by the Conservatives in this House from the position taken in the other place, where no doubt some of their lordly donors were keeping a rather close eye on their activities. I refer the hon. Gentleman to clause 158(1)(b), where the interests of the company's employees are specifically mentioned. Clause 158 ensures that section 309 of the Companies Act 1985 is read across. Conservative peers' attempt to get rid of that was a serious mistake and I hope that the Conservatives in this House will apologise and stand up to their rebellious peers.

This is a good Bill. It deserves a Second Reading. My colleagues who will sit on the Committee—my hon. Friends the Members for Caithness, Sutherland and Easter Ross (John Thurso) and for Solihull (Lorely Burt)—will work hard to make it an even better Bill, so that when it comes back on Report, we can give it a hearty send-off.

5.37 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): When a Government Bill is praised with faint damns by the Conservatives representing the vested interests in business, and then even more lavishly by the Liberals in some kind of deteriorated Sharmanese language, we must believe that there is something wrong with it. What is wrong with the Bill is that it is a disappointment because of what it does not do rather than what it does. Indeed, the number of dogs that do not bark in this Bill is a deafening cacophony of examples where action should have been taken but has not been.

The Bill is a particular disappointment to those who felt in 1997 that an incoming Labour Government would be able to change the climate in business and ensure that companies were run with the participation of the workers and the stakeholders, and above all, that there was for accountancy and audit a framework of independent regulation along the lines of the Securities and Exchange Commission. Indeed, we promised such a framework in our business manifesto. Somehow, it never materialised. We were told that there would not be time, and that a foundation that was to be set up would fill the bill. We have now said RIP to the foundation; it accomplished nothing and was abolished fairly quickly.

We proceeded not to restrict or regulate the activity of auditors but to give them more power and independence. We proceeded to limited liability partnerships. Now in the Bill we proceed further in that direction by giving what amounts to a capping power based on an agreement between the auditor and the company. This is at a time when effective proportionate liability is already being established, as in the Barings case. Deloitte's liability was cut down from a claim of £1.3 billion to £1.5 million on the ground that others were more largely responsible for the losses than they were.

In effect, we are seeing a dilution of the responsibility, role, power and effectiveness of audit. Audit is now used—particularly by the big four, but this is common over the whole profession—as a kind of foot in the door or market stall from which to sell other services. Companies can get a foot in the door by underbidding on the audit and then they can sell other services, where the profit is made. Most of the profits of the big four now come from the sale of other services—to audit clients; it is a fairly closed market. That means that the audit itself is debased. In order to bring the audit in at a low and competitive price, untrained staff are overworked and standards are not maintained. That way lies disaster, because the audit is not effective. I know of no other field where the limitation of responsibility improves performance. We have high standards for manufacturers and we demand that they live up to them. For audit, we have low standards, which we do not enforce in any case.

[Mr. Austin Mitchell]

In the United States, Mr. Stiglitz, a Clinton appointee, argued that when an expensive campaign by the audit firms forced him to reduce auditors' liability, that led directly to the Enron, WorldCom, Xerox and Global Crossing scandals and all the rest of it. That is what happens. If the standards are lowered and effective enforcement is not provided for, the audit is debased. In that way, we have no idea of the real health of the company. I am worried because the big four have been so much the spoilt darlings of my party in power and have benefited so substantially from us that I am surprised that we have not issued them with a request to affiliate to the party, as the trade unions do.

The machinery and regulation—the Financial Reporting Council—that we have been forced to set up in the wake of Enron, after denying that it was necessary for so long, essentially consists of one man and a dog to regulate extremely powerful bodies with a global income of £70 billion and an income in this country of £5 billion. The budget of the FRC is £12 million. That is pathetic compared with the role of the SEC. The FRC cannot regulate the big four effectively. In effect, the big four dominate it, just as they dominate the professional bodies and the DTI—the department of timidity and inaction, as it has sometimes been described—which, in my experience, after long sessions with various Ministers on these issues, always tells us what the big four want it to say.

We have the regulation of the big four, by the big four, for the big four, and that is not healthy for the public or for industry. We should not allow the mafia to regulate the mafia, as we have. The Government have been cosseting the big four. Ministers tell us, "We don't want competition to be restricted by one of the big four"—the big five, as they were—"collapsing in the same way as Andersen collapsed." Andersen collapsed because it was cheating; it was crooked. It provided Enron with all kinds of methods of financial manipulation that should never have been provided in the first place.

We are protecting the big four. It rings somewhat hollow in the mouth of a Labour Government to protect those four enormously powerful and wealthy institutions. Last December, KPMG partners got a bonus of £550,000 each. A senior partner at Deloitte is paid £3 million. The money is rolling into the big four accountancy houses. They have benefited richly from a Labour Government, but are they trustworthy? Are they the paragons of virtue that we treat them as? They are part of multinational organisations, which are all based in tax havens and very secretive. We do not know who runs them, who owns them, or what is going on.

We find that branches of all four organisations in the United States have been involved in various undesirable practices. KPMG has been fined $456 million in the States for tax evasion that was described as the biggest tax fraud in American history. The head partner confessed to the fraud and thus pulled the rug out from under all the other partners who were contesting the accusations. Ernst and Young was banned for six months from taking on new business for breaking the rules on independence. PricewaterhouseCoopers was asked to use a self-reporting system to give some account of violations of the rules. In one month, there were 8,000 violations. The big four are the bodies that we are trusting, but they have all been sued by federal and state authorities. Here, however, we concede more and more power to them. We make no effort to limit their power or to stop them selling other services to audit clients, which must be a form of collusion between the auditor and chief executive, or certainly the top executives.

Lorely Burt: Will the hon. Gentleman give way?

Mr. Mitchell: If the hon. Lady does not mind, I will not, because with my back condition I feel that if I sit down I shall never get up again—and that would be a disservice to the House. Once I am standing up, I would rather stay stood up.

Effective regulators such as the SEC can strike and strike hard. The Enron cases came to court within about five months of the company's collapse. The two men who were mostly involved have now gone on to serve long prison sentences. The same happened in the cases of WorldCom, Tyco and other offenders. However, our country's machinery of regulation allows cases to drag on for ever. There have been no inquiries into the Accident Group, Equitable Life, Barings, Resort Hotels, Mayflower or Langbar, which is a Yorkshire company. There were no effective inquiries into the Bank of Credit and Commerce International and Maxwell, and the insolvency matters are still proceeding after all this time, so fees continue to be earned for insolvency practices. In fact, because we do not have a machinery of effective independent regulation in this country, scandals emerge only when a company goes belly up and everything emerges. However, inquiries are still not held to show what the root of the problem was and to build up a body of information that will tell us how British companies are following the mistakes and malpractice of American companies.

All the procedures that were involved in the failure of Enron—the use of offshore companies, shell companies and off-balance-sheet accounting, which is part of this country's system of government—are available and sanctioned here. They are used widely by British companies, but we do not know the damaging effects of that because as long as a company does not go bankrupt, we never find out what has been going on.

I fear that there has been a change in the climate, in that corporations are no longer entitled to the respect that they once had as national champions, the producers of British products and the employers and trainers of a work force to serve their purposes. That is all failing, and they are becoming money-spinning machines instead. That is happening because of the unchecked and uncontrolled power of chief executives and boards. There is no restraint on their activities and no effective control by shareholders, but how could there be? We have no Sarbanes-Oxley requirement, but that should have been provided for in the Bill. People should have the personal responsibility to pledge their position on the authenticity of the accounts of their company. That should be the responsibility of chief executives and chief financial officers.

We have not done anything about it, and we should. As far as I am aware, there has been no inquiry into the subordinates of Enron, Parmalat and all the other companies that have gone bust, including those in this

country. The financial interest is increasingly dominant. The means of financial manipulation by uncontrolled chief executives and boards are becoming more and more numerous and more and more common. This is because accountancy houses, especially the big ones, are selling all sorts of services to directors. They are telling them how to hype the share price and how to use various ways of increasing profit. They tell them how to use tax havens, share options, trusts and subsidiaries for their own purposes.

The top 100 companies in this country have 15,000 trusts and subsidiaries. The US Treasury and the general administration office have both said that trusts and subsidiaries of that kind, which have multiplied, are the biggest source of criminal activity and tax fraud, because they are a means of hiding profits. That development has gone a long way in this country.

Admittedly, the deterioration into financial self-interest and into regarding a company as a money-spinning machine to put into the back pockets of top people has gone further in the United States than here, but here it has gone a lot further than in Germany, where there is still a pride in building up a company, building up its production, serving the customer and making a better product more cheaply. That has led to a real revival of German companies, with which we are competing. Instead of doing all that, our companies bathe in financial froth.

There are too many instances of companies, rather like Vodafone, that are run by a self-interested clique at the top, which owe a duty of care to no one—not to stakeholders, employees or shareholders. That is why there are obscene salaries, with the gap widening between salaries at the top and those at the bottom. It is why we get such fat-cat pension schemes showering money on those who have got enough already. At the same time, there are raids on company pension schemes. Companies did that in the 1980s by taking pension holidays. In fact, they took £19 billion from company pension schemes by giving themselves pension contribution holidays. The moneys went directly into profits and into the pockets of the top board.

There are also share options and manipulation of moneys overseas—all being carried on at a time when companies are trying to increase their profits by downsizing, by transferring production overseas and by squeezing the salaries and conditions of their employees. It is an indecent spectacle. It is even more indecent that a Labour Government—I shall try to echo Neil Kinnock's intonation of that phrase, "a Labour Government"—are not doing anything much about it in this Bill, which is our first opportunity to do so since 1997.

It is odd that the DTI seems to have consulted so little with the Treasury. Here we have the Chancellor of the Exchequer waging a campaign against tax evasion and the use of tax havens to launder profits so as not to pay tax in this country. Companies are using more and more such devices to avoid their obligations to this country, where their profits were generated.

We have only to look at how slowly the Government's revenue from corporation tax is rising compared with their revenue from income tax. One is rising rapidly, but the other very slowly. Why? Because so much money is being laundered overseas so that tax is not paid in this country. We have only to look at News Corporation and how little corporation tax it pays in this country. Why do not we do something about that, given the enormous profits that the company generates here? People are being cheated.

The Chancellor's aspirations are good, and we need to help him. *The Sunday Times* estimated recently that we are losing tax revenues of between £97 million and £150 million a year, and that the loss is increasing exponentially. The Bill does little to help the Chancellor control that, determined as he is. I suggest that we should have a requirement, as proposed by Lord Lea in the other place, to publish the names, locations, profits and tax liabilities of all the trusts and subsidiaries run by a company. Why should that not be part of the information provided to shareholders and hence to the public?

The head of the inland revenue service in the United States has expressed his desire for such a framework of legislation, as has Henderson Global—a big investor—which says that such legislation would make it much easier to understand the affairs of a company. Why should it not be provided? Why should companies not publish their tax—

Mr. Stephen O'Brien: Will the hon. Gentleman give way?

Mr. Mitchell: I am sorry, I must decline to give way. I do not know whether the hon. Gentleman wants me to advise him on the machinery of tax evasion. If so, I am not qualified to do so. I would rather not sit down, as I would have to if I took an intervention; I apologise.

Why should companies not be required to publish their tax computations? At present, companies keep at least two sets of books. There is one set to fool the shareholders and another set to fool the tax authorities. Perhaps there is another set of books to set out the true state of affairs, so that it is known how much to loot from the company. Why should not those books be published? Why should the tax computations not be published at the same time as the official financial publications? That would allow non-government organisations and the public to invigilate and investigate what companies are doing. It would seem that the task is too great for Revenue and Customs.

Companies should also be required to publish in their reports their transfer pricing policy. That is the way in which money is fiddled and laundered from one section of a company to another.

The Bill is supposedly to deal with openness and accountability. We are all told that we have a shareholder democracy and that it is the responsibility of shareholders to ensure that their companies are properly run. That is a myth, because only the big funds can take a close interest in and have influence in a company, but they have much more interest in spreading their investment than in invigilating any particular company. The small shareholders are not organised and do not have the time or information—and are also steamrollered by proxy voting. It is useless to think of shareholder democracy being effective. We must therefore strengthen reporting requirements so that the public, NGOs, the universities and the press have access to what is going on, and can therefore comment and report on it.

[Mr. Austin Mitchell]

Various suggestions have been made about environmental duties, responsibilities to the developing world and to world trade—and fair trade. It is my view that there should be publication of wages and salaries from top to bottom, with the numbers in each grouping. We should have information about training policies and investment policies, because a company is responsible for improving its work force. We should have information about perks and pay-offs. Mainly, we should have information about all the things that contribute to building up a strong, healthy and competitive company that involves its workers and makes a contribution to the economy and to the nation. I am disappointed that there is so little requirement to increase reporting in all those respects. Changes to that effect should be moved, and no doubt will be moved at a later stage.

The Bill is useful in small ways. It will accomplish some things, but my main feeling is disappointment that it does so little, particularly in tackling the major problems of the transformation of British companies from production machines to money-spinning machines in a financial bonanza. Unless we ensure that there is better, more effective control and regulation, we are paving the way for a series of scandals. If auditors, companies and boards are kept up to the highest standards they will cheat, and the resulting failure and collapse will be blamed on the Government, and our failure to intervene at this stage and regulate effectively.

6 pm

Mr. John Gummer (Suffolk, Coastal) (Con): It is almost impossible to follow the hon. Member for Great Grimsby (Mr. Mitchell), who is the authentic voice of Labour. He expressed his party's real view of companies—not the view that is generally expressed—which is entirely false and unacceptable. I declare an interest as a company director and as the chairman of a company that helps major businesses to discharge their corporate social responsibility. The hon. Gentleman described a world that does not exist, as companies do not behave like that and auditors could not behave as he suggested. That does not mean that all companies are perfect or that auditors are delightful—some of them are not—but we ought to live in the real world.

The Government sometimes fail in the detail of what they try to do in the real world. I want to agree with the Trade Justice Movement, but its proposals are wide of the mark. I do not wish to suggest that its members are not good-hearted or that they do not want to do the right thing, but—and I am embarrassed to admit that I agree with the right hon. Member for Cardiff, South and Penarth (Alun Michael), which I rarely manage to do—they have chosen the wrong vehicle to achieve their ends. People who care about trade justice—no one would suggest that I do not—must remember that it is extremely important to get the facts right and achieve the correct mechanisms to avoid the reverse effect. I am sorry that we cannot go along with all the Trade Justice Movement's proposals, but I hope that we can find a way of incorporating in the Bill those that are applicable. The large majority of its proposals can be examined on another occasion.

We should look at what can be done, and at what the Government have failed to do. I have some sympathy with Trade and Industry Ministers, who have been sidelined by the Chancellor's discussions of the issues. Yesterday, he made a speech that took one's breath away, in which he talked about globalisation as though it were wholly beneficial. The way in which he discussed globalisation, which is a fact of life, not a good or a bad thing, was intolerable to anyone who genuinely understands the way in which it affects poor communities throughout the world. If I were a member of the Trade Justice Movement, I would be very cross if I thought that there was a chance that he would run the country, because he entirely lacked sensitivity to the issues about which most Conservatives feel strongly. I hope that every member of the Labour party will read the Chancellor's speech to the CBI yesterday, because if that is what he believes, I do not think that many of them will vote to make him leader of the Labour party. If they do so, they have not read the speech, which expressed a view of capitalism that has long been out of fashion, except among the neo-Conservatives of the United States of America. I heard the tones of Mr. Perle in every sentence of that speech, and there is little one can say that is ruder.

Embarrassingly, for the second time I must agree with the right hon. Member for Cardiff, South and Penarth, who said that we are all shareholders now. That is true: we have shares or pensions based on shares, but we also live in a country where the effects of share prices and the efficacy of company performance change our lives for better or worse. We are all shareholders—I prefer that word to "stakeholders", which is a self-defining word. I can claim to be a stakeholder in anything, and I may, or may not, have grounds for that claim. The people who matter are shareholders, and that means everyone, because we are all shareholders. In those circumstances, we must look carefully at the Bill. As shareholders, we require the information necessary to make a proper judgment about the companies in which we have shares, which is why we have a raft of financial regulation, some of which is improved and made clearer and less onerous by the Bill. I welcome those provisions.

Curiously, the Government have not taken the opportunity, as the hon. Member for Kingston and Surbiton (Mr. Davey) pointed out, to reintroduce the operating and financial review. There is a simple explanation for that. When the OFR was introduced, Conservative Members and others were concerned that it would be onerous and difficult to implement. I did not share that attitude, but it was widespread and reasonable. After five or six years, however, it became clear that the OFR was not onerous or difficult—companies generally found it perfectly possible to implement and almost all of them were ready to do so, particularly after the work done by the Accounting Standards Board, which the hon. Member for Cheltenham (Martin Horwood) mentioned.

Suddenly, out of the blue, in incredible circumstances, the Chancellor of the Exchequer announced to the CBI that he would ban or abolish the OFR as a deregulatory measure. I cannot vouch for the accuracy of the story about how he reached that position, but Friends of the Earth is usually accurate in its understanding of such matters. Many members of the Government were only

too ready to tell Friends of the Earth precisely what happened, so furious were they about the manipulation of Government systems. Interestingly, a representative of Hermes initiated the event—what a pity that the civil servant concerned did not talk to Henderson or another fund manager, who would have said that it is a matter not of deregulation, but of obfuscation. Without the OFR, an increasing number of investors and investment funds that look at corporate social responsibility and the way in which people deal with non-financial risk as an important guide to investment are in a difficult position. The OFR was not a matter of over-regulation, as it provided the transparency necessary for their work.

It was therefore bad luck that that civil servant should have been friendly with someone from Hermes, as he ought to have known other representatives. He shall remain unnamed, because I blame not him but the man who took him seriously, and chose to act without talking to anyone else.

That brings me to the key issue in relation to the OFR—the fact that the Chancellor of the Exchequer appears never to talk to anyone else. For example, the OFR is supposed to be of interest not only to the Department of Trade and Industry, but to that famous Department, the Department for Environment, Food and Rural Affairs. DEFRA is supposed to be responsible for the environment. I spend a great deal of time arguing that the environment should not have been shoved off in a corner with animals and trees. Much as I like animals and trees, the environment is the central issue for the entire Government.

When the Prime Minister took office, he said that he would put sustainability at the heart of his Government. Instead of that, he shoved it to one side, in a Department that no one seems to listen to at all, certainly not the Chancellor of the Exchequer. What was he doing, abolishing a matter that was fundamentally an environmental issue, without a word to the then Secretary of State for Environment, Food and Rural Affairs, now the Foreign Secretary? A word or two with her might, I should have thought, at least have been a courtesy. She is an intelligent and, I think, thoroughly nice lady. Why did he so dislike her that he did not think a word was necessary?

I can understand why the Chancellor of the Exchequer did not have a word with the Department of Trade and Industry: he could not remember who was the current holder of the office of Secretary of State. So soon do they change that I imagine it is difficult to keep up, and the telephone directory is not always up to date. No doubt that was the reason for it. But he did not talk to any of the people involved, and threw out what most people had seen as a valuable and proportionate way of bringing to the heart of businesses what the best businesses are already doing—issuing a statement that enables their shareholders to see whether they appreciate the real risks of the business.

In that respect, I find the Government difficult to understand. No one is asking for the OFR to be brought back as an incubus on business. We are asking for it to be reinstated because it is an extremely important mechanism—I referred to my declaration of interest—for the management of a business. If one does not understand one's non-financial risks, one does not understand one's risks. Many non-financial risks are more important than direct financial risks. If one has a large area of contaminated land, if one has concerns about the viability of the business because of inherited costs that are not financially accounted for, one is conducting the business without revealing sufficiently to those who own the business the terms of their ownership.

Mr. Stephen O'Brien: My right hon. Friend is setting out a powerful argument. It is ironic that notwithstanding the misgivings that many of us initially had about the OFR, most businesses, especially those that are managed best, now produce such a report anyway. They conform to the aim of the OFR. My right hon. Friend is right. Control of risks identified as non-financial define whether a business is managed well or badly.

Mr. Gummer: My hon. Friend, who has considerable professional experience of these matters, is right. I hope he will go further and join me in saying that if the best businesses are doing that, it behoves the Government to ensure that those that are less good do so too. Why should our good companies, which conduct a review because it is good for them, find themselves at a disadvantage because their competitors are unwilling to do so, which may give them a short-term advantage?

Why are the Government so afraid? What is the deal that has been done in the Digbyisation of the Government? There is a closeness—a kind of relationship—with a particular bit of the CBI that I find difficult to understand. While Ministers are defending their indefensible position in the House, the leaders of British industry are in No. 10 discussing with the Prime Minister exactly the kind of attitudes that we are asking for in the Bill. All the people who really care about climate change are there, explaining to the Prime Minister why the Government must do more in that regard. All the people whom we rely upon to set the standards in British industry are there saying the opposite to what the Government are saying in the Bill.

There are, sadly, at least two Governments in the House: the Government of the public face and the Government of the Bill—a Bill that does not do what it should. It does not do what it was intended to do, and what it could do by setting a standard and giving the Government a leadership role.

Anne Snelgrove (South Swindon) (Lab): Does the right hon. Gentleman accept that there are also two Conservative parties—one in the Chamber, which he espouses, and one in the House of Lords, which sought to strip old clause 156 and current clause 158 from the Bill?

Mr. Gummer: The hon. Lady ought to read the debates carefully and see the basis on which Members of the House of Lords sought to discuss those issues. I shall come to them. I am dealing now with the non-appearance of the OFR and the belief that those bits make up for it.

We need the OFR. The Government say that they cannot demonstrate leadership in that respect because companies will go elsewhere. I want to say something tough to the Minister, which will not be loved by all members of my party. One of the things we ought to be doing is taking a lead in the European Union. I have not heard the Government say they want an OFR—but

[Mr. Gummer]

a more detailed one—for every part of the EU. What about us setting in Europe the same standards as the United States seems able to do in the Sarbanes-Oxley Act? That is enforced throughout the world, whether we like it or not. The United States does not say, "Oh dear, we can't do that. It would be very embarrassing." Of course not. It has, admittedly, an unpleasant imperialistic way of doing it, but it says, "This is what we're going to do," and it does it because it thinks that is right for the United States.

The OFR is right for Britain. I happen to think it is right for Europe. I would like the whole of Europe to have a sensible policy towards corporate social responsibility, and I would like it to be possible to understand how companies throughout the European Union operate, in order that when people wish to invest their own money, their pension money or other people's money, they can do so with the safety of knowing that the company knows not just about its financial risks, but about its non-financial risks.

That leads me to the attitude of business. I took the opportunity of intervening on my hon. Friend the Member for Rutland and Melton (Mr. Duncan) on the subject of the IOD. There is a difference between the business leaders who have understood that issues of corporate social responsibility, particularly environmental and social attitudes, are part of the future and necessary for our competitiveness, and those who are still stuck in the past.

My hon. Friend is a wise man and in his discussions will, I know, distinguish between those two groups. I shall merely tell him of my experience when I was Secretary of State for the Environment and was approached by the paint industry about some rules that we wanted to introduce to protect people's safety. One of the things I discovered was that the good companies that had already sought to get that right supported the rules that we proposed. The noise that was coming from the so-called representatives of industry was not on their behalf, but on behalf of the less good companies, which did not want to make the change, had not made the change and wanted to have the advantages, temporary and short-lived though they were, of continuing as they had been doing. It is important to bear in mind the distinction between those who were in No. 10 earlier today and those who sometimes speak as the representatives of the whole of industry, although they are not. Very often, those who speak in that tone are talking about people who do not want change.

My hon. Friend the Member for Rutland and Melton, being a very busy man, was no doubt unable to hear this morning's discussion on Radio 4 involving Adrian Wilkes, representing the Aldersgate group. I declare an interest as a sponsor of the group, which has very sensible views, shared by my hon. Friend, about how the requirements on companies as regards environmental and social progress are a necessary part of our ability to compete. There are whole areas of new business to be got for Britain if we are seen as leaders in this respect. We have a remarkable opportunity—a business opportunity. I come from business—my whole history is in running businesses. I do not oppose business, but I know that it will shoot itself in the foot unless it puts itself in a position to compete on the highest level, particularly given the British circumstance. We cannot compete on cheap labour or on long runs—we can do so only if we can be at the cutting edge not only of technology, but of meeting the environmental demands of a world that is increasingly concerned about them.

I hope that in his discussions with business, my hon. Friend the Member for Rutland and Melton will right the wrong that this Government have done. They have, I am afraid, taken the view of the reactionaries in business against the view of its leadership. It is increasingly embarrassing to hear what real leaders of industry say when they talk about the Government. They feel genuinely let down. They think that the Government promised so much but have gone back on their word at almost every step. The Minister will not have to live much longer before his children, leave alone his grandchildren, if he has any, will be asking him what he was doing about climate change—not what he was talking about, what his attitude was, or what his Government vaguely thought about it, but what he actually did about it. For example, did he do the simple thing of saying that every business ought to tell its shareholders how it is exposed to the risk of climate change? A company can get its listing on the stock exchange as a major mining company without mentioning the risks of climate change. It can be a huge user of water in a water-stressed area, and nobody asks it to reveal that that is an issue. It does not have to do it, and the shareholders do not know.

My problem is that to start with, I believed you. *[Interruption.]* I beg your pardon, Madam Deputy Speaker—I meant the Government. I have always believed you and continue to do so. I believed the Government to start with. I thought that it might be bad enough to have a Labour Government, but at least they believe in this. Yet here we are, nine years later, and in every single area they have failed to act. They have talked, brilliantly sometimes, less brilliantly at other times. They have suggested, discussed and consulted—they have done everything bar action.

In that, they are exactly parallel with the CBI spokesman on today's radio programme. He said how much he wants to help with reducing emissions, that the CBI is supporting the Government's goal of achieving a 60 per cent. reduction in carbon dioxide emissions, and that that is not at odds with the business leaders who submitted their letter to the Prime Minister today. When the interviewer asked whether the CBI wanted targets for reduction to be set closer to 8 million tonnes instead of the 3 million tonnes that is the bottom level, he replied:

> "Targets need to be challenging but fair. The existing work undertaken by companies needs to be taken into consideration along with the activity undertaken at a European level. Responsibility needs to be shared between business and the community and between the UK and the rest of the world."

In other words: "We are doing absolutely nothing but saying all the right things." It is like trying to get agreement on fishing. Fishermen will agree to every conservation measure that does not work. I am afraid that that is a truth that we cannot gainsay. Our big problem is to bring home to the whole of this society that all businesses, big and small, have to play their part

in changing our ways of thinking and living with risk, because the risk that we face with climate change is far too great to ignore.

I am so pleased that the Leader of the House has entered the Chamber. I hope that he will not leave for the moment, because I would like him, in his new position, to hear my last words. He understands the situation because as Foreign Secretary he fought hard for the whole world to recognise the reality of climate change. But while he was out there fighting on the beachheads, dealing with the Americans in the difficult times that he had, back home his Government, without telling him—but then they did not tell the DTI or DEFRA either—were doing everything to undermine what he was saying elsewhere. They could tell the Foreign Secretary to tell the world that the Prime Minister was going to make climate change the key issue of his presidency of the European Union, while at the same time intending to ask the EU to increase the levels of emissions that we should be allowed and say that if it did not we would sue. How does one run a Government like that? Of course, people are now beginning to understand that that is how this Government are run. They are the same Government who promise that we will be safe on the streets but release on to the streets everyone who makes them unsafe. That was another job that the Leader of the House had.

Madam Deputy Speaker (Sylvia Heal): Order. I think that the right hon. Gentleman is going rather wide of this Second Reading debate. Perhaps he could relate his remaining remarks to the Bill.

Mr. Gummer: You are absolutely right, Madam Deputy Speaker, but it was fun, was it not?

Before the Leader of the House goes, I should like to say that I hope that he will find plenty of time for the Bill to be discussed and will lean on the usual channels to make that possible. I also hope that he recognises that he will be pressed again and again to ensure that in the dying days of this Government we have the action that they promised on these issues. That needs to be started here. He is too intelligent and sensible to allow the Government to put the Bill through without the OFR element. If he can change that, he will have done something more important than anything else that he has done as a Minister. As this is so important, that is not insulting.

The Leader of the House of Commons (Mr. Jack Straw): I am grateful to the right hon. Gentleman for his flattery, which was laid on so thick that even I could notice it, and therefore was all the less convincing. I am not fully up to speed on every detail of the Bill. However, I chaired the Cabinet Committee that had to make the decisions about increasing the allowances that he mentioned. Our decisions in Europe and our speeches to the Americans were entirely consistent on the issue of climate change, one way or another, and no Government have said or done more in respect of climate change than this one. With that, I hope that he will excuse me.

Mr. Gummer: Of course the Leader of the House can leave. I shall not detain him longer, but I cannot understand how he believes that it was credible to tell the United States that it ought to join in on the issues to which the OFR and the Bill apply while asking the rest of Europe to allow us off the hook.

Different hon. Members will place a different emphasis on the Bill. Different people feel the issues more or less sharply. Conservative Members are right to insist that the Bill be clear and simple. My hon. Friend the Member for Rutland and Melton was right to say that the way in which the Government phrased the provisions that are supposed to replace the OFR are less than clear and may restrict rather than enable. Having said that, I hope that my hon. Friend will agree that we need to find an alternative that enshrines the simplicity and efficacy of the OFR and the effect that it would have produced. If we can get that back in the Bill, we may be able to make the changes that some of my noble Friends in the House of Lords tried to secure because of the inconsistency of the language, and also achieve the purpose that we share with the hon. Member for Kingston and Surbiton. That is more embarrassing for me than anything else.

As my hon. Friends know, agreeing with the Liberal Democrats presents a genuine difficulty for me because I have to ask myself whether my argument is right if they agree with me. On this occasion, by accident, they appear to have arrived in the same place as me and, therefore, for a brief moment, I shall accept their support.

Together, we must force the Government to act. They have shown themselves to be incompetent. They must show that they can do something right. The Bill is the chance to redeem themselves at least a little. Can we help the Government to do something that they should do and that, in their heart of hearts, they know that they must achieve?

6.32 pm

Emily Thornberry (Islington, South and Finsbury) (Lab): I welcome the Bill, which is a major step towards establishing a fair, modern and effective framework for company law. However, I wonder whether it can go a little further than it does.

Last year, when steering the G8, my Government identified the two biggest challenges that face the world today: climate change and the increasing division between rich and poor. We all know from the public's reaction that they agreed with us. Although the public agree that those issues are important and frequently appreciate the efforts of national Governments, not least ours, and international institutions to tackle the problems, that is simply not enough. A major player is missing. We need consistent and concerted effort from business.

Many believe—and I agree—that international capital is insufficiently controlled. That applies especially to democratic control. A recommendation on page 146 of the report of the Prime Minister's Commission for Africa states:

> "Developed country governments, company shareholders and consumers should put pressure on companies to be more transparent in their activities in developing countries, and to adhere to international codes and standards for behaviour."

My constituents agree that more should be done and that companies have responsibility. They believe that companies do not do enough. We have a chance to

[Emily Thornberry]

ensure that companies take their social and environmental responsibilities more seriously.

I had received 255 letters, e-mails and postcards on the subject at the last count. *[Interruption.]* After a while, one begins to give up counting. More people have written to me on that subject than about anything else. People feel strongly that the major problems in the world cannot simply be addressed by national Governments and international institutions. International capital must work consistently and coherently with us to ensure that we address those major issues.

That is not to say that the Bill is not a step in the right direction. I especially welcome clause 158, which clarifies directors' duties, although it might only enshrine in statute that which is already established in common law. I agree with many who would go further and I urge the Minister for Industry and the Regions to consider whether it is appropriate to take a more pluralist approach. If my right hon. Friend, having reconsidered the matter, believes that the only path is one of enlightened shareholder value—in other words, that directors should run the companies in the interests of shareholders while recognising that, in the long term, that means taking account of a wider range of factors that may affect the business, such as the impact on employees, the environment and communities—we can improve that approach.

I ask my right hon. Friend to consider two matters in particular. The first is ensuring that directors report properly to their shareholders and, secondly, that all shareholders—I mean all—can hold those directors to account.

Let me consider part 15 chapter 5. I greatly welcome the new duty for directors of our biggest companies to report on the environment, the welfare of employees, the social impact of their companies, their policies and how effective they have been. However, I am concerned that there is a get-out clause. As Mercutio said in "Romeo and Juliet", it is

"not so deep as a well , nor so wide as a church door; but 'tis enough, 'twill serve".

The report that directors make needs to include information only to

"the extent necessary for an understanding of the development performance or position of the company's business".

I do not understand what that means. I am worried that the get-out clause is so big that it makes the Bill ineffective in some ways.

Even if that problem were resolved, "Fine words butter no parsnips", as my nan used to say. The best written report in the world is not enough in itself. I am sure that many fine equal opportunities policies are in place in City institutions, yet consider the way in which they treat their women employees. Directors need to be held to account so that it is not simply a matter of writing the right things in a report or getting some bright young thing to write something that sounds good and ticks the right boxes. Once the report is written, shareholders must hold directors to account. If my right hon. Friend is resolutely of the view that shareholders are the only people who can hold directors to account, we should allow all of them to do that.

Conservative Members repeat that we are all shareholders now. Let me present them with some inner-city common sense and reality: not all the people on my estates are shareholders. However, one fifth of the population—nearly 12 million people—hold shares. Of those, almost 4 million—one third—have no voting rights because they hold their shares in pension funds. Why is that? I do not follow the logic or the fairness of that and I am not alone.

Yesterday, I read something that appeared pretty sound. It stated about clause 136:

"The truth is, and the companies know it, that this simple clause has the power to force companies to treat all private shareholders with the respect they deserve. It might even enliven increasingly dull and predictable annual meetings. Overnight, the board would be far less certain of winning key votes like those on directors' remuneration—very rarely voted down because of backroom deals with City institutions...

As private companies control increasingly large chunks of our daily lives through the march of the Government's private finance initiative, the notion of a shareholder democracy has never been more important. History tells us democracy only flourishes when people look after it.

Our shareholder democracy is no different. For years, it has been ignored. This has got to change. The battle starts here."

That call to the barricades is from the City section of *The Daily Telegraph*. If the City section of *The Daily Telegraph* is asking for all shareholders to have a voice and to be allowed to hold directors to account, I must urge my right hon. Friend to consider whether we can achieve that. Furthermore, I would ask that, at the very least, it be made mandatory that fundholders publicly declare how they vote. I was amazed to hear from the TUC that fundholders are allowed to vote as they wish and then decline to be accountable. I certainly hope that the Bill will be able to stop that happening.

I strongly want this country to be an excellent place in which to do business, and the Bill will ensure that it is. However, if it were to be beefed up a little, this would continue to be an excellent place for ethical and responsible business to thrive. I am confident that I speak on behalf of the majority of my constituents when I urge the Government to consider that point.

6.40 pm

Mr. Quentin Davies (Grantham and Stamford) (Con): I should like to start by declaring my interests. I am a director of a small private underwriting company called Sumac, of which no one will ever have heard. I am also a member of the council of Lloyd's, which is the governing body of one of the biggest insurance and reinsurance groups in the world. I am also a director of Vinci and of Vinci's UK subsidiary, which used to be called Norwest Holst. I have in the past been a director, and an executive director, of other institutions before I joined the House.

The Secretary of State left us in some confusion about the programme motion. He said that he was prepared to entertain the suggestion that we should extend the time available for the consideration of the Bill in Committee, which was extremely welcome. It is particularly important that we should do so because the Government now intend to introduce the clauses of the Companies Act 1985, which is not to be disapplied by the Bill and will therefore remain part of the corpus of company law. The Government are absolutely right

to do that, and I welcome and endorse their proposal. They intend to bring the clauses into the Bill for the convenience of the users of the legislation, so we now have a consolidation measure before us. That is thoroughly welcome, as is the fact that we might have more time to consider it.

However, the Secretary of State declined to say that he would withdraw the programme motion. Once it has been passed, we are stuck with it. Do the Government intend to waste the time of the House by bringing another programme motion back to the Chamber in a few weeks' time? If the Secretary of State is serious in his undertaking to extend the time available to us, surely it would be sensible for him not to put the programme motion to the vote tonight. He should instead do what should be done in any sensibly organised legislature, which is to reserve programme motions for when there is a genuine problem of filibustering. In those circumstances, an ad hoc argument can be made to impose some kind of timetable.

This is a good Bill, and it reflects the fact that there have been seven years of consultation on it. Would that most legislation coming from this Government could have seven months or even seven weeks of consultation. Far too much legislation brought before the House has had no proper consultation at all. Far too much is simply dreamt up in Whitehall and determined through compromises among Whitehall commissars or between Ministers, without the great unwashed public being allowed to know any of the arguments or on what basis those bureaucratic compromises are being reached. The Bill quite rightly imposes higher standards of transparency on business, and I hope that the Government will impose higher standards of transparency on themselves in future.

Anne Snelgrove: I should like politely to put the hon. Gentleman right on the consultation that the Labour party undertook in the run-up to the last election. The public consultation on the manifesto—which formed part of our national policy forum consultations with the general public as well as with Labour party members—was the biggest undertaken by any political party in the world.

Mr. Davies: I am not talking about consultations on a manifesto, and I do not want to get involved in that argument. I am talking about the role of this House as a legislature, as a body that conceives, drafts and eventually promulgates laws, subject to Her Majesty's consent. We have received her consent—or that of her predecessors—pretty consistently for the past 300 years. We have an important job that must be taken seriously. It would be crazy to carry on a situation that we have had far too often in the recent past, in which Bills have been introduced that have not been properly thought through. We have then had much too little time to consider them, precisely because of the Government's disgraceful habit of imposing automatic timetable motions. Whole rafts of legislation therefore go through without due consideration, and that is a disgrace to any Parliament. It is certainly a disgrace in this country, which is often said to have the mother of Parliaments.

On this occasion, however, I must give the Government their due for the fact that there has been proper consultation, and it has resulted in a sensible Bill. On the whole, it is also well drafted. That point has already been made today, but it bears repeating. On the whole, the Bill is written in sensible, lucid English. There are one or two exceptions, and if I am lucky enough to be appointed to the Committee, I might raise them there. Generally, however, the Bill sets good standards of drafting.

Martin Horwood: I was interested to hear the hon. Gentleman's declaration of interest as a director of a private company. As he is in favour of the transparency in the Bill being applied to listed companies, would he also be in favour of extending that to private companies, thereby enabling a £25 billion market in ethical consumerism in this country to be added to the transparency measures that will be allowed to ethical investors?

Mr. Davies: No, I would not. This is a question of proportionality, which is one of the criteria that we should always have in mind when we are legislating to impose constraints or costs on the citizen. It would be ridiculous to impose the whole apparatus of corporate governance that is appropriate to a public company—especially a quoted public company—on a company that might be owned by a married couple and have a turnover of only a few thousand pounds a year. That would be absurd.

Martin Horwood *rose*—

Mr. Weir *rose*—

Mr. Davies: As the suggestions that have come from that corner of the House have been so utterly unreasonable and un-thought-through, I am not going to waste the time of the House by giving way to them, or at least not for some time.

Whenever we look at a Bill, we should have regard to certain fundamental principles. I have already mentioned proportionality. Another obvious one is the issue of justice, in which we must consider whether a Bill is based on—or at least consistent with—certain fundamental principles on which we all agree, such as equality before the law and non-retrospectivity. As far as I can see, this Bill is fine in that regard. Another consideration is whether a proposed piece of legislation is rational—in other words, whether it will encourage virtuous behaviour and discourage behaviour that is damaging to the interests of society as a whole, or whether it will have a perverse impact. On the whole, the Bill is well conceived and passes that test pretty well.

We must also consider whether a prospective law is clear and creates legal certainty, or whether it creates legal uncertainty. Legal uncertainty can be extremely damaging, especially in businesses that will be impacted by company law. We must have a society in which people can make investment decisions with market risks attached, and sign contracts with other parties—corporate or individual—with reasonable certainty that those contracts will be enforceable in law and that the regime under which the investment decisions involved in setting up or expanding a company are made will be sustained by subsequent decisions of a court if they are challenged.

When Parliament adds legal risk, it does a very bad day's work for the economy, because the total risk

[Mr. Quentin Davies]

involved in investment and in other business transactions may be enhanced. That could result in less investment and fewer transactions for any given prospective rate of return, which could ultimately mean a lesser gross domestic product and therefore a lesser GDP per capita for all of us. It is very simple. So we need to consider any Bill that comes before the House, but particularly a company law Bill, against the criteria of whether it will increase or reduce legal certainty, and whether it will enhance or reduce legal risks. I am going to come back to that, which is highly relevant to the Bill.

I shall now discuss some of the most problematic aspects of the Bill, which have received most attention. Clause 158, in particular, has already been the subject of considerable debate this afternoon. It deals with the duties of directors and I intend to comment on them. Frankly, all but one are statements of quite obvious obligations, which anyone becoming a director should—and if half-sane and half-competent would—accept without question. These definitions go to the heart of the duties of directors.

The first in paragraph (a) states that directors should, in taking decisions, consider

"the likely consequences of any decision in the long term".

That is perfectly obvious. Any decision is likely to take into account the likely consequences in the short, the medium and the long term. In the case of financial decisions, a number of financial techniques are available for relating long-term to short-term decisions—discounted cash-flow analysis, for example. These decisions are part of the day-to-day and natural responsibilities of directors.

Paragraph (b) refers to

"the interests of the company's employees".

Well, anyone who is in business is in the business of management and in the business of recruiting, motivating and retaining employees and getting the best value for the company from them. Anyone who neglects employees cannot possibly be running a good business. A business is as good as the value of its employees and that applies whether it is a service company or a manufacturing company, a more or less labour-intensive or capital-intensive business. If employees are not doing the job properly, are unproductive, inefficient, poorly motivated and not conscientious, the business will not run properly. That seems to be absolutely fundamental and unexceptionable. I cannot imagine that anyone would be opposed to that statement as one of the fundamental obligations of directors.

Paragraph (c) refers to

"the need to foster the company's business relationships with suppliers, customers and others".

Again, anyone who—*[Interruption.]* Colleagues are laughing, precisely because that is a statement of the obvious. It is surely a legislative platitude. Anyone who wants to stay in business for more than five minutes obviously has to have regard to the interests of customers. If a company does not have any customers, it will not, by definition, be in business. Every day, the managers and directors of every well run business are thinking about the customers. They wonder whether their customers are satisfied, whether they could come up with a better solution for them, whether the reactions of customers to the latest contract have been taken into account and so forth. That is absolutely clear.

Equally, it is not possible to run a business in most circumstances unless there are reliable suppliers. We want as many people as possible to compete for that business in order to secure the lowest possible prices and the best deal. That can be done only if a company has a reputation for being a good partner to deal with and a good customer to those suppliers. If companies become awkward and difficult to deal with, a price will be paid because fewer will quote so aggressively for the business. At best, a company will end up paying more for the supplies; at worst, those supplies may be interrupted. Once again, it is a statement of the obvious.

Paragraph (e) mentions

"the desirability of the company maintaining a reputation for high standards of business conduct".

I cannot imagine anyone wanting to be on the board of a company unless he or she took some pride in the fact that it had the highest possible reputation. That translates, of course, into a good image with potential customers. The fact that someone is seen as being a reliable and good person to do business with is vital for success in the market and in dealings with other stakeholders, including suppliers.

Finally, paragraph (f) refers to

"the need to act fairly as between members of the company."

I am particularly pleased about that. Although it is platitudinous in the sense that it should be obvious to everybody, I can remember occasions when I have sat around the boardroom table and had to remind colleagues of that particular obligation. It arises when a director is associated with one—perhaps a large minority or a majority—shareholding and is inclined to be insufficiently aware of potential conflict. When a director is sitting around the boardroom table, his or her obligation should be to the totality of shareholders of the company. Under no circumstances must a director be influenced by the interests of one particular minority or majority shareholder. I am glad that that vital aspect is included. I have no problem with any of that.

I think that I heard my hon. Friend the Member for Rutland and Melton (Mr. Duncan) saying that he did not like the explicit statement of the obligations of directors because it pre-empted the possibilities for jurisprudence. I believe that he said something along those lines. He believes that somehow the courts would not be able to develop a substantial and continuing jurisprudence in respect of the definition of the duties of directors after the Bill's passage. If my understanding of what my hon. Friend said is correct, I profoundly disagree with him. To me, the creation of legal certainty is, as I have just explained, a very positive gain. What one does not want is uncertainty about the duties of a director. One does not want to have to wait for the next judgment of a judge. One does not want to have 10 different lawyers giving 10 different views about what a particular judge may decide. One wants to be able to point to a piece of legislation that is clearly and lucidly drafted and to say that it is there, thus creating some legal certainty. I believe that that is a positive advantage and a good reason for including the clause in the Bill.

I may well be told that I have completely misunderstood my hon. Friend the Member for Rutland and Melton.

Perhaps my hon. Friend the Member for Huntingdon (Mr. Djanogly) will produce some exegesis or a correction to my impression.

Mr. Djanogly: I have been enjoying my hon. Friend's speech enormously and agree with most of it—until just then, when he did indeed misrepresent the position of my hon. Friend the Member for Rutland and Melton (Mr. Duncan), only in so far as he did not deny the merit of that the paragraphs that my hon. Friend the Member for Grantham and Stamford (Mr. Davies) has just explained and agreed with. No Conservative Member disagrees with those paragraphs; they are the established common law. What we are saying is that, by choosing a handful of existing common law obligations and putting them into a subsection over and above all the others, confusion could set in. Indeed, there could be a resultant reassessment of the established law. Of course, we shall discuss that issue at length in Committee, but I wanted to put him right now.

Mr. Davies: I am grateful to my hon. Friend for that but, unfortunately, I find that I did not misrepresent the remarks of my hon. Friend the Member for Rutland and Melton. Unfortunately, I find that there is a divergence in our views on this subject. It seems to me that the whole purpose of legislating in an area where only jurisprudence has existed since the Companies Act 1985 is precisely to create greater legal certainty, for all the reasons that I have just mentioned.

Mr. Stephen O'Brien: Will my hon. Friend give way?

Mr. Davies: Of course I will give way to my hon. Friend, who is a distinguished company lawyer among other things, if he will let me complete my paragraph.

The whole purpose is to create greater legal certainty if that can be achieved. Therefore, I see the advantage of identifying the key directors' obligations and placing them, as Parliament considers them, in the Bill. That would be a very desirable thing. It is always open to my hon. Friends the Members for Huntingdon or for Rutland and Melton to suggest that other things have been left out—indeed, I have left something out, which I will come back to in a moment—and that things in addition to those that the Government have included in the Bill ought to be added to the key obligations. I personally do not think that anything should be added to them. The five paragraphs that I have listed encapsulate the key obligations, and it is right for Parliament to say that those are the key obligations and that other things are secondary.

The question in my mind is whether paragraph (d)—the one that I deliberately left out when I read out the list—which refers to

"the impact of the company's operations on the community and the environment",

should remain in the Bill and continue to have the same status as treating all members of the company equally, being concerned with one's customers and employees and considering

"the likely consequences of any decision in the long term".

Of course, the paragraph on employees is the only one that has been taken from the Companies Act 1985.

I shall give way to my hon. Friend the Member for Eddisbury (Mr. O'Brien), and then say what I have in mind and what my concerns are in relation to the community and the environmental obligations.

Mr. O'Brien: There is a grave danger in this important discussion in not distinguishing between understanding the justiciability of the future grounds for considering what has been referred to in statute, given that the previous common law basis will be effectively enshrined partly in statute, and the Bill's other objective, which will be one of the most difficult things to contemplate in Committee: how do we move from a tick-box mentality, whereby such a list simply aids those who have no understanding of business—they can simply tick the box to show that they have monitored the business—to actually influencing the directors' behaviour in a way that gives them the judgment to do the right thing in the first place, thus giving the courts less of a reason to judge against them in the future? That is the nub of the problem.

Mr. Davies: With respect to my hon. Friend, I think that the Bill adopts precisely the opposite of a tick-box approach. It sets out general principles. I need not repeat the five that I have just read out, because I know that he is even more familiar with the Bill than I am. I think that we should have some general principles, and that Parliament should formulate them as clearly as possible, avoiding any ambiguity that can be avoided to reduce the scope for legal uncertainty—thereby, of course, reducing the scope for litigation and jurisprudence.

Whenever I suggest in the House of Commons any action that reduces the scope for litigation and jurisprudence, members of a certain profession—well represented here—turn against me immediately. I cannot think why that is, but it always happens. Nevertheless, I believe that, as legislators, we should be concerned with clarifying for the citizen the regime under which he can undertake contractual obligations with other parties, make investment decisions and incur liabilities, knowing precisely—or as far as possible precisely—what the liabilities will be and how they will be interpreted by a court.

My problem arises with paragraph (d), which refers to

"the impact of the company's operations on the community and the environment".

I cannot conceive that a director doing an honest job would not be aware of, make himself or herself aware of, or ask all the requisite questions about, the impact on the community and the environment of any major investment or major change in the company's business. Nevertheless, I doubt that the requirement should be enshrined in law as a fundamental obligation. The problem is the drafting, which is very wide and imprecise. It would be extraordinarily easy to argue that a director had not taken account of some aspect of the impact of his company's operations on the community or the environment.

I think that paragraph (d) fails my test. I say "I think" because I am speaking tentatively. I am keeping an open mind, and I am prepared to be persuaded by my hon. Friends the Members for Huntingdon or for Rutland and Melton, or any other Member—including

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those on the Standing Committee, if I am lucky enough to be on it. But I think that we should think about that paragraph very carefully.

Some of the same problems arise in clause 399, the business review clause. It has already been the subject of a good deal of comment of a different kind. Some of it is extremely good. Subsection (3), for example, states

"The business review must contain—

(a) a fair review of the company's business, and

(b) a description of the principal risks and uncertainties facing the company".

That means that anyone who becomes a company director has an absolute obligation first to make his or her assessment of the risks, and secondly, to communicate them to shareholders. The director must make absolutely clear what he or she believes to be the risks involved in the company's activities. That requirement should be made explicit, and if directors are doing a fair job on behalf of shareholders, shareholders should expect the information to be provided.

If the risks change, it must be up to the board to ensure that the public know—that the market knows—that they are changing. The public and the market must be made aware of the potential impact on the company of, for instance, a rise in the oil price or a war in the middle east. Things can change in the world, and that means that the risks faced by a company can change. It is important for directors to feel obliged to assess the risks and to make their assessment available to shareholders and hence to the market; otherwise false markets will develop.

Most of this is very good stuff, and I am happy with it, but clause 399(5) refers to information about

"environmental matters (including the impact of the company's business on the environment)".

That is drafted extraordinarily widely. If the reference had been merely to the impact of the company's business on the environment, that would have been relatively precise. It could well be said that it is the responsibility of directors to know about the impact of their company's business on the environment, to assess it, and to communicate their assessment. Paragraph (5), however, does not say that. It says that the directors must provide information about

"environmental matters (including the impact of the company's business on the environment)".

What else does the obligation include? That is far from clear.

Similarly, subsection (5)(b)(iii) refers to "social and community issues". It does not even refer to social and community issues arising from the company's activities. What exactly does it mean? It is drafted dangerously widely, irresponsibly and imprecisely. I hope that it will be possible to tighten it in Committee or on Report.

Justine Greening (Putney) (Con): I share my hon. Friend's concerns. He may be interested to learn that in the other place subsection (5) was described as "a slightly gnomic formulation". That was an eloquent way of saying that it was a catch-all provision, and it accorded with the views expressed by my hon. Friend today.

Mr. Davies: I am grateful for my hon. Friend's support. She has put me to shame by making it clear, modestly and indirectly, that she has done something that I have not done, and read the *Hansard* report of the debate in the House of Lords. I am afraid that, having learned that the report ran to several thousand columns, I immediately decided that I would try to understand the Bill on the basis that I was simply a citizen who might have to observe the provisions of a new Companies Act. I therefore have not done the extensive homework that my hon. Friend has obviously done, and I am very grateful to her—especially because, having done that homework and having considered the matter carefully in the light of comments made in the other place of which I was entirely ignorant, she has been able to come to my aid.

Other aspects of the Bill strike me as potentially problematic. One was raised by my hon. Friend the Member for Rutland and Melton, and I agree with what he said. He mentioned the dangers of derivative actions. The Secretary of State said that there were two protections against, in particular, vexatious or frivolous actions of that kind, and I can all too easily understand how such actions could arise in the modern world. First, a court must be satisfied that there is a prima facie case. Secondly, it would be a defence for a director to say that he or she had acted reasonably in the circumstances of the time and, presumably, given the extent of his or her knowledge at the time. Nevertheless, I think that the issue of derivative actions should be probed very carefully before the Bill is allowed to become law. Otherwise, we may open the floodgates to cynical, vexatious litigation against company directors, especially in view of the imprecision relating to community, social and environmental affairs.

I want to raise two more points. One relates to whether institutional investors should be obliged to publish their votes at company meetings, either extraordinary or annual general meetings. I have some sympathy with the view that they should make their votes known. Why? Because all of them are, directly or indirectly, fiduciary institutions. All of them have ultimate beneficiaries who are private individuals. In some cases, such as hedge funds, all those who have provided the money are themselves institutions, but those institutions in turn will be pension funds or investment trusts whose beneficiaries are private individuals. In the interests of transparency, as the investors are ultimately fiduciary institutions, they should be obliged to say how they cast their votes on behalf of their ultimate beneficiaries.

I consider that a reasonable argument. I would need a great deal of persuasion to accept that the cost consequences, or other perverse consequences, of such a requirement at law were so great that it should not be supported. I also hope that such an obligation might do something even more valuable in practical terms, and induce those institutions to vote and to take an interest in the governance of the companies in which they invest. Far too often, still, fund managers say, "I do not have time for that. If we do not like the company's performance, we should just sell the shares." In many cases, if the block of shares is large in the

context of the liquidity of the market, those shares cannot be sold, except at a discount. The institution may then be forced to take a more direct interest in what is going on and, if it does not like it, to do something about it.

I am a great believer in everyone, including Members of Parliament, trying to face up to their obligations. Directors certainly should. If they should, so should institutions. It would be good if there were greater pressure on them to vote and if there were a requirement to say how they have voted.

That is an important matter. It should be debated by the House and considered as part of the Bill. It should not be left to subsequent secondary legislation. I am offended by the suggestion that a matter as important as that should be left out of the Bill and dealt with through a statutory instrument. As we all know, the scrutiny of statutory instruments is a farce and a disgrace to the House. The matter should be dealt with now, explicitly, openly and honestly in the debates that we will have over the coming weeks, and possibly months, on the Bill. We should come to a conclusion and it should be in the Bill. There will also be great advantages in terms of the comprehensibility of the corpus of the Bill if all the provisions are clearly set out in one document.

On the enfranchisement of indirect shareholders, there are many reasons why people decide to hold shares through a nominee account. One may say that, if they decide to set up a nominee account, why should they have the benefits of holding the shares directly, but there are some special categories for which Parliament has responsibility.

Through our tax system, we have made it clear that small investors who want to take a share in the equity market—I am glad that we have provided these incentives and advantages for them—should do so through personal equity plans and individual savings accounts. If they invest through PEPs and ISAs, their names do not appear on the shareholder register. Therefore, they are being forced, if they wish to take advantage of the tax breaks on income tax and capital gains tax, to forgo their rights as shareholders.

Parliament made a terrible mistake when it linked those two things. It was right to provide fiscal inducements for small savers, or indeed for anyone, to invest small amounts of money in the equity market. That was a positive thing. It was done first under a Conservative Administration and subsequently in a slightly different form under a Labour Administration. That is fine. That is common ground. However, it was fundamentally wrong to do it in such a way that, whether intentionally or otherwise, de facto, those shareholders were deprived of the rights of shareholders—some were taking an interest in the equity market for the first time, no doubt—by virtue of being forced into those special vehicles, the ISAs and PEPs,. We have an opportunity in this Bill to rectify that wrong. It is both a moral and an economic wrong and I hope that we take this opportunity to right it.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. I remind all hon. Members that quite a few Members are still hoping to catch my eye. Perhaps we can have speeches covering the general principles of the Bill, but taking brevity into account as well.

7.13 pm

Anne Snelgrove (South Swindon) (Lab): We have had a good debate. It has been interesting to hear the points of agreement on the Bill and the points of disagreement. I, too, welcome the Bill because it will reduce the burden on small and medium-sized businesses in Swindon and help to expose irresponsible companies. In particular, it has given us the chance to raise the important issue of corporate social responsibility this afternoon. However, I want reassurances that what we get from the Bill is CSR rather than PR—public relations. I will outline the principles on which my concern is based.

Before I do that, I should say that the biggest factor in increasing social mobility in Swindon has been the increasing success of small businesses since the late 1990s. We have the best ever business environment under this Government. I come from a family who have run small businesses. My mother started a small business and my brother still has a small business, so my background is based on the success of small family businesses. I am delighted that the Bill will make it easier to set up and run a small business.

I work closely with the Federation of Small Businesses in Swindon. I have made it clear to the federation that I want to see the regulatory burden on smaller firms lightened and to work with them to identify new ways to simplify and to reduce the demands placed on them by Government. That is why I am pleased that the Bill could save small and medium-sized enterprises £100 million a year. It is right that the Bill changes the approach from looking at the needs of large businesses and large companies first to a "think small first" approach. I thoroughly welcome that.

I am pleased that there will be benefits from a range of measures for all businesses in my constituency, including greater clarity about directors' duties. The Bill makes it clear that they have not only to act in the interests of shareholders, but to pay regard to the longer term, the interests of employees, suppliers, consumers and the environment, as we have heard.

More than 30 international companies have their headquarters in Swindon. I heard and understood my right hon. Friend the Secretary of State's comments on the need to continue to attract such companies to incorporate in the United Kingdom but, as someone who has worked in corporate social responsibility for a large corporation, I know that CSR is essential to securing the future of British business, and I say respectfully to my right hon. Friend that strengthening it in the Bill would do us credit and would help companies.

My experience comes from three years working, in community relations in particular, for a large international company. That involved liaising with local stakeholders—I will use that term because it is understood by the industry. There is a difference between stakeholders and shareholders. I do not agree with the right hon. Member for Suffolk, Coastal (Mr. Gummer), who is no longer here, about that, because

[Anne Snelgrove]

stakeholders means people in the local community who have a stake in a company. They do not necessarily have to have shares in it; they may not even be able to buy shares in it. That was my experience of working in industry: people could not buy shares in a company, but were still directly affected by its work in their community.

I had to create a programme to ensure that local stakeholders' concerns and views in a somewhat controversial area were taken on board. Initially, there was much suspicion within both the company—people working for the company did not understand or see the need to talk to local people, to give their views or to explain why they were doing things—and the local community, which over a period of years had come to distrust the company because of the actions that it had taken in the past. Although I was employed and paid by the company I found myself, as a middle-woman, so to speak, liaising between one group and the other and ensuring that there was dialogue. That is an important aspect of corporate social responsibility, and of working in the local community and with local society.

I hope that that explanation goes some way to explaining to the hon. Member for Grantham and Stamford (Mr. Davies) why we should enshrine the idea in law. In the long run, doing that made the company's work at large easier because there was less confrontation with the local community, more joint working and more understanding. It saved the company time and money, particularly with planning applications, which, as any of us who have worked in industry know, are among the most difficult things to get through local communities. Therefore, I commend that to him as an important part of the Bill.

Corporate social responsibility reports are often handled by public relations departments. That is wrong and we should change the emphasis to community relations and corporate social responsibility. We need to do that in this country, to ensure that our companies are the best in the world. Our high skills and high level of company intelligence need to be kept up. We need to empower stakeholder engagement in companies, because of the benefits that I have described.

The public are demanding more transparency on issues. They have woken up to the fact that those issues are affecting their families. They include the environment and all sorts of other responsibilities that companies have taken on board. It is an issue for nongovernmental organisations, too. When they work with companies, rather than standing outside and throwing brickbats at them, they may find that their views have changed, and things are going differently from how they thought they were going when they stood outside the company and did not engage with it.

The CSR reporting framework that we could have had through the Bill would cut many hours of argument and debate in companies, simplify things and save them time and money. I remember discussing at great length what should be in and what should be left out of those reports, which took a huge amount of time. If the framework that we could have used was available in law, it would be much easier and simpler for companies, stakeholders and other people outside companies to understand, and to compare one company with another. It would also lead to a great deal more transparency.

We in this country should also recognise that, as MORI and many other polls have proved, NGOs are much more trusted by the public than are Governments, politicians and even businesses. If we can bring NGOs and companies closer together and get them to work together, that would be of mutual benefit to both. Even since the publication of the Bill, public opinion in this area has continued to shift. There has been growing evidence of the impact of irresponsible businesses on the environment, and growing public demand for the exposure of such businesses. The Opposition have been getting further and further out of step with public opinion, despite the comments of the right hon. Member for Suffolk, Coastal. Even though he said that he disagreed with the Trade Justice Movement, his arguments, which reflected many of the movement's, led me to believe that he may have drafted some of its briefing notes.

I have been most disturbed to learn that while the Leader of the Opposition, the right hon. Member for Witney (Mr. Cameron), has been shopping for energy-efficient light bulbs at IKEA, his shadow Ministers in the House of Lords have tabled amendments that would have stripped away any green or ethical clauses in the Bill. While he was trying and failing to get planning permission for a windmill on his roof, Conservative peers in the Lords were trying to roll back company law to remove existing obligations for company directors that have been established in common law since 1862—presumably a century in which Conservative peers feel more at home.

In December 2005, the right hon. Member for Witney said that he did not

"go into politics to be the mouthpiece for big business".

However, in March 2006 he said:

"I will always stand up for big business".

That is an example of the confusion and contradiction that exists among Opposition Members, which I hope that they can overcome so that they can work with us to strengthen the Bill. If Opposition parties were serious about corporate accountability, they would join me to push for enforceable rules to ensure that companies act in the best interests of the community.

Justine Greening: I am interested in what the hon. Lady is saying, and I wonder whether she agrees with me about a very real issue facing my constituency, which is close to Heathrow. The Government are looking at ways of expanding Heathrow. Does the hon. Lady agree that they should take a similarly socially responsible attitude towards the development of Heathrow and the regulatory framework that they give to BAA—or is that a different issue from the one that she is talking about?

Anne Snelgrove: Many of the hon. Lady's constituents work at Heathrow, so there will be differences of opinion among her constituents. Corporate social responsibility—and the Bill, if it is toughened—will ensure that companies have to take note of the diverse views of her constituents. I hope that she will support the toughening of the Bill that I am suggesting.

Just before the recess I met two campaigners from Honduras—Rosa Giron and Pedro Landa—who were working with the Catholic aid agency known as the Catholic Fund for Overseas Development to reform mining laws in their country. As we heard in an earlier speech, mining multinationals, some of which are based in the UK, bring investment to developing countries, but we have to acknowledge that they also bring environmental destruction and slave wages. CAFOD wants to ensure that the people of Honduras and the Democratic Republic of the Congo benefit from their mineral wealth, rather then paying a heavy price for it. It is just one of several NGOs that are part of the Trade Justice Movement coalition, which is campaigning to support and to improve the Bill.

I was pleased to be able to sponsor a meeting of the Trade Justice Movement today, and in the light of it, I would like the Minister to clarify a couple of issues. The Bill makes it clear that the directors of a company must look at the long-term viability of the company and the future interests of shareholders, and that, in running the company for the long-term benefit of shareholders, they must have regard to factors such as the impact on employees and the environment, and report on the wider context in a business review. I would like some clarification of the nature of the business review, and to know what steps will be taken to ensure the quality of, and coverage of, the non-financial aspect of the reporting. The TUC and the Trade Justice Movement are asking for further amendments to ensure that there is a legal benchmark. All I would ask is that the Minister set out before us her benchmark for the acceptable quality and coverage of the business review.

The Secretary of State said that there would be too much litigation if we agreed to the Trade Justice Movement's proposals. Arguably, that is wrong for two reasons. Section 309 of the Companies Act 1985 gave directors a duty to have regard to the interests of employees. Only about three cases were brought in 15 years. That definitely did not open the floodgates to litigation, and it is analogous to what is being proposed here. The prospect of a company or shareholders suing a director is unlikely to happen under the extended proposals from the Trade Justice Movement. A company would not ever take action against its own directors lightly.

Mr. Quentin Davies: There is all the difference in the world between creating an obligation for directors to have regard to the interests of their employees, which is a specific requirement, and their having to have regard to the community or the environment. The latter is a vast and more or less unending obligation. That is the difference between the obligation that we already have in the 1985 Act and that under clause 158(1)(d) in the Bill before us.

Anne Snelgrove: I understand the hon. Gentleman's concern, but I do not agree with it, because such an obligation is not unending. There are companies in this country—I worked for one of them—that, although they did not necessarily find such an arrangement easy at first, have found it achievable, a good thing and of benefit to them in the long run. My argument is that that obligation will be of benefit to British business. It will ensure that we are competitive and moving ahead of many other countries.

Under the terms of the Bill, shareholders can take action against directors only if they have cost the company financially, which is almost like the company suing itself. There is unlikely to be much litigation in those circumstances.

Finally, I want the Minister to confirm that the intention is that the Bill will ensure that UK companies are more accountable for their impact on workers, communities and the environment, both in the UK and overseas. Will the directors' duties and the duty to report on corporate social responsibility be strengthened and given teeth? I, too, believe that it is a great shame that the operating and financial review has been abolished, because it would have provided a good framework and greater transparency for shareholders and stakeholders. The proposed business review is much weaker. There is no requirement for information on social issues, and less stringent audit requirements. The OFR was not just a good thing in theory; in my experience, corporate social responsibility and the implications of the OFR are a good thing in practice not only for the good health and wealth of UK companies, and for their employees, local communities, the environment and stakeholders, but also for those living in developing countries.

Mr. Weir: In connection with what the hon. Lady was saying earlier about companies being sued, does she agree that where a UK company is operating overseas in a regime in which it is often very difficult for a local person to sue the company, provision should be made for taking action in the UK?

Anne Snelgrove: I thank the hon. Gentleman for his intervention. I am indeed interested in that idea, and I should like to pursue it further.

In conclusion, and as I was saying, the OFR is also good for those living in developing countries, for whom we in this House have a duty of care.

7.29 pm

Mr. Stephen O'Brien (Eddisbury) (Con): I am grateful to have the opportunity to take part in this debate. At the outset, I must declare my interest, as recorded in the Register of Members' Interests, not only as a non-practising solicitor—I have in the past practised in the City of London—but as a fellow of the Institute of Chartered Secretaries and Administrators and as its parliamentary adviser.

I was the group company secretary for a FTSE-100 company before entering Parliament, and it may help if I start with a small story from my by-election in 1999 that helps to describe the mental map with which the Government approach these complex issues. Anyone who has been trained in the law knows of the enormous amount of statute and common law that provides the certainty and the competitive base from which our country can compete, fairly, honestly and transparently. During the by-election, the Labour party made desperate attempts, with many investigators looking into my background and chasing my family and friends, to discover whether there was anything that it could give to *The Guardian*. At one point, as my campaign vehicle arrived at a country pub for a lunchtime rendezvous, I was greeted by two of my team, who were ashen-faced. They said, "There's a real problem, Stephen. The Labour

[Mr. Stephen O'Brien]

party has just fed *The Guardian* with a piece of news that will completely derail the campaign. It claims that you have 273 directorships." I said, "Let them print." Because I was so relaxed about it, *The Guardian* got cold feet and did not print, so we could not embarrass the Government on that issue.

It was obvious that a FTSE-100 company group secretary should be a director of all the subsidiary companies registered in the UK, because it would be grossly bad business and inefficient for different people to be employed as company secretary for each individual company, as the 1947 Act and other legislation stated. Indeed, as the group secretary, I was the chairman and director of the 100 per cent. owned Redland Secretaries Ltd, which was the corporate company secretary to each of the group companies. That was good business and good risk management, and it was what most FTSE-100 companies did. Clearly, Labour did not understand that, and we see the result today.

The Bill is a generally good reform of company law, which has undergone a tremendous amount of review and consultation, with experts being able to give their advice freely in a long process. However, at certain points the Government have decided that they want some totemic change and displayed their ignorance of the business world. We must be able to manage risk confidently so that everybody who treats with private enterprise—which creates all our wealth, underpins our democracy and gives Members of Parliament the chance to represent our constituents—makes the choice about how that wealth is raised, spent and, through the public purse, deployed.

I congratulate everybody involved in the process of company law reform. The Bill has been a long time in the making—we have been calling for it for many years—but after eight years, which more or less coincides with my time as a Member of Parliament, we have it. It is a large Bill that will get larger, as the Government have—rightly—decided to interleave it with the remaining parts of the 1985 Act, so that we have one statute as the corpus of corporate law.

It is sensible to seek to update the law. As every lawyer knows—indeed, most make their living from it—the danger is that tinkering with legal drafting creates uncertainty and inconsistency, because precedents are not necessarily included. However, my colleagues in the other place did an outstanding job in scrutinising this wide-ranging and technical Bill. Many other noble Lords made worthwhile and important contributions to the debate, which has given us a much better Bill.

Most of the issues will require clarification and detailed discussion, and that is best left to the Committee stage. It would not be right to take up the time of the House going through many technical issues. However, I have a keen interest in one point of principle, which will be obvious from my declaration of interest. The principle has not been much discussed today, although it was raised in the other place, but it is the proposal to scrap the requirement for private companies to have a company secretary, as set out in clause 253.

In appraising whether the Government have made the right judgment call on that issue—whether it will deliver the totemic, deregulatory effort that they wish to be able to claim for this Bill—we have to go back to first principles. Will it bring company law up to date, and make it more flexible and accessible to all companies? We have to think small first, because that is where new wealth is created. It is also where most of the employment is generated. As legislators, we are now increasingly aware that we should seek to simplify the way in which the law is drafted and operates. As anybody who has had the foolish notion of listening to any of my utterances in the House over the past few years will know, I am obsessive about the need to deregulate, because the burden of regulation on companies, individuals, families and communities in this country is bearing down on our ability to enjoy life and be competitive, and it is anathema to the ways in which humans best behave and operate. It takes away their judgment and replaces it with a tick-box exercise, which means, as long as it is satisfied, that they need no longer think about how to do the right thing in the right way.

We must also at all times aid competitiveness. Above all, we must not lose sight of the fact that this country has a well deserved reputation for establishing so many of the principles that govern corporate competitiveness and the ability to trade across the world. Let us not forget that part of what we trade is our system for organising business—our corporate law and the way in which we administer our corporate affairs. Among our greatest exports are the various schemes for trading and methods of ensuring that companies have good administrators who act as internal civil servants.

On those principles, the Government have, understandably and logically, decided to retain the current law on public quoted companies. Clauses 254 to 263 enshrine the compulsory requirement for all publicly quoted companies to have a secretary. That is right and it is consistent with first principles. However, the requirement is to be scrapped for private companies, reversing section 283 of the 1985Act that

"every company shall have a secretary".

The reason behind that provision is that it gives every company, whatever its size, a second pair of eyes. Even in what we lazily call mom and pop companies, a second pair of eyes is needed—although we can consider the degree of the requirement. The principle applies to all areas of governance. The House has learned, from bitter experience, that problems have arisen in primary care clinical governance with single GP practices. I need not mention the name Shipman as an extreme example.

Many professional bodies, such as the one to which I belong and the Association of Chartered Certified Accountants, have argued that it is wrong in logic to remove the requirement for private companies to have a company secretary. What have the Government got against the poor old company secretary in private companies?

A company secretary is good at advising chairmen and directors about new developments, compliance requirements, codes of practice, regulations and points of law. The company secretary is often regarded as a company's civil servant, or its conscience. He or she

provides information and advice, records meetings and ensures that the proper processes are observed and recorded. He or she also monitors and records the implications of decisions, and ensures that papers for members of the board are properly prepared so that decisions are made and followed up correctly.

All of that can happen without a company secretary, but a company that has one knows that that person is required to carry out all those functions.

Mr. Weir: I agree with much of what the hon. Gentleman says, but he referred to what many call mom and pop companies. Does he accept that the post of company secretary in those companies was largely a titular position? I do not want to be sexist, but in many cases the role was carried out by the wife. Is not the real issue a company's size, rather than whether it is public or private? Does that not offer a proper way to deal with this matter?

Mr. O'Brien: The hon. Gentleman is entirely correct. The whole House agrees with the principles on which this Bill is based. Public companies clearly have outside shareholders who need to know that there is a properly qualified person in a position to support the governance of the company, but why should the approach to private companies be so different?

The Government have identified mom and pop companies as the problem, but they are not. We must take account of a company's size, and not be distracted by the distinction between private and public. That is where the Government have got this matter wrong. The problem goes all the way back to what the company law review group recommended, but the Government's experience and mental map mean that they cannot counter that judgment. That is why we are in this muddle, and I am always worried that the Government are reluctant to lose face by admitting that an adjustment needs to be made.

However, we have come to the moment when that must happen. I know that my hon. Friend the Member for Grantham and Stamford (Mr. Davies) hopes to be a member of the Standing Committee, and he will want to take that opportunity to make the necessary changes to the Bill. We need to arrive at sensible and logical proposals that will accord with best practice in corporate governance.

Those who followed the Bill's passage through the other place will know that concern was expressed about the consequences of removing company secretaries from private companies. Who will be authorised to sign documents on behalf of a company and give the outward authority on which third parties can rely? How can that be checked? Currently, we can find out by inspecting one form filed with Companies House—we can even do it online, if necessary—that a person has been registered as a company's official secretary. We can then be sure that the liabilities that a limited company should be expected to undertake will be observed.

The proposal about authorised signatories has, however, given rise to many questions. I hope that the Minister will say that she is prepared for the detail of the proposal to be considered at length in Committee. A number of real problems have arisen, and need deep discussion.

The proposal to remove the requirement for private companies to have a company secretary raises an important matter of principle. Those of us who are in tune with the notion that the private sector is the wealth creator believe that it gives people an opportunity to engage in the fulfilling activity that is business. That means that they can contribute to corporate wealth and therefore to the wealth of our country, and that they help to ensure a high quality of life for us all. We care deeply about good corporate governance, and want to make sure that the good reputation of business is not undermined by negligence, fraud or risk that is not accounted for properly.

I am worried that the Bill sends out precisely the wrong message. The one person in any company who is likely to be the most knowledgeable, capable and accountable when it comes to questions of governance is the one who services the ability of directors to take responsibility for those matters. That person is, of course, the company secretary.

Earlier, I intervened on the Secretary of State to emphasise that the company secretary is an office holder in a company. He or she is not merely an employee, nor another director. A chairman is simply the person whom the board of directors chooses to chair board meetings, but the company secretary is an office holder, with various responsibilities—directly to his or her employer and, in a non-executive capacity, to the chairman through the supply of free and impartial professional advice. The Government have been determined to ensure that the principles of good corporate governance should be enshrined in law, but they must not undermine that approach by removing the very person identified as having the responsibility of ensuring that those principles are put into practice.

How do address the problem identified a moment ago by the hon. Member for Angus (Mr. Weir)? The Government rejected the obvious answer offered in the other place—that there is no deregulatory attack if the cut-off points for small companies are allied to their audit threshold, which currently stands at £5.6 million. Other options are to determine a company's status according to the number of people that it employs, or in accordance with its value added tax returns. That is rather complicated, however, and the audit threshold option is much more suitable.

The Minister in the other place dismissed that proposal, without giving it the consideration that it deserves. I hope that it receives serious consideration in Committee, as it will resolve the difficulty presented by a proposal—which is based on the difficulties encountered with smaller companies—to get rid of the one person likely to enhance corporate governance in private companies.

We must not forget that some of our biggest companies are privately owned. For instance, John Swire and Sons has a turnover in excess of £2 billion, and the shoe manufacturer C. and J. Clark International is another massive enterprise. The Government propose that such companies should get rid of their company secretaries. Of course, such companies will still have the option to retain the post, but it was made clear in the other place that exercising such an option has consequences. The Government were somewhat edgy about the argument, but a company secretary who is put in place because a company has exercised its option in that regard is not

[Mr. Stephen O'Brien]

enshrined in law and so cannot carry the same authority as a postholder under the old regime. The relevant authority will go to the authorised signatory.

I do not want to go into too much detail, but the new system will weaken the stature of the company secretary. Those of us who have lived through the experience know how great the responsibility can be: one has to be ready to engage in major arguments with board directors who might want to do something a bit close to the wind, and that can be a tough old road to hoe. Importantly, the person who is prepared to have such arguments must be sure that he or she has the authority that comes with being appointed through statute. That is what gives a company secretary the necessary command in the boardroom, and without that there is the danger that directors will not respond with the respect that the company secretary's office deserves. The company secretary is not merely an employee, who can be hired and fired and who is controlled by the board through the pay and conditions on offer.

The Bill quite properly repeats and expands the current law on the qualifications needed by company secretaries. It makes it clear that the postholder should be a qualified lawyer or accountant, or someone who has been a company secretary in the past.

We have an opportunity to do the right thing. I hope that the Minister will listen to the arguments in Committee and think about what can be done. The provision in the Bill that gives companies the option to have a company secretary does not confer on the postholder the authority that is needed if the valuable benefits of good corporate governance are to be delivered.

If the Government go ahead with their proposals, I hope that they will remember the arguments made against them when, as will inevitably happen, something goes wrong. There are never any thanks in politics for people who say, "I told you so," but the Government would do well to recall that people become company secretaries because there is a need for them. They do not appear out of thin air, and there is still a need for them in public companies. We should keep the post in private companies whose size exceeds a certain threshold. Although the company secretary's role is no longer so relevant in smaller firms, it is absolutely crucial in larger ones. If the Government are allowed to go ahead and remove the one person who can keep a company's affairs on the straight and narrow when things go wrong, we will all have to come back here and hang our heads in shame, saying, "I told you so."

7.49 pm

Mr. Martin Caton (Gower) (Lab): Notwithstanding what has been said from the Front Benches so far, I should like briefly to urge the Government to think again and respond more positively to the calls from the Trade Justice Movement and the Corporate Responsibility Coalition to use the Bill to ensure that companies can be held responsible for how their practices and policies affect people and the environment.

It has been suggested that that could be done, first, by requiring corporations to report on their social and environmental impacts in the same way as they have to make financial reports. I heard what the Secretary of State said about clause 399, but I share the scepticism of others about the robustness of business reviews. It would be much more sanguine if operating and financial reviews were still on the agenda.

Secondly, companies could be held responsible by obliging directors to minimise damage to communities and the environment rather than just to have regard to them. The obligation is the clearest way of going forward. I do not believe that it would cut across the accountability of directors to shareholders. Thirdly, we should allow people from overseas who are harmed by the activities of a UK company to take action against them in UK courts if they cannot secure justice at home. I understand the Government's reluctance, but if we do not make this sort of change, we shall effectively condemn victims in the poorest parts of the world to no or at best inadequate redress. We have only to think back to Bhopal and the years after it and the fact that the victims of that tragedy have still not been compensated properly to realise what such a change would mean.

I appreciate the fact that in some ways the calls go against the grain of the Bill, which is essentially deregulatory. Much of the simplification and clarification of the Bill is good and welcome. However, unlike the hon. Member for Eddisbury (Mr. O'Brien), I do not subscribe to the view that regulation is always bad and deregulation is always good. Sometimes we need regulation in order to move forward and in particular to provide a level playing field so that those who want to do the right thing do not find themselves unable to compete with those who are prepared to sacrifice planet and people in the scramble for profits.

My right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael) and the right hon. Member for Suffolk, Coastal (Mr. Gummer) mentioned the delegation of prominent business leaders who went to see the Prime Minister earlier today to talk about the threat of climate change. From the news coverage that I heard, it seems that they told him that companies needed more than encouragement and fine words; they need a stronger steer and in some areas of policy stronger and tighter regulation. That argument transfers over to the subject of this legislation. I do not believe that we will get the level of transparency, responsibility and accountability that is needed across the board on the basis of the neo-voluntary approach that the Government appear to advocate. While the concept of enlightened shareholder value, including social and environmental values alongside financial ones, is admirable in its way, I am not convinced that without regulation it will make a significant change in current practice. Current practice, of course, is what has led the coalition of environmental groups, charities, unions and Churches to mount the campaign that they have over the past months to seek to improve the Bill in the way that I have described.

One of the business leaders who met the Prime Minister today to discuss climate change was apparently the UK chair of Shell. Shell is lauded by some as a company that willingly embraces corporate social responsibility. In particular, it is claimed that Shell adheres to the

Organisation for Economic Co-operation and Development guidelines for multinational enterprises—a set of international voluntary guidelines. Yet Friends of the Earth, local groups and others have provided example after example of where Shell has behaved anything but responsibly and has cheerfully ignored those very OECD guidelines.

I cite, for instance, the impact of its underwater liquefied gas terminal on the local fishing industry in Louisiana; the damage to wild salmon spawning areas and the last western pacific grey whales that will be caused by work on the Sakhalin II project in Russia; oil spills and air pollution from illegal flaming in the Niger delta in Nigeria; and emissions of massive quantities of toxins damaging to the human cardiovascular and respiratory systems from Shell's joint venture Motiva refinery in Port Arthur in South Africa. Shell workers are subject to toxic pesticides and oil waste at São Paulo in Brazil. The company still does not guarantee medical treatment for affected employees. There are many, many more examples from around the world. There is strong evidence that this acclaimed corporate leader in the international community is not delivering what it promises using the voluntary approach.

Shell is not alone, of course. Our supermarkets, in their rush to push down prices, are trampling on the rights of workers in the developing world. Women workers picking fruit in South Africa exclusively supplying Tesco report dangerous exposure to pesticide, lack of protective equipment, poverty wages, long hours and increased insecurity. Similarly, research in south-east Asia shows that palm oil plantations are replacing natural forests at a horrifying rate, destroying orang-utan habitats and leading to violent conflict and human rights abuse. Palm oil is used in one in 10 supermarket products, but few of our very profitable supermarket chains have responded positively to the call for them to ensure that palm oil comes from sustainable, non-destructive sources.

Tobacco farmers in Brazil and Kenya have suffered health problems linked to the use of harmful pesticides sold to them by British American Tobacco. Those are the sorts of abuses that the changes for which we are calling could help deal with by introducing a legal right to information, legal responsibility and legal redress. Other countries such as Sweden, Finland and Denmark have higher levels of business regulation and are still ranked in the top five in the national competitive index.

One fact supplied by members of the World Development Movement who lobbied me on this issue recently really convinced me that the voluntary road would not take us very far at all. Out of 61,000 multinational corporations, fewer than 2,000 produce annual reports on their social and environmental impacts. When we remember that two thirds of global trade is carried out by multinationals and that some of those who produce social and environmental impact reports do so as a cynical public relations exercise, we have to conclude that we need, and more importantly, the most vulnerable people and places on this planet need, good robust regulation. I hope that Ministers will think on that as the Bill proceeds through the House.

7.57 pm

Hywel Williams (Caernarfon) (PC): I wish to say at the outset that we in Plaid Cymru subscribe to the principles promoted by the Trade Justice Movement and the Corporate Responsibility Coalition. To echo the hon. Member for Gower (Mr. Caton), we also believe that companies should adopt ethical and responsible corporate behaviour and that they should adhere to the three principles reported in the newspapers today. They should report on the social and environmental impacts of their activities. People overseas harmed by a UK company who are denied justice in their own country should have the right to take legal action in the UK. I was disappointed with the response that my hon. Friend the Member for Angus (Mr. Weir) received on that point from the Secretary of State earlier. My hon. Friend talked about globalisation and the Secretary of State responded that somehow as a Scottish nationalist my hon. Friend was not entitled to make internationalist points. My hon. Friend and I believe that the need for responsible behaviour by British companies overseas is a fundamental principle and would provide a clear signal to companies everywhere that globalisation does not give us the right to dump our problems overseas.

Mr. Weir: We hear all about how people are working for low wages in the third world, but the flip side of globalisation is that we can export best practice. In this Bill we can make UK companies responsible and ensure that rights that cannot be exercised in other countries can be exercised in UK courts.

Hywel Williams: I agree with my hon. Friend, and, indeed, that will be the burden of some of my later remarks.

Looking at the third principle, that directors should be obliged to take steps to minimise the harm that companies may cause in local communities and environments, we can see that good practice established in the UK is an example for companies working overseas as well.

The point, of course, is that those principles apply to companies working in the UK as well as to companies working in the developing world. Much of the debate has been focused on companies working in that context, but today I would like to address that last point with particular reference to a company working in my constituency: Friction Dynamex. The company has been in dispute with its workers since before I was elected in 2001. It is the longest running dispute in Welsh industrial history.

I want to refer briefly to the review of company law instituted by the Government and to points made in the research paper provided by the House of Commons Library. The paper notes that there is a view that the interests of a company are to be equated exclusively with the interests of its members and that that can lead to a focus on the short-term financial bottom line rather than to enlightened shareholders building a long-term relationship based on trust. There are those two contrasting views. The steering group states that:

"directors should adopt the broader and longer-term ('inclusive') view of their role"

and that directors are currently obliged by law

"honestly to take account of the considerations which contribute to the success of the enterprise."

As the law stands, directors should not be looking to focus solely on the ruthless pursuit of short-term gains.

[Hywel Williams]

That is what the steering group says, but as the House of Commons Library notes

"the DTI acknowledges that this interpretation is not deep rooted in the mainstream of company life."

That is to say that the attitude that we want to promote is not deep rooted in the mainstream of company life.

I would argue that that is perfectly illustrated by the case of Friction Dynamex in my constituency. I do not intend to go into any detailed history, given that time is short. I will say only that what began as short strike—as a last resort taken by workers in the face of an unreasonable management and intransigent employer—became a lockout and, more, an assault on the whole community and an offence to the community. The Friction Dynamex workers were reluctant to strike. Many of them had been employed since the '60s. They did not strike to improve their wages or conditions, but to defend those wages and conditions in the face of an employer who wanted to reduce their wages. Initially, he wanted to freeze their wages and for four years they put up with that. Then he wanted to cut their pay. They would not relent on that point. He wanted a change in working practices and to divide and rule the work force. He wanted to choose whom he could dismiss. He dismissed people very carefully to his own advantage. That was a determined attempt on his part to squeeze whatever value he could get out of the plant and its workers. The workers wanted to negotiate, but he did not want to negotiate with them. As I said, he eventually locked them out.

After two years of waiting, the workers won an industrial tribunal. The employer was proved to have acted unfairly. He appealed, but withdrew his appeal. In the meantime, he reorganised his business and suddenly found that Friction Dynamex had to be put in the hands of the administrator because, apparently, it suddenly had £8 million of debts. The employer has subsequently—let me use the term "reorganised" again—reorganised his business a number of times. He has shed the name and adopted new names, but has not succeeded in shedding his liabilities. He remains, in effect, in charge of the business and, a couple of months ago, he sacked his current work force and recruited a new lot. When the strike started 130 people worked at the company; he is now down to 24. It is interesting that, under clause 364, that company would be defined as a small company and that it would not be subject to the provisions in clause 399 about doing a business review in the first place.

The point about the unpleasant and, in terms of the employer's behaviour, quite squalid case of Friction Dynamex is that the broader view of the responsibilities of directors has not prevailed as the law stands now. As a consequence, a number of things have happened. The taxpayer has lost the £1 million of public investment that went into the company initially. The local community has seen the loss of about 100 good jobs—jobs that are not usually available locally. A site uniquely placed on the banks of the Menai straits, which could be redeveloped into a site for new businesses, is tied up in an enterprise that, to be kind, has now run its course.

There are, of course, consequences for the workers in the case. They have been locked out and they have lost their jobs. They won their case at the tribunal, but they still have not been compensated after five years of disputes. They have seen their employer take on other workers from the jobcentre to take the jobs that they wanted to do and were perfectly willing to do until they were locked out. Hon. Members should remember that this was not a dispute about higher pay. They have had their morale stretched to the extreme limits. Unsurprisingly, many of them who supported Labour in the election in 1997 no longer do so.

I have gone into the case in some detail because it is a case that calls out eloquently for justice for this group of workers, who have conducted themselves with dignity in what we can rightly call a heroic struggle. They have been supported by people locally in Caernarfon and Bangor in Wales and in the UK, and by people throughout the world who understand the meaning of justice for workers. However, that is not all. Most UK companies take a serious and responsible view of their environmental and social responsibilities, but the case of Friction Dynamex shows us clearly why company law must be changed so that Mr. Smith, the owner, and his like can no longer put their own narrow short-term interests first, middle and last. That is the intention of clause 158, but I fear that Mr. Smith would laugh at clause 158. He would laugh at the voluntary approach. He would agree with it in its entirety and he would tick the boxes. Would he be caught by clause 158? I have my doubts and, for that reason, I think that the Bill needs to be amended.

8.6 pm

Sarah McCarthy-Fry (Portsmouth, North) (Lab): I welcome the Bill. It has been a long time in its gestation, but that is its strength. It covers many aspects of company law, but I want to concentrate on just two clauses: clause 158 on the duties of directors and clause 399 on the business review, to which many hon. Members have alluded. The Bill addresses a fundamental premise. Should a company operate only in the interests of its members—its shareholders—or should it have a wider remit and operate in the interests of stakeholders? If we accept that wider remit, how should that be managed: by legislation, regulation or voluntary code?

The old narrow view of the responsibilities of company directors has moved on now that we are in the 21st century. Historically, the legal responsibility of the directors of a company is to maximise shareholder value, usually either by a return in the form of a dividend or by capital growth, or by a combination of both. But should financial profit be the only motivating factor in doing business? In my view, there is a wider responsibility to consider the interests of employees, the impacts—both social and environmental—of doing business on the local environment, and the impacts of a company's operations on the economy of the whole country and globally. That is the essence of what has been referred to before as corporate social responsibility.

It makes good business sense for organisations not just to accept corporate social responsibility but to make it central to their strategic decision making. The Bill will encourage them to do that. The Labour Government are committed to promoting responsible business behaviour as a key part of their sustainable

development strategy involving both the public and the private sectors. As a Labour and Co-operative MP, I represent the co-operative movement and corporate social responsibility is fundamental to co-operative principles. My aim as a Co-op parliamentarian is to encourage all organisations, not just co-operatives and social enterprises, to take on corporate social responsibility, in the interests of us all, to enable businesses to grow in a sustainable way.

Corporate responsibility can encompass many things: community involvement in the form of charitable gifts, community investment, commercial initiatives in the community, or even just allowing employees time off to do community volunteering projects. It looks at the benefits to the wider community and environment from day-to-day business operations, job creation, investment in a region, taxes paid, goods and services provided and general wealth creation in our economy. Increasingly, it is about responsibilities to the whole value chain. For example, where are raw materials being sourced and to whom are goods and services being sold?

Corporate responsibility is about business having a positive impact on society and the environment through its operations, products, or services. One might ask why businesses should sign up to that and what is in it for them. More and more, businesses are recognising that corporate social responsibility can bring them a competitive advantage, especially in the consumer retail sector.

Corporate value is increasingly measured against non-tangible assets as well as tangible assets. What price is a company's brand or reputation worth, and how quickly can that be lost if it is seen to be adversely damaging its local environment, or ruthlessly exploiting child labour overseas? In *The Times* last week, there was an article about the clothing chain Zara being dogged by child labour allegations following reports that Portuguese children as young as 11 were being paid just €20 a day to make shoes. Inditex, Zara's parent company, has recognised the negative effect that that could have on its business. It has a code of conduct that bans the use of child labour by its subcontractors. It has pledged to investigate the allegations and, if they are true, cancel the contract. Child labour accusations can be seriously damaging to retailers as more shoppers become ethically aware. Both Nike and Gap have faced consumer backlashes following claims that they had used child labour.

The argument is not about just consumers. In the past, investors have been either people with large amounts of disposable wealth, or pension funds in which individuals have had little control over how their money is invested. Now, however, we have a whole new population of potential investors. In the pensions White Paper that was published a couple of weeks ago, there were proposals for increased levels of personal savings and choices about personal pension plans. All new-born babies now have a child trust fund, and parents who had never before considered investment now have funds to invest and can exercise choices. If financial returns on products are broadly similar, people will consider other criteria when making choices, such as the ethical background of investment opportunities.

People need a way to measure and compare the environmental and social performance of companies. Many leading businesses have recognised that and now produce an array of corporate responsibility reports. However, with no standard for reporting, how do the public differentiate between a business that reacts to problems or crises as they arise and one that puts corporate social responsibility at its core and involves that in all its business decisions? What about organisations that do not rely on a well-known brand? How do we ensure that they take on board wider interests?

The sheer number of people who signed up to the Make Poverty History campaign last year demonstrates that there is a willingness to address exploitation in the developing world. However, do ordinary people in the street know which companies are continuing to exploit workers in the developing world with poverty wages and unsanitary and unsafe working conditions? Are we happy to let subsidiaries of UK companies continue to do that safe in the knowledge they have no legal responsibility to tell their shareholders they are doing so? Like other hon. Members, I think that the matter is too important for a voluntary code—regulation is needed. Health and safety is considered too important to be left to a voluntary code, and corporate responsibility is also too important to be left to such a code.

I do not want to diminish the huge step forward that the Bill makes. For the first time, it defines in legislation that a company director should have regard to other stakeholders, not just shareholders, when considering the likely consequences of any decision in the long term, the impact of the company's operations on the community and the environment and the desirability of the company maintaining a reputation for high standards of business conduct. However, I am not sure how enforceable the measure will be, given the use of the phrase "have regard to" and the fact that the Bill represents a step back from a pluralist model that would require directors to have a positive duty to take reasonable steps to minimise significant negative impacts on wider stakeholders.

We need to examine carefully how to prevent UK companies from taking advantage of weaker regulatory regimes overseas, especially in developing countries. I appreciate the arguments against that approach and that companies may choose to incorporate in other countries. Of course, we cannot act isolation in the UK and thus we need to bring other countries with us. However, there is scope for further strengthening the definition of directors' duties, so I hope that that matter will be addressed in Committee. It is often said that we are powerless in the face of globalisation and the power of capital. However, if we do not do something about sustainable development, the power of capital will be worthless in the face of environmental and economic collapse.

We need to consider the reporting regime, about which many hon. Members have spoken. Reporting should be a management tool for a business and the building blocks of an action plan, rather than just another bit of paper for shareholders. I, like many others, was disappointed when the operating and financial review was abandoned last year. However, I am pleased that many of the provisions have been incorporated into the business review, especially

[Sarah McCarthy-Fry]

through clause 399, although, like other hon. Members, I would like the measure to go further. There are still no statutory reporting standards, and that to me is key. One would not expect a company to make up its own financial reporting standards, so why should there not be standards for social and environmental reporting? There are many examples of good practice in corporate social responsibility reporting. Let us use the companies that have been the trailblazers and show the rest of the business world how such reporting can and should be done.

There should be standardised performance indicators that set out benchmarks and requirements for stakeholder dialogue and public reporting. Let us give consumers and investors the power to make informed choices by ensuring that companies present their reports in a standardised way so that people can make meaningful comparisons. I accept that the UK Government cannot act alone. There has to be a balance of incentive and regulation and, in our globalised economy, we have to take other countries with us, but we also have a duty to show leadership. We should start by agreeing the basic premise that a company does not exist in isolation and capital is only one of the building blocks that add value. From there, it is but a short step to acknowledging that directors should act in the interests of stakeholders as well as shareholders and with corporate social responsibility.

I warmly welcome the Bill as a massive first step along the road of sustainable development and balancing economic growth and business success with responsibility to stakeholders and the wider environment. However, as I have said, there are aspects of the Bill that do not go far enough, so I look forward to further debate as the Bill progresses.

8.16 pm

Susan Kramer (Richmond Park) (LD): I will try to be brief because it is getting late and several other hon. Members wish to speak. I declare an interest as a director of a very small private company, Infrastructure Capital Partners, and a very small public company, Specialty Scanners plc. I do not think that that greatly influences what I will say.

Liberal Democrats are concerned that businesses should be held to account by their shareholders for not only their financial performance, but their impact on the community and the environment. There is also a broader—although perhaps lesser—public interest in transparency. We have thus welcomed any moves towards new forms of corporate reporting that would achieve those goals, so we were excited by, and supportive of, the whole concept of the operating and financial review that the Department of Trade and Industry promulgated in detail in 2004. We were as stunned as everyone else when the consultation was withdrawn by the Chancellor in November 2005. It is important that we use every opportunity during the passage of the Bill to press the Government to look again at the measures on business reviews in clause 399 and consider whether there would be only gain and no loss by strengthening the provisions, in effect to pick up the various abandoned parts of the OFR.

At the beginning of the debate, the Secretary of State most graciously let me intervene. I picked up on the issue of prospective investors and their interest in access to information on the environment, the community and social impacts that the operation and finance review offered. I think that the hon. Member for Eddisbury (Mr. O'Brien) quoted from a DTI press release issued back in 2004 by the hon. Member for Leicester, East (Keith Vaz). It talked about the OFR improving the quality of reporting and "completing the corporate jigsaw"—that was the phrase that he repeated—to give investors a clearer picture. A paragraph continues—I shall not bore the House with it—that essentially repeats that sentiment, constantly stressing the importance of the OFR to investors in understanding the picture of the companies in which they might choose to invest and support, and the importance of the dialogue that ensures between investors and business with these disclosures.

I was able to quote back to the Secretary of State the words of Lord Sainsbury of Turville, who was speaking for the Government in the other place. He essentially dismissed those principles of providing information to potential investors on a much wider range of issues.

We constantly hear the Government call for people to invest more and to save more. It is a call that is directed especially to younger people. When I spend time with younger people and with people of my generation—I am thinking of my own grown children—they are deterred from investing because they do not understand the efficacy of the corporations in which they might invest, in their daily practices and operations. If we want to bring the younger generation in, we must respond to what they are asking us to do, which is to ensure that there is full and reasonable disclosure. That is not too high a standard to set before the Government.

At the beginning of the debate, the Secretary of State seemed to give the impression that the business review was almost everything that the OFR was, bar a few technicalities and costs—a little extra on the reporting requirement and a little more auditing—and so not really very different. I read in the Bill something that is fundamentally different. There is no basic accounting standard. How can anyone compare one company with another without a common language and a common standard around which to work? I do not think that it is reasonable to ask someone to do that. There is the light touch of audit on statements. Under the business review, any requirement has now been removed for auditors to check for inconsistencies between the business review and the reality. To me, that matters. The best companies will continue to provide full and accurate information, but if anyone wishes to be slack or inconsistent, there seems to be a door through which they can charge. I am sad to say that the business review will have attached to it the words "caveat emptor". That is exactly what we do not seek. Instead, we want certainty, clarity and absence of ambiguity.

There are a few other issues that I want to raise on the business review. There is no reference to the supply chain. Two years ago, I was in New Zealand at a conference on sustainable development. One of the main speakers was from B&Q, I think from strategic planning. He talked of an experience that the company had had. It had been challenged by NGOs on the ground that—I do not want to swear by this—the

company had been supplying furniture that had been made from wood from endangered forests. I think that it was teak from inappropriate sources.

That caused the company to look at its supply chain. It was horrified with what it found. The company committed itself to examine every aspect of the supply chain, including its contractors. It found that it did not know who its contractors were when it started the examination. It examined where it was sourcing from and how workers were treated. It examined what standards were used in the workshops. At first, it thought that there would be a huge cost on the company, to be offset by a gain in reputation. We were told at the conference that the benefit was found in better suppliers and better sources. The company had workers employed by their various contractors. They were being properly employed and properly treated in much healthier conditions. The company's financial bottom line improved because of that chain in practice.

What struck me more than anything else was that the company did not know what its situation was until it was forced by an outside event to go and explore. I am worried by the absence of the supply chain within the business review. Without that forcing element, companies will not go back, do the homework, discover what the situation is, confront it and finally deal with it. The opportunity is provided by the Bill to achieve that.

Mr. Davey: Is there not a danger that some companies might operate from abroad, reporting that they are meeting the highest standards of corporate social responsibility while subcontracting to suppliers and other businesses in their supply chain that have poor standards so that we have the worst of all possible worlds?

Susan Kramer: My hon. Friend is right.

The hon. Members for Gower (Mr. Caton) and for Portsmouth, North (Sarah McCarthy-Fry) both cited companies whose public declarations in the UK showed that they sincerely believed—this is not an issue of malfeasance—that they met high standards of corporate responsibility. However, non-governmental organisations and other bodies that looked at what happened in developing countries, particularly the role of contractors, found unacceptable standards and major environmental, social and community impacts. In 2005, Friends of the Earth conducted a case study on palm oil in which it asked 96 UK companies to trace the sources of their palm oil and provide an assurance that it came from sustainable non-destructive sources. Only 18 companies replied, but, according to Friends of the Earth, none of them could

"trace their palm oil to non-destructive plantation sources, and the majority did not even know where their palm oil came from."

That is a small example, but that lack of knowledge and focus by companies lies at the heart of the problem. If we can strengthen the business review so that it is much closer to the OFR, we can tackle that challenge.

In the other place, there was an extensive discussion of British business operations in the Democratic Republic of the Congo. In 2000, a UN panel of experts met to look at the illegal exploitation of natural resources and other forms of wealth in the DRC. Among the companies that it cited as being in violation of Organisation for Economic Co-operation and Development guidelines for multinational enterprises were a number of British companies. We should not have to wait for a UN panel of experts to apply pressure and expose the problem. We should be able to look at our own company law structure in the business review to bring that information into the open and provide transparency.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Lady is making a powerful case on both named and unnamed companies. Asda Wal-Mart deploys marketing strategies using the tag line, "A better life for all". In reality, it makes widespread use of sweatshop labour in south-east Asia and central America and, in the UK, it was recently fined nearly £1 million for anti-trade union activities. Is that not shocking, and is that not the reason why the Bill should proceed and be strengthened in the process?

Susan Kramer: The hon. Gentleman has read the same report by War on Want as me. We have a great deal of evidence of the inconsistency between what companies say and the reality on the ground. If clause 399 strengthened the business review so that it became an OFR it would achieve a climate of transparency.

It is inconsistent to exclude from most of clause 399 unquoted companies. In the Democratic Republic of the Congo, many companies reported by the UN were unquoted, so we cannot work on the assumption that transparency is required only for listed companies. I accept that we cannot include small companies, but it would be appropriate for some medium-sized companies to report on such issues. Recently, *The Times* reported that companies that follow good practices often believe that they are isolated and unsupported by Government. I shall not try to quote from that lengthy article but, companies frequently express frustration that there is not a level playing field on ethical practice. A company may decide to pursue good environmental, social and community practice, but it is frustrated that its competitors do not do so. Here we are discussing a tool which creates that level playing field. If there is anything that is ultimately good business, it is the creation of a level playing field so that competition exists on fair terms, not on unacceptable terms.

There has been a general assumption that the reason why the OFR was abandoned in favour of the much lighter touch—the much paler business review—is that widespread objections were raised by the corporate UK. I find that contradicted by the experiences and conversations that I have had. I was a member of the Treasury Committee last December when we took evidence from a number of people on the impact of OFRs and their views on the abandonment of OFRs. I shall quote some of those.

F&C, one of Britain's biggest fund managers, said that it was disappointed that the OFR had been swept away. Anita Skipper, head of governance at Morley, which invests £148 billion on behalf of Norwich Union policyholders, said:

"We were surprised and disappointed. The OFR would have given companies the opportunity to educate, explain and persuade."

[Susan Kramer]

The head of the Chartered Institute of Management Accountants said:

"We think this is fundamentally a bad decision."

There is quote after quote from relevant bodies.

I had the opportunity to take evidence from Mr. John Whiting of PricewaterhouseCoopers. One might say that, as an accountant, he has an interest in a reporting standard or OFR, but he is a gentleman to whom hon. Members in all parts of the House have turned for good advice over the years. When I asked him what he thought of OFRs, he said:

"I think in general we saw the Operating and Financial Review as a good way forward. It promoted more openness, there were more general statements about what was going on and we supported it. It seemed to be a way forward in terms of just generally encouraging more openness and more transparency."

When I asked him:

"Much benefit from scrapping it?",

his answer was:

"I do not immediately see it. I think one could think of other things that people would rather see scrapped."

Was it not simply a case of sod's law? The Chancellor wanted to do something to improve his credentials as a pro-business, anti-regulation Chancellor, and he snatched the one piece of regulation which, on the whole, business supported and the non-business community supported, for which the costs had already been sunk because of the work done by the accounting community and most major companies to put in place reporting mechanisms and procedures, and for which the additional cost would not be high because it was moving companies in the direction in which they already felt they ought to be going.

In conclusion, there is an old adage in which I strongly believe: what you measure, you manage. The operating and financial review gave an assured, properly audited standard-based mechanism for displaying environmental, social and community impacts in narrative form rather than in financial ratio terms, but accurate, recognisable and measurable in its narrative. It would have led to management of those aspects. By adopting a light touch in the form of business review, we have abandoned it. I hope the Government will take the opportunity of the remaining stages of the Bill to go back to their initial sound concept.

18.33 pm

James Brokenshire (Hornchurch) (Con): I am grateful for the opportunity to take part in the debate. I should say at the outset that I have a particular interest in proceedings in the Chamber today, inasmuch as I am a non-practising solicitor. Before entering the House, I practised in the area of company law for 14 years as a company solicitor, so I retain an interest in the development of corporate law, even though I am no longer practising in that field.

I welcome the Bill and the opportunity for us to overhaul, take stock of and examine current company law and the way it can be improved. There has been a lot of change since 1985 in how businesses conduct themselves, and how regulation and technology has moved on. It is therefore right for us to look at the operation of current practice and the manner in which businesses are conducting themselves, as well as how we can try to regulate them and make life easier in some respects, while using the opportunity to review the parts of the legislative framework that require it.

We have heard about the Bill's long gestation period. It is astonishing that all this kicked off eight years ago. I welcome the opportunity to have a full consultation period so that stakeholders can express their views on how company law should be updated and revised. However, it is remarkable that we should be discussing at this late stage, when the Bill has already passed through another place, the introduction of several hundred new clauses, albeit by way of restatement of the Companies Act 1985—although we will need to look at the detail to see whether there are any further modifications.

It is surprising that the concept of codification did not arise at a much earlier stage. As a practitioner, I could have told the Minister that it is important to try to keep the law in one place—for the ease not only of practitioners but, most importantly, of companies. Directors and officers should be able to point to one particular Act and know with a degree of assurance that most companies legislation will be in that place. I welcome the news that there will be greater codification so that the parts of the 1985 Act that were not in the Bill will be pushed across into the new legislation. I hope that we will have a full and proper opportunity to review the impact of those changes and to ensure that there are no fundamental implications in making such a substantial change to the Bill at this late stage.

It has been difficult to keep track of the Bill's progress through the other place, where it has changed dramatically and radically. I would like to put on record my tribute to their lordships for the work that they have done to improve it through their 1,600 amendments tabled in Committee and on Report. It is recognised that a fair amount of work remains to be done. That is no criticism of their lordships, who have done a tremendous job in trying to knock the Bill into shape. However, as this lively debate has shown, various issues require greater scrutiny and amendment to ensure that we end up with a Bill that, in the words of the Secretary of State, is clear and understandable and has no great scope for litigation. I could not agree more, but we are not quite there yet. There will be detailed scrutiny in Committee, and rightly so.

However, the Bill has many positive aspects. I will not mourn the loss of companies having an authorised share capital. We can happily consign to legal history the arcane debate about how much of a company's authorised share capital should exceed its issued share capital and what its various authorities for allotment should be. There is a new mechanism in place that will be fit for purpose. Similarly, scrapping specific rules such as the financial assistance regime for private companies, which was increasingly questioned, and the convoluted whitewash approval process that sat alongside it, will be no loss to the statute book.

Various other provisions, such as online filing, companies' ability to provide information electronically through websites and streamlining private company administration, are welcome. Most companies are small, so it is crucial that the burdens of bureaucracy

be light but effective when necessary. The Bill takes important steps towards achieving that result through, for example, providing that annual general meetings may no longer be required, and provisions on written resolutions and the execution of documents.

However, my hon. Friend the Member for Eddisbury (Mr. O'Brien) made a valid point about company secretaries. A company secretary is an effective corporate governance tool in ensuring that a company fulfils its responsibilities to its employees, creditors and shareholders in private companies that are not subject to the overarching wider scrutiny to which a public company is subject, especially when it is listed on a regulated market. I hope that we will have the opportunity in Committee to re-examine the role of and need for company secretaries in a private company environment, and to reflect on my hon Friend's comments.

Other issues deserve further scrutiny, including the new provisions to counter corporate terrorism. I welcome the amendments that were made in another place to tackle serious attacks on companies that operate in a legitimate and legal framework so that their operations are not undermined and their shareholders and staff are not intimidated and threatened. The issue needs further consideration to ascertain whether the provisions require strengthening and developing to ensure that they provide the proper protection that hon. Members of all parties rightly acknowledge is necessary so that companies can conduct their affairs properly and are not held to ransom by small groups of individuals intent on acting aggressively and sometimes violently.

We should note that several provisions have been consigned to the draftsmen's scrap heap, notably chapter 31. I am pleased that that has been removed, because it was a fundamental constitutional change that had no place in the Bill.

One improvement is giving those who hold shares through a nominee the ability to have specific rights, such as voting rights and the right to receive information. It is interesting that the Secretary of State acknowledged that that was a "valid and understandable concern" for shareholders or quasi-shareholders who hold their interest through personal equity plans, individual savings accounts and the nominee approach. Although some stakeholders and interest groups have expressed concern about the implications of that, I would be disappointed if the Government responded simply by restating the previous position. I hope that we have the opportunity in Committee to examine the matter further.

It is valid to acknowledge a position whereby people are essentially prima facie and de facto shareholders. There are some parallels with the uncertificated securities regulations. Increasing numbers of shareholders hold their shares in uncertificated form, which means surrendering a certificate and creating an interest in shares, although it is not termed in that way. Shareholders in those circumstances gain the same right as registered shareholders, who clutch share certificates in their hands. It is therefore right to empower and enfranchise individuals who hold their shares through PEPs, ISAs and other nominee holdings. I hope that we will have the opportunity to review that matter in detail, and to ensure that that basic right is entrenched.

We have spent some time on part 10, which deals with directors' fiduciary duties and with codification. The problem is that this part of the Bill is neither fish nor fowl. It is right and proper, and entirely understandable, that Members have expressed concern about the need to strengthen corporate social responsibility. The present drafting, however, is intended only to codify existing directors' duties, although I would argue that the Bill does not even do that. It is a mish-mash of a number of different provisions. It neither codifies nor seeks to extend the provisions to address issues of corporate social responsibility.

The Bill also fails officially to list certain other groups of people. For example, creditors of companies are noticeable by their absence from clause 158. There is also the question of the relationship between these provisions and other statute law. This will result in uncertainty, from which disputes could arise. I note that the Law Society maintains its view—notwithstanding the amendments that have been made in another place—that the clause will make a material change to the existing law. It states:

> "In our view, the introduction of a list of factors which the directors are obliged to consider makes it significantly more likely that the courts will intervene in matters previously left to the directors' judgement. We believe that this is likely to lead to wasted management time, and unnecessary expense, on the company's part."

That gives the lie to the Government's apparent contention that this measure involves only codification.

We have heard reference today to section 309 of the Companies Act 1985, and to a director's duty to have regard to the interests of employees. It is interesting that clause 158 of the Bill states that the primary responsibility of a director is to

> "promote the success of the company for the benefit of its members as a whole, and in doing so have regard"

to the various factors listed. Section 309 of the 1985 Act states:

> "The matters to which the directors of a company are to have regard in the performance of their functions include the interests of the company's employees in general, as well as the interests of its members."

The new provision therefore seems to water down the rights of employees, which were on an almost equal footing in the existing legislation, in so far as they have now been downgraded to a position behind the interests of the members. I am sure that we will have an interesting debate in Committee on the effectiveness of clause 158, and on its implications for directors and the costs that it is likely to expose. It certainly does not achieve its overarching aim of promoting greater corporate social responsibility. There are other ways of doing that, as has been said today.

Other provisions in the Bill also require further scrutiny. A valid concern has been expressed about companies seeking to protect their business name, and a new procedure has been proposed whereby if someone had misappropriated a name to which good will has been attached, a mechanism would exist to challenge that, rather than the injured party having to rely on intellectual property rights relief. That is a laudable aim, but the provisions in the Bill will not achieve the right result. They will not work speedily enough, and they could even have the opposite effect of allowing bigger companies to bully smaller companies in relation to the use of names. That is a real risk, and

[James Brokenshire]

we need to reconsider the mechanism by which company names adjudication will work.

There is also the issue of approvals for political donations. That aspect has been strengthened, but we need to examine the issue of piercing the corporate veil and reflect on the fact that if a director is a director of a holding company, which passes a resolution effectively sanctioning its subsidiary's approval of political donations, the director is deemed to have knowledge of all the actions of that subsidiary. That may be appropriate, as we have already heard this afternoon, where there are common directorships, but that is not often the case, particularly in large groups. We should reflect carefully on the impact of such provisions.

In conclusion, I welcome the opportunity that the Bill provides to update, modernise and streamline company law in this country for the best interests of the corporate sector, to promote good corporate governance and to promote this country as a place where companies can conduct business in an effective regulatory environment. We should continue to receive significant investment, jobs and opportunities as a key international financial centre. It is just a pity that it has taken us so long to get here, and that there is still such an awful lot of work to be done. I hope that we will be given the time and opportunity to carry out that work, so we should reflect on the programme motion and the time available for us to do properly the job that business, shareholders and employees rightly require to ensure that we have a companies Act that ultimately stands the test of time, and implements the aims that the whole House rightly wants achieved.

8.51 pm

Mr. David Jones (Clwyd, West) (Con): I am grateful for the opportunity to participate in the debate on such an important measure. The Bill is a huge piece of legislation, amounting to a wholesale reform of company law. Indeed, such is the extent of the reform that it is surprising, as my hon. Friend the Member for Hornchurch (James Brokenshire) pointed out, that it was not originally framed as a consolidating measure. It is good to see that it now is.

I shall confine my remarks to part 10, which deals with the duties of company directors, and particularly to the provisions in clause 158, which was described by the CBI as perhaps the most important clause in the whole Bill. The duties of directors are currently defined by common law and equity through developed case law precedent. Part 10's aim is to introduce a new statutory codification of the general duties owed by directors to their companies and shareholders.

It would appear from the explanatory notes and from the remarks of the Attorney-General in the other place that the aim of the codification is to make the law clearer and more accessible for the lay user, but it remains to be seen whether that aim will be realised. It is the job of the courts, of course, to carry out the function of interpreting the code set out in part 10 and no doubt they will do so. Over time, as interpretation succeeds interpretation, the code will become less clear to the lay reader, who will then need a lawyer to interpret it.

The Law Society, of which I am a member, takes the view that creating greater clarity for the lay reader would be better achieved by the publication of a non-statutory guide to directors' duties. I understand that the Government have already made it clear that they intend to publish non-statutory guidance on the statutory statement of directors' duties. That rather questions the value of statutory codification, if it is incapable of standing alone without such guidance.

The Law Society has also pointed out, quite properly, that the new code contained in part 10 will have an uncertain relationship with the existing common law in that it is unclear how far concepts that have been developed under the common law will continue to be relevant under a statutory regime that uses different terminology and introduces wholly new concepts. Common lawyers well understand what is meant by the expression "acting in the interests of the company". It is uncertain how acting to promote the success of the company for the benefit of its members as a whole will differ from acting in the interests of the company.

The explanatory notes to the Bill make it clear that the Government are seeking to promote the principle of enlightened shareholder value, or corporate social responsibility—an aim that is, no doubt, shared by hon. Members on both sides of the House. However, given that clause 158 sets out what is effectively a checklist—albeit non-exhaustive—of matters that are to be taken into account in establishing whether that principle has been achieved, one can only sympathise with the comments of the Association of British Insurers that codification is more likely to lead to a compliance-based approach to the exercise of directors' duties, rather than one based on the making of good faith judgments, which is more likely truly to promote the principle of enlightened shareholder value.

The ABI further points out that directors could feel obliged to take expensive and time-consuming legal advice, which may impair efficient decision making and add an extra layer of bureaucracy to the practice of company boards. The codification of directors' duties, therefore, may not achieve the Government's goal of greater transparency and accountability, but instead create new uncertainties, greater administrative burdens and a tick-box approach to the discharge of directors' duties.

The Attorney-General reiterated in the debate in Grand Committee in another place that the Government's aim is to make the general duties of directors clearer and to make the law more accessible. He commented that the traditional formulation of directors' duties as being the obligation to act in the interests of the company did not achieve that aim, but it is hard to understand how greater clarity will be introduced by the Bill's formulation.

A major concern must be that part 10 will apply, of course, not only to the directors of large multinational companies but to small family undertakings. The duties set out in clause 158 are in no sense reduced in the case of a corner-shop company. It might be said that that is as it should be, but in truth, smaller companies simply cannot afford the compliance-based approach that appears to be envisaged in clause 158.

Clause 158 will require a company director to act subjectively in good faith, but whether he has done so

will be judged objectively against the test set out in clause 158(1). The additional pressures that that will place on directors, particularly those of small companies, is predictable. There will be longer board meetings and audit trails of compliance. The CBI points out:

"The list of stakeholder interests to have regard to in Clause 158 is much more diverse than the current requirement to have regard to the interests of employees. And, being more diverse, it is more difficult to demonstrate compliance, even though the interests of shareholders remain paramount. We therefore argue it should be more clearly stated on the face of the Bill that it is for the directors and the board to determine the manner and extent they have regard to stakeholder interests, according to their good faith business judgement."

I agree with the CBI's criticism of clause 158.

In conclusion, I have no doubt that the Government mean well, but if it is not amended, clause 158 may turn out to be a fertile source of future litigation. It will certainly impose greater pressure on often already hard-pressed directors, particularly those of smaller companies, without leading to the promotion of the principle of enlightened shareholder value. I believe that clause 158 is in dire need of amendment, and I look forward to its discussion in Committee.

8.59 pm

Justine Greening (Putney) (Con): I want to concentrate on parts 15 and 16.

Clause 399 deals with the business review. I think that the Government should be careful with subsection (2), which concerns the purpose of the review. We should bear in mind earlier attempts to legislate on directors' activities. In the Corporate Manslaughter Bill, for instance, directors' duties were very much part of the Government's original proposals, but that measure was ultimately not as successful as the Government, or indeed the House, would have wished. Revision of the Bill focused on corporate duties and corporate management. I suggest that at some point the Government should think carefully about the risk posed by clause 399(2); a similar situation could arise.

Anyone who has worked in business for any length of time will confirm that there is a distinction between directors' actions and the success of a business. There may be an indirect link. In the other place the link was described as fundamental, and of course that is true, but there is a temporal issue relating to when directors make decisions and when those decisions affect the success or otherwise of the company. I fear that some of the wording of clause 399 is so vague that directors will not be clear about how much detail they should give in the review, or about the time scale within which they should be prepared to give that detail.

I hope that the Minister will clarify another aspect of the review. Perhaps we shall be able to return to it in Committee. The performance of directors must be assessed very clearly. It could be said that a director had performed badly because he or she had not made decisions quickly enough to take advantage of certain business opportunities. That might not be flagged up in a business review, but it could arguably represent a bad case of poor director performance. We should consider whether the business review will focus on optimising directors' behaviour in terms of optimising the success of companies, or whether it will focus merely on whether the directors have performed adequately.

Members will know of many examples that have arisen over a number of years. Minimal investment in a well-known brand may lead to a catastrophic decline in sales, but that may not have been clear at the time when the directors in question were in charge of the company. There is an indirect link between directors' duties and actions and the success of their companies, and I am not sure that the business review will make that link clear enough. We must ensure that if there is a review, it delivers what we all want: a clear understanding of not just the directors' assessment of their own and the company's performance to date, but how they intend to build on that performance.

The clause is very judgmental. In an increasingly changing business environment, companies and directors face difficult decisions. They may have to choose, for instance, between an expansion strategy involving buying other companies and going on an acquisitive spending spree and a period of consolidation in which they can concentrate on core business activities. It may be very difficult for shareholders and company members to assess whether proposed decisions will prove to have been right in the long term. There will, of course, always be some uncertainty around the business review, but that is an example of where the intention of the measure as it is currently worded may not necessarily be fulfilled. I am sure that we will come back to that in Committee.

Often, the performance of directors is seen as clearly in how well the internal processes of the company are functioning as in the company's performance itself. If the company is in a market that is rapidly expanding and it was for various historical reasons an early entrant, it can apparently be incredibly successful, despite the directors. The directors may be taking decisions that add bureaucracy to the company. They may be imposing reporting requirements that are unnecessary and that subsequently hold the company back. However, at a time of an expanding market, those matters may not be focused on by either the shareholders or any potential investors who may be interested. It comes back to the temporal aspect.

Linking clause 399 to clause 158 could, because of the arguable weaknesses in clause 158, present some problems in law in assessing whether the business review delivered what was intended. There is the other adequacy test regarding clause 158. I presume that that would need to be considered before an assessment could be made of whether a business review had been adequate. I am sure that we shall discuss in Committee whether the Government intend to have that dual conditionality. I look forward to probing the matter in more detail.

I should have said at the beginning of my contribution that I am a member of the Institute of Chartered Accountants and spent some time auditing during my training, as many people who become members of that institute do as part of their qualification. I welcome the fact that the concept of the true and fair statement is now enshrined in clause 375 and the related clauses 378, 386 and 485. That is a step forward. As for the further major change to the audit profession in clause 525, we need to be careful that the way in which the Bill is phrased regarding liability limitation agreements will enable the Government to deliver the benefits that they seek to achieve. I am sure that many in business have

[Justine Greening]

concerns regarding that agreement and the potential for confusion that it may cause. Therefore, it is important that, as we refine the Bill, those risks and the need for balance are thoroughly addressed, particularly in Committee.

Obviously, any concept of proportionate liability would be new in the audit profession. We need to be careful to ensure not only that the audit profession receives the comfort that it is seeking to achieve through the clauses that the Government have now put into the Bill, but that, in doing so, small shareholders and other shareholders in the company being audited feel that the audit opinion expressed on the accounts following an audit that was underpinned by a liability limitation agreement is still valid. Therefore, we need to be careful that we do not undermine the purpose of an audit by having that agreement. I am sure that that is not the Government's intention and that the audit profession is seeking to have those agreements in place, so that it can perform high-quality audits that assure shareholders about the true and fair nature of accounts. However, we need to be very careful to ensure that the Bill delivers what is intended; otherwise, the unintended consequences could be profound. For example, shareholders might feel unable to have confidence in a report produced by an audit company that signed a limited liability agreement to accept a certain proportion of liability, without knowing in advance the circumstances in which that agreement might be called upon in deciding whether liability had been expressed in relation to potential problems with that company.

In Committee, I want the Government to think long and hard about clause 497—formerly clause 498—and the offence of "knowingly or recklessly" mis-auditing accounts. We need to couch this offence very carefully. In the other place, it was argued that a far better phrase would be "dishonestly or fraudulently". As someone who has worked in the accounting and auditing profession, I know that, in looking at the risk-based approach to auditing, it is often very difficult to draw a line between when to accept and not accept management explanations of anomalies in an audit and changes in the figures from one accounting period to the next. At times, such a task confers a significant judgment requirement on all levels of an audit company. Any audit that is signed off is the product of the judgment of a number of people who participated in the audit on behalf of the auditing company.

On reading through the relevant debates in the other place, my initial reaction was that the phrase "dishonestly or fraudulently" might better capture what the Government are seeking to achieve. That said, I look forward to debating this issue further, and doubtless we will return to it in Committee. It is important that we do so, because if we do not get it right, there is a danger that we will put off some of our brightest, most initiative-driven business people from entering the audit profession. We need to make sure that the law is structured in such a way as to encourage those who encounter an issue in an audit to raise it, rather than to sweep it under the carpet. I am sure that that is the intention behind clause 497, but we need to ensure that it delivers on that intention, and that it does not put off our best and brightest graduates from entering the audit profession in the long term. They may worry that if they make a judgment during an audit that subsequently proves wrong, they will be liable on behalf of their company. Nobody wants to be in that situation unnecessarily.

The Bill has gone through a number of iterations in reaching this stage, and all Members will agree that it has been improved immensely since the first draft. We Conservatives look forward to playing our role in ensuring that any remaining concerns that we may have on behalf of the business community, stakeholders and those worried about corporate social responsibility will be thoroughly debated and ironed out in Committee. I certainly look forward to playing my role in Committee in the coming weeks—if I am lucky enough to be selected, which I very much hope will happen.

9.14 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): I welcome the Minister to her new role. I look forward to working with her in Committee over the coming weeks—

Mr. Crispin Blunt (Reigate) (Con): Months.

Mr. Djanogly: Indeed.

It was also nice to hear the former Minister make a fine contribution to our debate. I also declare my interests as they appear in the Register of Members' Interests.

We have had an interesting debate, although it has focused on only some 20 of the 950 clauses in the Bill. I start by recognising that it is more than 20 years since the last major change to the company law framework. We are pleased, therefore, that after eight years of wide consultation, we now have the Bill. Consideration started in the other place, and I recognise that the 1,600 amendments considered to date have changed and improved the Bill dramatically. I join my hon. Friend the Member for Rutland and Melton (Mr. Duncan) in recognising the heroic efforts made in the other place by Lord Hodgson, Baroness Noakes, Lord Freeman and many others.

My hon. Friend the Member for Grantham and Stamford (Mr. Davies) gave a good summary of the criteria against which the Bill should be judged, focusing on the need to create a steady framework for companies. I agree with him that, for most of the Bill's 950 clauses, it nearly reaches that objective. We also agree that the language of the Bill has been significantly improved, compared with the Companies Act 1985, which it replaces. Furthermore, we welcome the fact that the focus of the Bill is now on the private company with any further requirements being subsequently set out for public companies, rather than the other way round as it is done at present. It is right to think small first, considering the relatively few public companies.

As my hon. Friend the Member for Hornchurch (James Brokenshire) pointed out in his wide-ranging and interesting speech, in which he demonstrated his technical expertise on the issue, we welcome the fact that the Government have listened to us and now propose to include in the Bill most of the existing Companies Act 1985, thus producing one single

consolidated Act. I have no doubt that that will be warmly received by business and advisers alike, but with some caution by Committee members who will have a Bill of some 1,300 clauses to consider—possibly the largest ever.

Given the huge expansion of the Bill, the Government's insistence on a programme motion is not welcome. The single day for Report, instead of the four provided in the Lords, seems unwise, considering the likely consultations that will need to be finalised over the summer.

The protection of directors and shareholders from violence and intimidation arising out of their involvement with companies is a key issue that the Conservative party has been asking the Government to address for several years. The disgusting behaviour shown towards my constituents at Huntingdon Life Sciences and the intimidation of the company's shareholders have long given me the belief that the Government have to do more, including changing the law. Through amendments in the other place, the Government have gone some way towards heeding our calls. However, it is an example of the knee-jerk nature of much of what the Government do that it took the intimidation of GlaxoSmithKline shareholders to kick them into action. Reactive law can often be the worst law, as we all know. As my hon. Friend explained, we shall use the Committee stage to prove the Government's proposals, to compare them with alternative suggestions and to tighten up their effectiveness where necessary.

Let no one be in any doubt that for the Conservative party this issue extends beyond animal testing to the need to protect the secure environment that is so vital for all our companies in all sectors of operation. In any age in which more than half of shares are owned by nominees, we have given much thought to the rights of owners of shares, as well as the obligations owed by institutions to their investors—all in the context of our support for extending shareholder democracy and encouraging active involvement in general meetings. Our aspiration and ideal is active membership from the bottom up, rather than Government regulation from the top down. In that context, we welcome the changes to the Bill made by our noble Friends in the other place to enable beneficial owners to opt into receiving company documents and votes. The hon. Member for Islington, South and Finsbury (Emily Thornberry) made a strong case for that, as did the hon. Member for Kingston and Surbiton (Mr. Davey).

That is a new concept, at least in this country. We have listened carefully to business representatives in recent days, and we accept that the details of the proposals made by our noble Friends will need some refining. We look forward to working with the Government on this matter, given that Ministers today seem at least to have accepted the concept. We also strongly support the proposal that institutions should publish how they have voted on their share investments, and we commend the half dozen or so institutions that now do so on a voluntary basis.

My hon. Friend the Member for Grantham and Stamford called for institutions to become active and to vote, and he was spot on. We found the Government's threat of compulsion to be cack-handed and over regulatory. That is why, in the other place, we removed the relevant clause from in the Bill. However, we agree that this is an important area, and one in which we would like to find a compromise with the Government. Accordingly, we intend to table amendments that would require institutions to publish whether, rather than how, they voted. We feel that that could be a good starting point for discussions aimed at encouraging shareholder activism in a way that is not heavy handed. We agree with the Liberal Democrats that we need to look very carefully at the mechanics of the issue.

With a Bill of this size, we must take account of the context. For the most part, its clauses are conceptually sound, and our work in Committee will be of a technical nature. However, significant elements of the Bill will complicate company law further, rather than make it more flexible. The review of accounting provisions is certainly timely, although I am not sure that I totally agree with the hon. Member for Great Grimsby (Mr. Mitchell), who asserted that lower audit standards necessarily lead to looser business ethics.

The Minister will correct me if I am wrong, but as far as I am aware the Bill contains no provisions to reduce audit standards. My hon. Friend the Member for Putney (Justine Greening) gave us some expert and welcome input in that regard. She used her expertise to give us some very pertinent observations about the business review, and made some excellent remarks on the vital importance of companies' internal processes. She also spoke about auditors' liability limitation, and we look forward to further contributions from her in Committee.

Government new clause 22 is interesting. The Government like to talk about shareholder democracy, but the clause will allow company members to entrench provisions in their company's articles. As drafted, the Bill therefore runs contrary to the concept of shareholder democracy. For instance, company directors with enough shares will be able to entrench their right to have a—possibly large—salary.

It is interesting and somewhat bizarre to note that the Labour party in opposition liked to attack what it called "corporate fat cats". In government, it seems to want to introduce laws that will allow those people to entrench their right to get fatter. In Committee, we hope to address that matter and redress the balance in favour of shareholder votes.

We will also wish to reassess the role of the company secretary. My hon. Friend the Member for Eddisbury (Mr. O'Brien) made a very convincing case that proper recognition should be given to what is a very important officer role in a company. Company secretaries are especially important in larger companies, whether public or private. We also intend to look carefully in Committee at the proposed use of criminal sanctions by the takeover panel.

The question of directors' duties featured strongly in the debate. Clause 158 in part 10 of the Bill is intended to codify a limited number of existing common-law principles relating to the responsibilities of directors. That has led to vociferous and growing complaints from across the legal and business communities. As my hon. Friend the Member for Clwyd, West (Mr. Jones) skilfully demonstrated in an excellent contribution, historically judges have had the discretion to deal with

[Mr. Djanogly]

complicated issues relating to directors' duties on a case-by-case basis. That system has been adaptable and effective in dealing with cases that are often complicated and highly technical. A flexible system is at risk of being replaced by Labour with an inflexible tick-box one.

The Government's position has been inconsistent. They have said that there will be no change in the common law position yet they talk about introducing the concept of enlightened shareholder value. If nothing is to change, the Government need to explain what they mean by enlightened shareholder value. That will be a theme in Committee.

The Law Society doubts the level of anticipated savings for business from the Bill. On the contrary, it believes that the new provisions on directors' duties will result in new uncertainty, increased legal costs and additional bureaucracy. It seems clear to us that, while the Government protest that they are holding some kind of middle ground, as the Secretary of State suggested, and are not changing the common law position, in fact they are doing exactly that. Such a course can only lead to confusion where there should be clarity. We shall support the position of our noble Friends and the Law Society that a non-statutory guide to directors' duties is the way forward, not wishy-washy confusing platitudes that seek to show concern but will probably do little other than confuse.

A May *Financial Times* lead article entitled "A Missed Opportunity" said:

> "The stated aim was to make directors' duties clearer and more up-to-date. The reality is a confused list that mixes platitudes with necessary duties...the government's approach betrays an underlying mistrust of business."

We say that company law exists to provide a stable framework in which companies can operate. Part 10 of the Bill does not do that. It bases law on fashion, not reason. That is an issue that we will address in Committee.

A major concern of hon. Members in today's debate has been that the Bill should enable company law to become the arena for a number of interest groups to further their causes. Corporate social responsibility is now taken more or less seriously by all larger companies based in this country. There is general agreement, which we certainly share, that it is only good business for companies to do so. The Conservative party places high value on the issue. We strongly support action taken towards social responsibility by companies and we believe that companies, sometimes more than Government, can be a positive driver of environmental and social change.

The hon. Member for Richmond Park (Susan Kramer) made an important point when she said that the Government spent too little time recognising and encouraging good corporate social responsibility practice when they found it. That is not a lesson lost on the Conservative party. The question is whether the Bill is the place to advance CSR. That will be an important theme for the Committee.

Mr. Michael Wills (North Swindon) (Lab): I have been listening to the hon. Gentleman's case with great care. If he thinks that the Bill is not the place to enhance corporate social responsibility, where is the place?

Mr. Djanogly: I have just explained that I see the primary way of advancing CSR as being through companies voluntarily putting measures in place. However, there are other ways in which it should be encouraged. The hon. Member for Gower (Mr. Caton) mentioned the OECD. That is certainly an international context in which CSR should be advanced.

Mr. Duncan: The hon. Member for North Swindon (Mr. Wills) has only just come in.

Mr. Djanogly: Yes. If the hon. Member for North Swindon (Mr. Wills) had heard some of the debate, he might have been a bit wiser.

One of the problems that we have is that the amendments mean that burdens will be placed on company directors of all UK companies—the corner shop as much as the multinational. We shall argue that that will not just lead to uncertainty and the fear of litigation, but will set back the agenda of engagement in corporate social responsibility that our party supports. That point was made elegantly by the right hon. Member for Cardiff, South and Penarth (Alun Michael). The hon. Members for Richmond Park, for Kingston and Surbiton, for Portsmouth, North (Sarah McCarthy-Fry), for Caernarfon (Hywel Williams), for Gower, for Great Grimsby, and for Islington, South and Finsbury, and my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), in their own ways and often elegantly, made their cases for more regulation on business and mandatory reporting in the name of corporate social responsibility—many different forms of corporate social responsibility, I hasten to add.

Although some of the causes that were mentioned were certainly appealing, the recipe for dealing with those issues was much less so. I appreciate that this is a significant and important area and I foresee that we will spend some time on it in Committee. Let me just give hon. Members one example now. Most of the campaigns involving international development or environmental issues will probably involve large multinational companies and most of those companies will probably be foreign. Some hon. Members may have overlooked the fact that the Bill applies only to UK companies. Quite apart from the merits of the campaigns involved, is this the place to deal with those issues? We will suggest that it is not.

Mr. Gummer: I have great sympathy with what my hon. Friend is saying, but surely the situation is rather different. It would be possible for us to produce a mix of sensible legislation that would not be overburdening, but which would show quite clearly that we were taking the lead. This country ought to take the lead. The idea that we are not doing that because other countries will not do it is surely not suitable. Climate change and its environmental results are too urgent for us not to take the lead. I hope that he will find ways in which we can do that.

Mr. Djanogly: I totally agree with my right hon. Friend. This country should take the lead. He explained earlier how the Government are not taking

the lead in the way that they should be. I thought that he made an excellent contribution. It is important to point out that companies in this country are leading the world on corporate social responsibility. As we discussed earlier, the Government are not paying enough attention to the good that exists. Encouraging that good has not been a priority in the way that it should be or that it would be under a Conservative Government.

Mr. Davey: Will the hon. Gentleman make it clear to the House whether, tonight, Conservative Front-Bench Members are in favour of operating and financial reviews being put into the Bill—as they were—or not?

Mr. Djanogly: I will—*[Interruption.]* The question is quite simple. Essentially, we feel that, following the huge mess and the total shambles of what the Government created in relation to the OFR—as the hon. Gentleman explained in his speech and as my right hon. Friend the Member for Suffolk, Coastal also explained very well in his speech—when it comes to the question of the business review, although the Government stumbled into it blindly, we would say that what is now in the Bill is roughly in the right position, subject to review in Committee.

Mr. Davey: I think that that was clear. My interpretation of what the hon. Gentleman has said is that he is no longer in favour of the OFR as it was originally put in the Bill and is happy with the Government's compromise. Is that his position?

Mr. Djanogly: The hon. Gentleman starts from the wrong point—*[Laughter.]* He does. As my hon. Friend the Member for Eddisbury pointed out, the stance of the Conservative party was against the OFR from day one. The premise of the comments of the hon. Member for Kingston and Surbiton is thus wrong.

Mr. Davey *rose—*

Mr. Djanogly: The hon. Gentleman has made his point, but I will give way one more time.

Mr. Davey: I thought it was important that the hon. Gentleman allowed me to intervene one more time, because on 16 March, in the Eleventh Standing Committee on Delegated Legislation, which considered the Government's measure to repeal the OFR, he voted with the Liberal Democrats to try to oppose the repeal. Has his position shifted since 16 March?

Mr. Djanogly: The hon. Gentleman totally misconstrues what Conservative Members did in that Committee. As the record will show, we were voting against the total mess of a process produced by the Government on the OFR—and he knows it. He got it wrong from the start and in the middle, and now he has got it wrong again at the end. We will proceed from the position of what is right for British business.

When the proposed directors' duties provisions are added to the provisions on derivative claims and the new business review reporting arrangements, all of which, admittedly, were improved in the Lords Committee, we must still listen to those who say that the Bill could increase the possible liabilities for company directors. We will wish to review the matter in Committee.

There is a growing fear in the business community and among Conservative Members that if the regulatory environment is made too harsh and the fear of litigation becomes too great, the best people will not wish to be company directors in the UK and many of our companies will repatriate or re-list overseas. The stakes are high, and we will keep that in mind throughout the passage of the Bill.

9.37 pm

The Minister for Industry and the Regions (Margaret Hodge): As other hon. Members have done, I remind the House that I have a registrable shareholding that is set out in the Register of Members' Interests.

We have had a good-hearted debate, even in the past few minutes. The Bill is highly significant and I am grateful to all who spoke. We all recognise that company law is an important building block that helps us to sustain and strengthen our growth and prosperity. The world is an increasingly open place in which to do business and the business world itself is changing with the advent of new technologies and working practices. In that context, a flexible and modern system of company law that is accessible to all sizes of business is crucial to the UK's success. Many hon. Members on both sides of the House have recognised that that is what the Bill provides.

Historically, company law has been a UK strength. We were one of the first countries to put in place a legal framework to regulate the organisation and management of companies. That framework has generally stood the test of time well and has been recognised as a model for other countries throughout the world. However, over time, law with such historical roots can become out of date.

In the 1990s, a consensus emerged that our system of company law needed improvement. The Government thus established the company law review to provide an expert and independent analysis of the areas in which the law needed updating and to come up with recommendations for change. In very large part, the Bill follows the route map that the review provided.

The company law review established the principle that policy in this area is best determined through as inclusive a process as possible. Again, many hon. Members have acknowledged the inclusive nature of the policy. We have attempted to follow that principle when possible, and the final provisions of the Bill reflect a thorough process of consultation. As others have said, the process has been a model of the sort of way in which we should legislate. That is one reason why, whatever differences remain on specific proposals, the Bill has such large support, not only in the House but from business organisations and other stakeholders with an interest in company law. The Bill is rightly seen as a landmark that will bring real improvements to the way in which companies operate in the UK.

I shall say a few "thank-yous". I pay tribute to the members of the company law review steering group and to all its working parties, and to all those who contributed to the review's work. I am grateful to the many businesses

[Margaret Hodge]

and other organisations and individuals who contributed through formal or informal consultation. I pay particular tribute to my predecessor, my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael), for all his efforts, which I am picking up quickly in bringing this major piece of legislation to this stage in its consideration.

I mention also the extensive scrutiny that the Bill has received in another place. Unlike Opposition Members, I acknowledge Members on both sides of the House of Lords who participated in consideration of this measure in that place. As for Government peers, Lord Sainsbury of Turville did an excellent job, supported by Lord Goldsmith and Lord MacKenzie of Luton. Conservative Members failed to mention the contribution of Labour peers, but I acknowledge the contributions of Lord Hodgson of Astley Abbotts, Lord Freeman and Baroness Noakes, and for the Liberal Democrats, Lord Razzall and Lord Sharman. I think we all agree that there have been contributions that have improved the Bill.

In developing the Bill, we have followed a consistent set of principles. We want to ensure that the new law is as clear as possible, that it is as simple as possible, that it is modern and fit for today's business purposes and that it does the maximum possible to get rid of any unnecessary burdens of regulation. I think that the Bill achieves those aims. The comments from stakeholders suggest that the Bill is already set out in ways that will make it much more simple for its users than previous legislation—particularly businesses—to understand the provisions that apply to them. I expect the measure to be further enhanced after we have had many hours of consideration in Committee of this very large Bill.

Some specific areas of the Bill have been raised during the debate. I shall go through as many of those as time allows. The principal area, on which most of the debate has concentrated, has been directors' duties and clause 158, associated with clause 399. Those matters were raised by Opposition spokespersons and in an excellent exposé of the concept of enlightened shareholder value by my right hon. Friend the Member for Cardiff, South and Penarth. They were mentioned in a good contribution by my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry), who, together with my hon. Friends the Members for Gower (Mr. Caton) and for South Swindon (Anne Snelgrove) asked us to beef up the provisions. The issue was raised in an interesting way by Opposition Members, who appeared to disagree with one another.

The hon. Member for Grantham and Stamford (Mr. Davies) fundamentally disagreed with the hon. Member for Rutland and Melton (Mr. Duncan), who was not in his place to hear the contribution of his hon. Friend. The hon. Member for Grantham and Stamford wanted the certainty that his hon. Friend does not want. The hon. Member for Clwyd, West (Mr. Jones) disagreed with the right hon. Member for Suffolk, Coastal (Mr. Gummer), who thought that the approach was too timid. The hon. Member for Richmond Park (Susan Kramer) asked that we strengthen the business review.

Enlightened shareholder value is a radical aspect of the Bill. In the past, we always believed that community aspirations and business success were seen as competing objectives. At the heart of the Bill—it is what it is all about—is our belief that that is wrong. Business success in the interests of its members and community aspirations, whether they be aspirations for employees, suppliers, the community, the environment or sustainable development, are interlinked ambitions, not competing objectives. We want business to prosper, and business will do that best when it acts in an enlightened way, recognising the part that it plays in strengthening and sustaining our communities. That is why we have developed the proposed legislation, which is based on the concept of enlightened shareholder value.

Long-term prosperity for a business is about recognising the role that business plays at the centre of a community, rather than in conflict with community objectives. The legislation allows us to bring the behaviour of all businesses up to the best standard. Good businesses recognise the importance of good regulation and they want a clear, well-defined level playing field so that they are not at a commercial disadvantage if they do the right thing.

The hon. Member for Rutland and Melton discussed inflexibility and confusion. He has got it wrong: a clear set of directors' duties is incorporated in clause 158, but we have also provided the necessary flexibility so that companies can respond to a fast-changing environment. The list is not exhaustive, and we do not pretend that it is. He said that he wished to add 165 criteria—I hope that that is right—to the list. The hon. Member for Huntingdon (Mr. Djanogly), on the other hand, was worried about our having any criteria, although he was happy to reinstate section 309 from the Companies Act 1985. Our discussion of clause 158 and associated clauses showed that Opposition spokesmen are reluctant to change as the Leader of the Opposition wishes. Anyone can talk the talk, as the Leader of the Opposition does, but government is about walking the walk. That is the toughest lesson that the Notting Hill set must learn if it is ever to consider a role in government.

Mr. Gummer: Does the right hon. Lady accept that a Government who ditched the OFR, who produced a Bill without the OFR, who make cheap remarks about the Opposition while failing to introduce a policy that they said was at the heart of their programme, cannot possibly pretend that they are on the side of the environment?

Margaret Hodge: I hope that the right hon. Gentleman whose party, as we have seen in tonight's debate, voted against the OFR, will help us to consider the components of the business review so that we can meet the objectives of enhanced shareholder value.

Some people, including the right hon. Gentleman, believe that we should have adopted a more pluralist approach instead of one based on enlightened shareholder value. We all share the goals of marrying commercial prosperity with long-term sustainability. The real debate on the Bill concerns how we can best achieve those goals. The provisions on directors' duties, together with the provisions on narrative reporting, will give a huge boost to our corporate social responsibility agenda. If we went further, we would damage our success in attracting companies to incorporate in

Britain, along with the economic growth and jobs that that brings. In a global economic environment with global markets, companies can choose where they wish to incorporate their business, so company law must focus on its core purpose to create the right environment for business success.

Company directors require clarity about their duties. While we accept that long-term business success partly depends on employee interests, communities and the environment, we must accept, too, that company law is not the best vehicle to address wider social and environmental objectives. We can address those objectives, as some Government Members have said, through domestic legislation, health and safety measures and environmental protection, on which we have made progress. We can drive our agenda forward through the EU. Organisation for Economic Co-operation and Development guidelines for multinational companies, the extractive industry transparency initiative, which the Prime Minister launched in 2002, the partnerships that have developed on natural habitat loss, and the round table on sustainable palm oil are all examples of initiatives that ensure sustainable best practice in the global environment. Finally, we should remember that, as consumers, we all have power to change cultures. Laws are not always the best way for us to achieve cultural change.

My hon. Friend the Member for South Swindon asked whether we would strengthen our commitment to corporate social responsibility. Guidance will be developed on the quality and coverage of the business review and all UK companies will be accountable in that they will have to fulfil their duties under both clauses. They will therefore have to report clearly on how the action that they have taken impacts on issues such as the environment. If they fail to include that in their report, they will have to explain why.

Colin Challen (Morley and Rothwell) (Lab): If the round table on sustainable palm oil does not succeed in its objectives—I hope that it does—should they not be put on a statutory footing so that sanctions will be available to the Government to ensure that standards are maintained?

Margaret Hodge: I reiterate what I said a little earlier: I do not think that that is an issue for the Bill.

I shall deal quickly with other issues that were raised. The hon. Member for Eddisbury (Mr. O'Brien) made an impassioned defence of the role of the company secretary. I think that he recognises that we are not scrapping that role for small and medium-sized businesses. We are making it a voluntary facility, rather than an essential requirement. If he remembers that 96 per cent. of SMEs have five or fewer members of staff, I hope that he will accept that, in that context, this is a sensible deregulatory measure. The issues that he raises in relation to authorised signatories are valid, and I hope we can discuss them further in Committee.

Mr. Stephen O'Brien: When the right hon. Lady considers the matter again, I hope that she will not skate over it. If a company secretary is an optional appointment, there must be an empowerment of that role, which comes from statutory enshrinement, not by making it another job title.

Margaret Hodge: That is one of the aspects that we will consider when we examine the Bill clause by clause in Committee.

I look forward to the participation of the hon. Member for Caernarfon (Hywel Williams) in Committee so that he may develop a better understanding of the provisions of the Bill with respect to the business review and other topics. The hon. Member for Grantham and Stamford raised the issue of derivative claims and the possibility that pressure groups will bring actions and open the floodgates to vexatious litigation. My right hon. Friend the Secretary of State dealt with that, and I shall add two comments. Even if the action is successful, the damages will be paid not to the individual, but to the company. The Bill also provides that the court may make any consequential order that it considers appropriate, so that pressure groups that make claims that are not intended to promote the success of the company, which is the core function, could find that they have to pay heavy costs.

We had an extensive discussion of animal rights, which I know is of particular concern to the hon. Member for Huntingdon. The measure is not a knee-jerk reaction to a particular instance. Perhaps he missed the Serious Organised Crime and Police Act 2005, which was entirely—

Mr. Djanogly: I served on the Committee that considered that Bill.

Margaret Hodge: If the hon. Gentleman served on the Committee, he did not understand the Bill. It would deal with the cases exemplified by the attempted harassment of GlaxoSmithKline shareholders. We believe that we have got the balance right.

The hon. Member for Kingston and Surbiton (Mr. Davey) suggested that there might be occasions where no names need to be revealed. There is a clause that enables companies to go to court and seek exemption from including the names of shareholders, but that is a matter that we can discuss further.

I want to deal briefly with consolidation, which was mentioned by several hon. Members. Clearly, we want to move forward in a consensual manner. We have said that we will not bring into the consolidation provisions anything that goes wider than companies, such as investigations, regulation of auditors, or self-contained provisions on community interest companies. We have also said that we will take power in relation to capital maintenance and charges. The purpose of the consolidation is simply to make the Bill, when enacted, more comprehensive—it is not in any way about substantive change. I understand that hon. Members will want to debate these issues, and we will consider further how we can ensure proper consideration.

The only other issue that I wanted to deal with was that of auditors' offences, which was raised by the hon. Member for Putney (Justine Greening) from her own experience. She will accept that the introduction of the new offence is balanced with the introduction of new clauses that will limit liabilities for auditors. No doubt we will have an interesting discussion about recklessness and carelessness in Committee, but we believe that recklessness is a high hurdle that would have to be overcome were a prosecution to be successful.

This is a large Bill—

Mr. Duncan: The biggest ever.

Margaret Hodge: Indeed. It is also an important Bill that comes to us after a long process of thought and reflection on how to achieve a modern framework for company law that is clear, accessible and flexible. It has benefited from the inclusive process, drawing on input from all stakeholders and interested parties. After tonight's Second Reading, we will have ample opportunity in Committee to consider its clauses in detail.

The Bill has the broad objective of ensuring better regulation. That means appropriate regulation with a focus on the needs of small businesses as well as large quoted companies, appropriate deregulation with savings to businesses both large and small, the encouragement of a long-term investment culture, and stronger shareholder engagement and involvement where shareholders seek such engagement. All those objectives feature in the Bill, which we believe will strengthen and promote Britain's position as the best country in which to establish and to run a business. For that reason, I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

COMPANY LAW REFORM BILL *[LORDS]* (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6),

That the following provisions shall apply to the Company Law Reform Bill *[Lords]*:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 13th July 2006.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—*[Mr. Cawsey.]*

The House divided: Ayes 271, Noes 113.

Division No. 256] **[9.58 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Butler, Ms Dawn
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Fiello, Mr. Robert
Flint, Caroline
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Goggins, Paul
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hanson, Mr. David
Harman, rh Ms Harriet
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Malleber, Judy
Mann, John

Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morgan, Julie
Morley, Mr. Elliot
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pope, Mr. Greg
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan

Salter, Martin
Sarwar, Mr. Mohammad
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vis, Dr. Rudi
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Mrs. Betty
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woodward, Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Steve McCabe and Liz Blackman

NOES

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Baron, Mr. John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brokenshire, James
Brooke, Annette
Bruce, Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Conway, Derek
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davies, Mr. Quentin
Djanogly, Mr. Jonathan
Duncan, Mr. Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Farron, Tim
Field, Mr. Mark
Francois, Mr. Mark
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodwill, Mr. Robert
Grayling, Chris
Greening, Justine
Gummer, rh Mr. John
Harvey, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Horwood, Martin
Howarth, David
Howarth, Mr. Gerald
Huhne, Chris
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
O'Brien, Mr. Stephen
Ottaway, Richard
Paterson, Mr. Owen
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Rennie, Willie
Robertson, Hugh
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Stanley, rh Sir John
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Sammy
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. David Evennett and Andrew Selous

Question accordingly agreed to.

COMPANY LAW REFORM BILL *[LORDS]* *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills).

That, for the purposes of any Act resulting from the Company Law Reform Bill [*Lords*], it is expedient to authorise—

(1) the payment out of money provided by Parliament of any sums required by a Government department for defraying expenses incurred under or in consequence of the Act, and

(2) the payment out of the Consolidated Fund of any increase attributable to the Act in the sums so payable under any other enactment.—*[Huw Irranca-Davies.]*

Question agreed to.

COMPANY LAW REFORM BILL *[LORDS]* *[WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Company Law Reform Bill [*Lords*], it is expedient to authorise—

(1) fees or charges,

(2) a levy for meeting expenses of the Panel on Takeovers and Mergers,

(3) the amendment of section 17 of the Companies (Audit, Investigations and

Community Enterprise) Act 2004, and

(4) the payment of sums into the Consolidated Fund.—*[Huw Irranca-Davies.]*

Question agreed to.

PETITION

Cross Valley Development

10.15 pm

Mr. Brian Binley (Northampton, South) (Con): My petition was organised by Mr. Michael Green and Mr. Nigel Williams of Kislingbury, and is signed by residents of Kislingbury, Rothersthorpe, Harpole and other parts of Northamptonshire. It declares

that the Environment Agency has no authority to base flood risk advice for the CVLR

—the Cross Valley link road—

and development on the Easter 1998 floodplain, given it is a lower assessment than the 1947 floodplain consideration and subsequent assessments in 1978 and 1999. The Petitioners, therefore, request that the House of Commons call upon the Environment, Food and Rural Affairs Select Committee to investigate why the Environment Agency has changed its advice without the authority to do so.

To lie upon the Table.

Anonymity of Defendants (Michael McCartney)

Motion made, and Question proposed, That this House do now adjourn.—*[Huw Irranca-Davies.]*

10.17 pm

Ben Chapman (Wirral, South) (Lab): I am delighted to have secured this debate on anonymity for defendants and the case of Mike McCartney. Mike McCartney is a well-known and respected member of the Merseyside community, and far beyond. He is the cultural ambassador for Wirral and a successful photographer, and in the 1960s was a member of the group Scaffold.

As its title suggests, I wanted to secure this debate both because of the individual circumstances and because of an important principle that I believe needs to be examined. I shall deal first with the specifics of Mr. McCartney's case, and secondly with the more general issue of anonymity under the law.

In September 2004, the allegation was made against Mr. McCartney that he had sexually assaulted a young girl at a family party near his home in Wirral. The actual charge was "sexual touching". Since then, until the case was thrown out of court in February this year, Mr. McCartney's life has been what he has described as a "living hell". Because he is the brother of Sir Paul, the media coverage was blanket and hysterical. The *News of the World*, for example, ran a story headed "Macca's Brother Sex Rap". The *Daily Mail* headline was "I'm famous...don't you know who I am?", and a comment piece associated his name with other alleged celebrity tantrums. The rest of the national and regional press then devoted extensive column inches to the story, and included all the salacious details of the allegations.

Needless to say, that had a devastating impact on Mr McCartney's family. He received hate mail, he did not dare to go to the shops and his children were taunted. But the trial, when it was eventually brought after a delay of nearly 18 months, was a waste of time and money. The judge said as much. He also said:

"This case was a misunderstanding from the word go, and should never have been prosecuted".

He said that the defendant,

"a man of exemplary character, has had the matter hanging over his head",

He said that the case had been passed on because no one wanted to come to grips with it and wanted to put it off, and added:

"It is quite inexcusable and makes a mockery of legal proceedings and...is a waste of valuable court time".

The trial is "guestimated" to have cost more than £200,000 of public money, the full amount—unusually, I understand—being charged to the Crown Prosecution Service. That means that it was charged to the taxpayer—to you and me. There are clearly questions about why the case was thought to be a runner. As the judge made clear, it failed not because of a technicality or discrepancies in the evidence, but because there was no case to answer. Given that the CPS has, in my view, made mistakes, might not its handling of the case be investigated?

The judge said that the delay of almost 18 months occurred because the case was known to be weak and no one desired to take it on. Therefore, it was passed between Cheshire, Merseyside and Manchester. Rightly, the judge dismissed that as "lame". As he pointed out, with such charges hanging over the defendant, the delays were simply unacceptable. To add insult to injury—and, it appears, possibly to extricate themselves from the tricky situation they found themselves in—the prosecuting counsel informed the judge on the morning of the trial that they would be willing to drop the case were an apology from Mr. McCartney to be forthcoming. However, as the judge admonished,

"this is an offence that carries a maximum 10 years imprisonment. It is not a matter to be treated lightly, it is not a matter to be negotiated away."

I now turn, after those details of the particular circumstances, to the generality of the anonymity principle, to which the Government and Parliament as the law makers could and should make a fundamental difference. As I hope I have amply demonstrated, Mr. McCartney's name has been dragged through the mud, and the problem with mud is that it has a tendency to stick. The acquittal received far less attention than the charges, despite the judge's hopes to the contrary. Not surprisingly perhaps, the impression made by much of the coverage is, and was, that there was no smoke without fire. People quite naturally would often rather be on the safe side than associate themselves with someone who had been accused of sexual offences. It is the residual doubt and the taint that matter. We are not, unfortunately, left with a blank canvas, but with a damaged individual and family.

This is not, of course, a new issue, nor is it a simple one. I should say at the outset that it is right that complainants should enjoy anonymity. What Mr. McCartney is asking for—in my view with a substantial degree of justification—is some equality. We may be in a slightly better position now than a few years ago. I pay tribute to my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) for her tireless efforts on behalf of teachers and carers falsely accused of sexual abuse. Indeed, a number of organisations are campaigning for the interests of the falsely accused—Falsely Accused Carers and Teachers, or FACT, Supporting All Falsely Accused with Reference Information, or SAFARI, and the False Allegations Support Organisation, to name but three. They campaign across a diverse range of issues within that broad area, including anonymity, although some of their aims in that respect differ.

The Association of Chief Police Officers guidance now states that details of an allegation should not be released by the media until a defendant is charged. By and large, the guidance has been followed, although I cannot see why it should not be strengthened. However, because it applies only until charge, it was as good as useless in the case of Mr. McCartney. Indeed, once the charge was made, it was open season as far as the media were concerned. That is perhaps understandable, if not excusable.

One is loth to get into the business of censorship, although that is what anonymity for the victim may be said to be. To the best of my knowledge, Mr. McCartney has had no redress through the Press Complaints Commission for what happened. Perhaps

[Ben Chapman]

some guidance on the style of reporting is not appropriate, but we can certainly encourage greater press responsibility.

The last detailed examination of the issue was by the Home Affairs Committee in 2003. Its nuanced conclusions were that, with numerous arguments on either side, for and against, the balance rested with anonymity for the accused prior to but not after charge. I believe that, on the basis of the experience of Mr. McCartney and others like him, we need to reconsider that. Surely it cannot be right that an innocent man can be subjected to such treatment and we do nothing about it. The Government have made it clear in parliamentary answers that they consider that the principle of open justice is right and should continue to underpin the British system of jurisprudence.

By and large, I agree. Any deviation from this principle would to some extent be undesirable, were it not for the special considerations applying in sex offence cases. The rationale for the introduction of anonymity for complainants, as recommended by the Heilbron committee in 1976, was that special consideration should be given to complainants because of the public humiliation that occurred when they were named. That would obviously act as a deterrent to bringing proceedings, but the humiliation for complainants is not too dissimilar from that which the accused face. Is it not the case that defendants in sexual assault cases deserve at least some protection from the media? That may be particularly so with celebrities, who are especially vulnerable in these circumstances to press coverage and sensationalism.

Of course, the counter-argument is, where does one draw the line? If a person has his or her reputation ruined by scurrilous accusations of, for example, dishonesty, and they are plastered all over the press, why should they not benefit from the chance to clear their name behind closed doors, instead of having "trial by media"? The answer lies in the special nature of sex offences. It is possible to argue, from the same starting point as the Heilbron committee, that the special circumstances that justify, in part, anonymity for complainants should apply equally to the accused. Some would say that we cannot legislate against the media's obsessive coverage of anything to do with sex. That may be so, but we need to look at whether the scales of justice are correctly balanced. Here, we may draw a comparison with Sweden, where anonymity plays a much greater part in the justice system.

It can, I think, be argued that sex cases are different, for a number of reasons. First, they are usually dependent on the word of the accuser rather than that of the accused, and often involve an incident that, by definition, is private. Secondly, there is a large body of evidence, and history, of false accusations in such cases. Thirdly, they are not necessarily like robbery or fraud, for example, where there is hard evidence of an offence that is demonstrably provable one way or the other. Fourthly, they are particularly damaging to character and susceptible to newspaper hysteria.

Government responses to the various questions that I tabled by and large suggest no change to the current situation, but it simply cannot be right or fair that a loving father and devoted husband, his wife of 24 years, Rowena, and his family should go through all this. Mr. McCartney was going out as an innocent man to an innocent event, but at the conclusion of that evening he was put through hell in a case that is without substance. That could happen to any of us in similar circumstances.

Talking of anonymity for the accused may well lend itself to much theoretical argument on causes and effects, possible scenarios and so forth, but we do have a precedent for the working of such a provision in practice. I have come to learn that, following the introduction of an amendment to the Wilson Government's sexual offences legislation, between 1976 and 1988 it was illegal for defendants to be identified in rape cases. That legislation provided for anonymity for complainants for the first time, and the amendment was a direct challenge to the Heilbron committee's recommendations. Nevertheless, the chief reason for the repeal of the amendment in 1988 was, as I understand it, representations from the police to the effect that keeping the defendant's identity from the public discouraged victims from coming forward. I have to say, however, that there was no big increase in the number of convictions as a result of the reversion to the pre-1976 position for the accused.

I am not asking for a return to the situation before 1988, and I recognise that in serial rape cases, for example, there may well be an advantage in naming the accused, so that witnesses can come forward and the culprit can more easily be brought to justice. Given that the provisions that existed in the 1970s and 1980s extended only as far as accusations of rape, they would not have made a blind bit of difference in my constituent's case.

We should doubtless be careful to avoid any alterations that would have a detrimental effect on the police and the Crown Prosecution Service's capacity to bring offenders to justice. It may also be that a case-by-case examination of the public benefits to be gained by the identification of the defendant would have legal and cost pitfalls. Perhaps we can have complete anonymity—but if we cannot, a graduated response may be needed, with complete anonymity being given to, for example, those accused of lesser sexual offences. I recognise that no such offence is inconsequential, but perhaps some could be defined as lesser if the evidence is less substantial. Most people would agree, with cases such as that of the former Southampton manager Dave Jones in mind, that there should be some semblance of equality between the accused and the accusers in such cases.

Mr. McCartney is to collect signatures for a petition for his anonymity for both, or A 4 B, campaign. This is not a party matter. The positions of the Opposition and the Government have been roughly the same for some time. I think, however, that the time is ripe for a comprehensive re-examination of the issues. I accept that there may be no clear answer. But it cannot be acceptable that innocent people should go through the ordeal of a character assassination that can do long-term and deep harm, while we simply say that nothing can be done. We should avoid allowing anybody else to be as trapped in a nightmare and as helpless as Mike McCartney was.

10.31 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Gerry Sutcliffe): I congratulate my hon. Friend the Member for Wirral, South (Ben Chapman) on his success in securing this debate. I pay

tribute to the measured way in which, as always, he set out his case, and I know that he takes his constituents' issues to heart.

It has long been established that criminal trials should take place in open court and be freely reported. Open justice remains a central tenet of our criminal justice system, which should be open and transparent, and the media should not be prevented from reporting what has taken place publicly in court. My hon. Friend referred to the behaviour of the media towards his constituent, and I have sympathy with many of the issues that he raised about responsible reporting. He will be aware of the guidance to editors in such matters from the Association of Chief Police Officers media group and the Press Complaints Commission.

It is the openness and transparency that engenders confidence in the system and encourages victims and witnesses to come forward. It also requires that defendants in criminal trials are not allowed to remain anonymous. That is the background to our debate today.

My hon. Friend refers specifically to the case of his constituent, Mr. Mike McCartney. As my hon. Friend said, he has tabled several written questions about this case for answer by my hon. and learned Friend the Solicitor-General, and I know that he has met him recently to discuss it. It would not, therefore, be helpful for me to comment further on the many serious issues that my hon. Friend raised on the specific case, so I will return to the central point about anonymity.

As my hon. Friend said, there is indeed a history to the question of defendant anonymity. The Sexual Offences (Amendment) Act 1976 provided for a ban on the press identification of both complainants and defendants in rape cases. It is important to stress, however, that that legislation, as originally introduced into Parliament, made no provision for defendant anonymity. The Bill on introduction was based on a 1975 report by the Heilbron committee, and I would stress at this point that the committee did not consider that defendants in rape cases should have anonymity. It was, in fact, only during the Bill's passage through Parliament that it was amended to provide for the anonymity of defendants in sex offence cases.

In 1984, the criminal law revision committee in its report on sexual offences looked at the subject in broad outline. It endorsed the reasoning of the Heilbron committee that led to complainants in rape cases being granted anonymity to encourage them to come forward. Importantly, it also agreed with the arguments of the Heilbron committee against giving anonymity to defendants in rape cases. It felt that rape was but one of many offences in which a defendant who is acquitted may nevertheless suffer damage to his reputation. It felt that the tit-for-tat argument—that the man should be granted anonymity because the woman has it—was not valid, despite its "superficial attractiveness".

Following the criminal law revision committee's work, anonymity for defendants in sexual offence cases was abolished by the Criminal Justice Act 1988. The legal position is therefore settled. In the almost 20 years since the 1988 Act, the position has been considered by successive Governments of different political complexions. They have all taken the view that providing anonymity for defendants would not be the right approach.

As a matter of principle, defendants charged with different kinds of crime should be treated alike. It would be a mistake to allow anonymity to one class of defendant but not another, on the basis of the reputational damage that might be suffered because of the nature of the offence. Nor do I accept the specific argument that defendants in cases of sexual crimes should benefit from anonymity whereas other defendants should not, as people may be accused of other very serious offences, such as murder, for example.

Furthermore, sexual crime is only one of the many types of offence that defendants may argue will cause them reputational damage. Some people might claim to have suffered reputational damage from being charged with a common offence like dishonesty or theft. The principle is that all defendants should be treated alike, and I believe that my hon. Friend the Member for Wirral, South recognises that it is far from clear where one should draw the line.

It is sometimes argued that defendants in sex cases should be granted anonymity on the grounds that the complainants in such cases have it, but that is not comparing like with like. Anonymity for complainants is important in encouraging victims to come forward and thus preventing criminals from escaping justice. There is a specific reason for it, whereas the tit-for-tat argument that the defendant should have anonymity because the complainant does was rejected by the Heilbron committee.

It is also worth noting that defendant anonymity gave rise to practical difficulties during the period when it was the law. My hon. Friend the Member for Wirral, South touched on that when he mentioned that the police made representations about defendant anonymity before it was abolished by the Criminal Justice Act 1988. For example, if a man escaped custody before conviction, the police could not warn the public that he was a suspected rapist unless the judge lifted reporting restrictions. One would clearly want to avoid any possibility of such a thing happening, and that is a further, practical, argument against granting anonymity.

My hon. Friend concentrated his comments on the position after charge when there is evidence of guilt. At that point, reporting is normally unrestricted, and I note in passing that we believe that investigations into allegations of sex offences should be conducted without publicity before charge. A system of guidance devised by the Association of Chief Police Officers and the Press Complaints Commission currently regulates pre-charge publicity. That guidance was recently reviewed, and we believe that it is operating satisfactorily.

I hope, therefore, that my hon. Friend will understand why I am not persuaded that it would be right to reopen this matter. I do not dispute that on some occasions, defendants in criminal cases do feel discomfited by the publicity to which they are exposed.

[Mr. Gerry Sutcliffe]

As so often, this is a question of where the right balance lies among competing arguments; in the case of defendant anonymity, it clearly lies with the public interest in open justice.

However, I agree that there are questions relating to the case raised by my hon. Friend that should be brought to the attention of my hon. and learned Friend the Solicitor-General. I know that my hon. Friend will take the matter forward, and I look forward to seeing how he does so. He has explained his constituent's position, and I assure him that I am prepared to listen to any further representations that he wishes to make. I shall be happy to meet him in due course, if he feels that that would be appropriate.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes to Eleven o'clock.

House of Commons

Wednesday 7 June 2006

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Agriculture

1. **Miss Anne McIntosh** (Vale of York) (Con): What recent meetings he has had with Cabinet colleagues to discuss agriculture in Wales. [74938]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): My right hon. Friend the Secretary of State and I have regular discussions with ministerial colleagues on a range of subjects, including matters affecting agriculture in Wales.

Miss McIntosh: I am pleased to hear about the Secretary of State's ongoing discussions with other Cabinet colleagues. What precautions are the Government going to take to ensure that Welsh and other British farmers are not penalised in the next round of common agricultural policy reform? It is generally recognised that we have the most productive farmers, and they should be applauded for that. Europe should learn from that and our farmers should not be penalised—in Wales or in any other part of the United Kingdom.

Nick Ainger: I totally agree with the hon. Lady. It is important that we take forward the CAP reform agenda, and Britain is now acknowledged as leading in Europe on CAP reform. I can assure her that, although we want to introduce such reforms, the intention is not to penalise our own agricultural industry in doing so. It is clear that the reforms already in place have not penalised our farmers, and we want to continue in that vein.

Mrs. Betty Williams (Conwy) (Lab): Does my hon. Friend agree that the lifting of the beef exports ban will bring enormous benefits to Welsh farmers? Will he take it from me, as a Member of Parliament brought up on a Welsh smallholding many years ago, that Welsh beef is the best and will be a good ambassador for Wales?

Nick Ainger: Indeed—I totally agree with my hon. Friend. It may help the House if I remind everyone of what we lost during the past 10 years because of the bovine spongiform encephalopathy disaster, which happened under the last Government, and the resulting beef ban. In 1995, beef exports from the UK were worth £600 million, and 270,000 tonnes of British beef were exported. We have lost all that in 10 years, and we need to regain those markets. I am glad to say that Hybu Cig Cymru is marketing Welsh beef in Europe, and we have been very successful in securing contracts, particularly in Italy.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I agree with what the Minister has just said, but may I draw his attention to another important, current subject: the failure of the fallen stock scheme? This Government would not allow Wales, and north Wales in particular, to be exempted from the scheme, which, for obvious reasons that we warned about at the time, proved impractical. We now have rotting carcases throughout farms in north and mid-Wales, which is bad for biosecurity and human health and, I am afraid, the economy. Will the Minister please speak to his bungling colleagues in the National Assembly?

Nick Ainger: The issue is the failure of a company that has provided that service in north Wales, and I am assured that other companies are coming in to tackle the backlog. I agree that it is essential that we deal with the biosecurity issue, which is why the Assembly is tackling it by getting other fallen stock companies to clear up the backlog.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): Borders mean nothing to animal disease, so dealing with tuberculosis in cattle and cattle movements between England and Wales requires close co-operation between the Department for Environment, Food and Rural Affairs, the Assembly Government and the British Cattle Movement Service, as the Minister will doubtless acknowledge. What checks has he made on the co-ordination of data relating to pre-movement TB tests, and what percentage and number of TB reactors have so far been picked up in pre-movement testing in Wales?

Nick Ainger: I readily accept the need in the cross-border areas for both DEFRA and the Welsh Assembly Government's agriculture department to work closely together, and my understanding is that that is happening. The hon. Lady will understand why I cannot give her the detailed figures that she has requested, but I will write to her with them.

Asbestos

2. **Mr. Stephen Hepburn** (Jarrow) (Lab): What estimate he has made of the number of people in Wales affected by the recent Law Lords judgment on compensation for asbestos-related illnesses; and if he will make a statement. [74939]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): My hon. Friend will recognise that this is an extremely complex area of law. The

Government are examining the implications of the Law Lords ruling. It is not possible to provide reliable figures at this stage.

Mr. Hepburn: I disagree with the Minister: this is not a complex area of law, and it is up to this Government to legislate to make sure that decent working-class people get what they deserve. Four people die every week in Wales from asbestos-related cancer owing to the negligence of their former employer. What is the Minister going to do about the absolutely disgraceful Law Lords ruling, which deprives working-class people of their rightful deserts?

Nick Ainger: I pay tribute to my hon. Friend and other colleagues who are rightly campaigning on this issue. It is a vital concern for hundreds if not thousands of people who have been in contact with asbestos during their working lives. The Government fully understand the concerns expressed about the House of Lords judgment in the Barker v. Corus case and we are sympathetic to the claimants. The judgment raises serious and complex issues and it is important to ensure that we get the right answer. We are therefore exploring all options with the relevant stakeholders to achieve a solution that is fair, but also workable.

Mr. Roger Williams (Brecon and Radnorshire) (LD): We support the Government in dealing with asbestos-related illnesses, but will the Minister also consider dealing with the miners who have dust-related injuries and have not yet received their compensation? I refer to one of my constituents, Donald Watkins of Pontneathvaughn, who has been waiting six and a half years. These miners are becoming older and iller by the day and the same sometimes applies to their widows. Will the Minister cut through the crap and ensure that they get the compensation that they deserve?

Hon. Members: Oh!

Mr. Speaker: Order. We should not use that sort of language in the House.

Mr. Williams: Yes, Mr. Speaker.

Nick Ainger: I chair the coal health monitoring group for Wales and if the hon. Gentleman will let me know the details of his constituent who has been waiting too long for compensation, I will look into it. I should remind him, however, that this is the biggest industrial injury civil action case that the world has ever seen. Throughout the UK, we have already paid out £3 billion to miners; and in Wales the payment is £565 million. As I said, if the hon. Gentleman gives me the details, I will certainly inquire further into why it has taken so long to settle that case.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I want to reinforce the point made by my hon. Friend the Member for Jarrow (Mr. Hepburn). The Barker decision was a disgrace and we must restore the position. The Minister will be aware of the enormous increase in the number of mesothelioma cases both in Wales and the UK more widely. For example, over the last 40 years, the number has increased from 153 to almost 2,000. Will my hon. Friend give his support to other Ministers in calling for an amendment to restore the law to what it was before the Barker judgment?

Nick Ainger: As I said in reply to my hon. Friend the Member for Jarrow (Mr. Hepburn), we are very sympathetic to the position that claimants are in as a result of the Law Lords' judgment in the Barker v. Corus case. We are hopeful that an announcement will be made shortly about how the Government intend to tackle that serious issue.

Welsh Produce

3. **Michael Fabricant** (Lichfield) (Con): What discussions he has had with the Welsh Assembly Government on encouraging the promotion of Welsh produce in England. [74940]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): I have regular discussions with the Assembly Agriculture Minister about a range of issues, including the promotion of Welsh food and drinks products to external markets.

Michael Fabricant: If I were to take you, Mr. Speaker, to Dolffanog Fach, or perhaps the Old Rectory overlooking the Tal-y-llyn lake not far from Abergynolwyn in mid-Wales, you would have the opportunity to eat the finest Welsh beef made from Welsh black cattle. We heard about that earlier, but I should not have to take you that far, Mr. Speaker. I could take you to the White Hart in London, but other places do not serve Welsh black cattle beef. What can the Minister do to ensure that England and Scotland enjoy the benefits of the finest British beef—Welsh black cattle?

Nick Ainger: I am tempted to take the advice that my right hon. Friend the Secretary of State is giving me and suggest that the hon. Member for Lichfield (Michael Fabricant) become an ambassador for Welsh produce. He is quite right that Wales produces some of the finest livestock in the world. Welsh black beef, in particular, is an excellent product. The Welsh Assembly Government have processing and marketing grants that assist in the marketing of Welsh produce, not just in England but throughout Europe. I am sure that the hon. Gentleman will want to join me in congratulating the Welsh chef, Bryn Williams, on winning a chance to cook for the Queen's 80th birthday celebrations, and I am particularly pleased that he will be sourcing all his ingredients from Wales. That is another way of marketing Wales' excellent food products.

Chris Bryant (Rhondda) (Lab): Has my hon. Friend noticed that much Welsh produce is often marketed in England as English? For instance, many of Burberry's materials are made in the Rhondda, but say "Made in England" all over them. For that matter, some of the best cricket players in this country who play for the English cricket team are actually made in Wales. Is it not time that we were a bit more honest and reminded the cricket authorities that they are the England and

Wales Cricket Board? Would it not be nice if my hon. Friend were able to eat some Welsh—

Mr. Speaker: Order.

Nick Ainger: We may have strayed a bit from the original question, but the National Assembly is concerned to promote the Welsh brand and to brand Welsh products—including cricketers, I expect. Several initiatives are under way on food products, and I welcome the opening last month of Lloyd's dairy in Islington, a recreation of one of the old Welsh dairy shops that used to proliferate in north and west London. Part of the shop specialises in and promotes Welsh organic produce.

Mr. David Jones (Clwyd, West) (Con): Does the Minister agree that fundamental to the promotion of Welsh produce in England is the ability to transport that produce to England in the first place? Does he therefore share my concern at the continuing closure of the A5 trunk road between Maerdy and Dinmael, which was closed with little warning on 26 May and remains closed with no indication of when it will be reopened? Does he share my despair at the incompetence of the Assembly in dealing with the issue?

Nick Ainger: I accept the importance of reopening the A5 as quickly as possible. As the hon. Gentleman will know, the closure was because of a serious risk of injury from an unstable cliff face. He will also be aware that while most landowners on the old A5, which could provide an alternative route, are co-operating with the Welsh Assembly Government, one has unfortunately decided not to do so at this stage. The matter needs to be addressed quickly and I understand that Andrew Davies, the Minister with responsibility for transport in Wales, is dealing with it as a priority. Its importance is recognised, but if the hon. Gentleman wants to make his views known, I will pass them on to Andrew Davies. Perhaps he should also make a direct approach.

Post Office

4. **Mark Williams** (Ceredigion) (LD): If he will make a statement on the future of the Post Office network in Wales. [74941]

The Secretary of State for Northern Ireland (Mr. Peter Hain): The Government are fully committed to maintaining a viable Post Office network.

Mark Williams: I thank the Secretary of State for that response, but six out of 10 of the sub-postmasters in my constituency are concerned about the viability of their businesses once they lose the income from the Post Office card account in 2010. That has major ramifications for the wider community across rural Wales, which are some of the remotest communities in the country. I urge the Secretary of State to encourage his colleagues to undertake, at the very least, an urgent review of post office service provision in rural areas, and preferably to scrap the proposals to abolish the Post Office card account.

Mr. Hain: We are looking closely at the matter, but I remind the hon. Gentleman that we are providing £150 million a year to support rural post offices, as part of a £2 billion investment in the post office network since 1999. None of that would have been made if his party's policy of privatising the Post Office had been implemented.

David T.C. Davies (Monmouth) (Con): Does the Secretary of State agree that it is the Government's rules on matters such as automatic credit transfer and the failure to support Post Office accounts that have led to post offices closing in rural communities the length and breadth of Wales? Will he apologise to the communities affected and tell us what the Government intend to do now to ensure that the post offices that remain continue to be viable?

Mr. Hain: I have just described what we are doing. This is a difficult issue, and I remind the hon. Gentleman that it costs the Government 1p to pay a benefit into a bank account, but £1 per transaction to a Post Office card account. I know that in many villages in my constituency and, I expect, in his, there are senior citizens who depend on the local post office, and we want to see them kept open if at all possible. That is why we are providing the investment. But the issue is not as simple as just keeping the Post Office card account, and it is certainly not acceptable to support privatisation of the Post Office, as the Liberal Democrats advocate.

Adam Price (Carmarthen, East and Dinefwr) (PC): Banks have closed branches in rural and valley communities, and one adult in seven in Wales does not have a bank account. Does not the Secretary of State see that the Post Office card account, which is used by 360,000 people, is vital to combating financial exclusion in disadvantaged communities?

Mr. Hain: I agree that the card account has played an important role in constituencies such as the hon. Gentleman's and mine, and that is why we are looking at it so carefully. However, another 25 different accounts, including bank services, can be accessed at post offices. This is an issue that we are going to address.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): How do the Secretary of State's warm words square with what the Post Office chief executive said when he reckoned that he could do without 10,500 post offices? The Government are making that easier by removing income from post offices, and by the end of this month people will no longer be able to buy a TV licence at one. At present, they can use the cheque-and-send service to obtain a passport, for example, from the Bethcar street branch in Ebbw Vale, but will the introduction of the new biometric checks for passports mean that another service is to be lost, under Labour, to post offices and local people in Wales?

Mr. Hain: Talking of Ebbw Vale, the Labour party in Blaenau Gwent is calling for the Welsh Assembly's post office development fund to be reopened. That is part of Labour's commitment to local post offices right across Wales.

NHS

5. **Mr. Mark Harper** (Forest of Dean) (Con): When he last met the Welsh Assembly Minister for Health to discuss the performance of the NHS.

The Secretary of State for Northern Ireland (Mr. Peter Hain): I regularly meet the First Minister and members of his Cabinet. The Assembly Government is investing record amounts in the NHS in Wales, and is delivering real improvements in the standard of services to patients.

Mr. Harper: The Secretary of State may be aware that many of my constituents are registered with GPs based in Wales, and that they have to wait longer for treatment than others who are registered with GPs based in England. That unacceptable problem was supposed to have been fixed this April, but the decision has now been deferred until next April. Will he talk to his colleague the Secretary of State for Health and to the Welsh Assembly Government to ensure that the decision is brought forward to as early a date as possible?

Mr. Hain: I want to tell the hon. Gentleman how massive the improvements in health performance and waiting times in Wales have been. More than 213,000 extra patients have been seen in Welsh hospitals since we came to power. Waiting times have plummeted since 1997: in the past year, only 30 patients in Wales waited more than 12 months for treatment—a massive cut of nearly 14,500. The aim is that, by March next year, no patient will have to wait more than eight months. By the end of December 2009, the maximum total wait, from GP referral to receiving treatment, will be 26 weeks. That is a massive improvement, and the hon. Gentleman ought to welcome it.

Julie Morgan (Cardiff, North) (Lab): Does my right hon. Friend agree that the dramatic turnaround in the health service in Wales is due to the hard work of NHS employees there? No patient now waits more than 12 months for in-patient or day-case treatment. Is that not a tremendous tribute to the work of the health service in Wales?

Mr. Hain: I fully agree with my hon. Friend. When we came to power, people who needed orthopaedic operations, such as ex-miners and so on, had to wait years and years. That was what we inherited, but our investment in and reform of the health service in Wales have caused those figures to plummet. Moreover, since we came to power, we have been able to recruit 450 more consultants and more than 7,300 more qualified nurses in Wales. That is another sign that Labour invests in the NHS, and that the health service in Wales will be safe only under Labour.

Lembit Öpik (Montgomeryshire) (LD): Is the Secretary of State aware that the Telford and Wrekin primary care trust board plans to withdraw from the process of re-providing Shelton hospital? The lack of mental health provision in mid-Wales means that cutting that vital facility would have serious consequences for the whole of central Wales. Will he make representations to the Telford and Wrekin PCT, which is an English health trust, to protect a service that is crucial and irreplaceable?

Mr. Hain: I fully accept that for the hon. Gentleman's constituents and for him this is a very serious matter and, of course, I am happy to make those representations to assist him and his constituents to see whether we can resolve the problem.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): Sometimes I think that the Secretary of State lives on another planet and does not spend enough time in Wales. With the NHS in Wales £71 million in debt, the former chief executive of the ambulance service claiming that the service is in crisis and that lives are being lost, hospitals such as Withybush, Bronglais and Llandudno under threat, and 60 per cent. more people waiting for treatment than when the Assembly Government came to power, does the Secretary of State think that the Welsh Health Minister is fit for purpose?

Mr. Hain: That really takes the biscuit. The hon. Lady does not even represent a Welsh constituency. I live in Wales. I am in Wales every weekend in my constituency, so she should not make accusations like that. When she looks at the record of health investment in Wales, plummeting waiting times, extra nurses, extra doctors, improved health performance, and 10 new hospitals being built or already built in Wales under our Government compared with all the hospital closures that the Tories were responsible for, she will realise that people in Wales know that it is only under Labour that the health service is safe in Wales.

2012 Olympics

6. **Simon Hughes** (North Southwark and Bermondsey) (LD): What discussions he has had with the First Minister on maximising the opportunities for Wales from the 2012 Olympic games. [74943]

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): My right hon. Friend and I, along with the Welsh Assembly Government, are working to maximise the benefits brought to Wales by the London Olympic and Paralympic games. Wales has many excellent training facilities and will offer a warm welcome to visiting teams and their supporters, and I am delighted that the Millennium stadium in Cardiff will host part of the Olympic football tournament.

Simon Hughes: I am grateful for that answer. Will Ministers in the UK and Welsh Governments realise that, if we follow the example of the Sydney Olympics, where much of the training was done a long way away, there is a great opportunity to use the swimming facilities at Swansea, the velodrome in Newport, the Millennium stadium in Cardiff and, I am sure, the wide range of facilities in Blaenau Gwent? Will they all be put to maximum use and can we have a commitment?

Nick Ainger: I can certainly give that commitment to the hon. Gentleman. He is quite right that, at the Sydney Olympics, more than £400 million was spread throughout the economy in New South Wales in 2000. We intend to ensure that as much of the benefit as possible is spread throughout the UK—particularly in Wales. As he rightly says, we have a wide range of facilities: the velodrome, the national pool in Swansea and the Menai sailing centre. All those are good potential training facilities for teams and we will certainly push that forward.

Ian Lucas (Wrexham) (Lab): The Olympic Delivery Authority has given a commitment that the 2012 Olympics will be the most sustainable ever. Given the strength of Wales's renewable energy manufacturing industry, such as Sharp UK in my constituency, which makes photovoltaic cells, will my hon. Friend meet me to discuss the potential for Welsh manufacturers to serve the Olympics in 2012?

Nick Ainger: I can certainly give my hon. Friend that assurance. He may know that my right hon. Friend the Secretary of State has already written to the Secretary of State for Culture, Media and Sport to push the importance of renewable energy facilities in the new buildings related to the Olympic games. I will be able to give him further information when we meet in the near future.

Pensions

7. **Albert Owen** (Ynys Môn) (Lab): What discussions he has had with the Secretary of State for Work and Pensions on the effect of pensions policy on the people of Wales. [74944]

The Secretary of State for Wales (Mr. Peter Hain): The pensions White Paper shows that under our Government's policies, Welsh pensioners can be assured of proper pension provision in an ageing society.

Albert Owen: I am grateful to my right hon. Friend for that response. I welcome the Government White Paper, which is building a consensus for pensioners for the future. At present, many pensioners throughout Wales, including in my constituency, benefit considerably from the pension credit. Will he ensure that, during the transition period to the earnings link, pensioners on pension credit do not lose out; and will he further urge the Department for Work and Pensions to campaign vigorously so that there is a greater take-up of pension credits throughout Wales by our neediest pensioners?

Mr. Hain: We will certainly do that. Indeed, the pension credit has been of enormous benefit to pensioners in Wales and, in particular, to some of the poorest pensioners in Blaenau Gwent, where 4,760 of them have benefited from it. The people of Blaenau Gwent and Wales as a whole need to be told by the Leader of the Opposition whether he will maintain his policy of abolishing the pension credit system.

Hywel Williams (Caernarfon) (PC): Does the Secretary of State accept that many people in Wales are disappointed by the Government's pension proposals and would much prefer a citizens pension that is paid to everyone at a decent level to be a right of Welsh citizenship?

Mr. Hain: The people of Wales pensioned off Plaid Cymru years ago. It is the Labour party that is providing a future policy for the people of Wales and the United Kingdom so that they can look forward to security and decency in retirement.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [74877] **Roger Berry** (Kingswood) (Lab): If he will list his official engagements for Wednesday 7 June.

The Prime Minister (Mr. Tony Blair): Before I list my engagements, I know that the whole House will join me in sending our condolences to the families of Lieutenant Tom Mildinhall and Lance-Corporal Paul Farrelly, who, sadly, were killed in Iraq last week. They were doing a vital job for their country and the security of the wider world, and we should be proud of them.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Roger Berry: I am sure that the whole House will wish to be associated with the Prime Minister's remarks.

My right hon. Friend will be aware that there are political groups in the European Parliament that are opposed to women standing for election, that are homophobic and that wish to ban bicycle riding on Sundays. Will he undertake to keep this Government in the mainstream of European politics, rather than on the extreme right-wing fringe, where the Opposition would like to put us?

The Prime Minister: It would be a gross error of judgment and leadership to leave the mainstream groupings in Europe, because that would marginalise a party in Europe—and if the Conservative party were ever to be the Government, that would marginalise the Government. If one wants any proof of that, one can see that the Conservative party website boasts about the role played by one of its members in the services directorate as a spokesman for the European People's Party, although the party now wants to leave that group. I suggest that the right hon. Member for Witney (Mr. Cameron) show some leadership and ditch that policy as well.

Mr. David Cameron (Witney) (Con): May I add my tribute and those of my hon. Friends to the soldiers

who died in Iraq serving their country? I also add a tribute to the members of the camera crew who lost their lives in Iraq.

In the past week, we have discovered that in each of the past two years almost 2 million households have been overpaid tax credits, by £2 billion. Some of the poorest households in Britain are now having that money painfully clawed back. The Treasury Committee says that the Department was incompetent. Will the Prime Minister tell us which member of the Cabinet is responsible for this piece of incompetence?

The Prime Minister: Let me just point out to the right hon. Gentleman that tax credits provide support to some 20 million in this country, including 6 million families and 10 million children. They are responsible for lifting 700,000 children out of poverty and 2 million pensioners out of acute hardship. The Government are proud of the role that tax credits are playing in alleviating poverty in our country.

Mr. Cameron: The Chancellor is responsible—and it has come to a pretty pass when the Prime Minister cannot even bear to say his name. Citizens Advice says that the Chancellor's system has left families in "severe hardship" and that the number of people coming for help has not dropped. The right hon. Member for Birkenhead (Mr. Field), who was the first welfare reform Minister in this Government, says that the Chancellor's approach is

"like attempting keyhole surgery with a hacksaw".

What is the Prime Minister going to do to ensure that the Chancellor takes responsibility and sorts out this mess?

The Prime Minister: With the greatest respect to the right hon. Gentleman, let me point out to him what tax credits have enabled us to do. We have 2 million more people at work in this country. That is in part not just because of the minimum wage, which he opposed, but because of the working families tax credit, which makes work pay for people. As a result of the children's tax credit, we have been able to give help to millions of families in this country. Those families were let down by the Tory years of boom-and-bust economics, high unemployment and poverty, which was why we made the change, and we are proud of it.

Mr. Cameron: But all our surgeries are full of the victims of incompetence—*[Interruption.]* Yes, his incompetence—the Chancellor designed and administered the tax credit system, yet he has not made a single statement, or answered a single oral question in the House of Commons, on tax credits in the past year. Yesterday, the Prime Minister said that Ministers should not just blame officials when things go wrong. I agree with that. But is not the Chancellor's behaviour typical of this Government? Ministers create a massive bureaucracy that becomes a painful paper chase for hard-working families, so why do they refuse to take responsibility when it all goes wrong?

The Prime Minister: The right hon. Gentleman talks about families coming to his constituency and other constituencies—but we remember when families used to come to our constituency surgeries at the time of 10 or 15 per cent. interest rates, with kids who could not get jobs for years. There were families with kids living in poverty, and nothing was done about it. Yes, it is true—tax credits have helped millions of families in this country. The problems that are there will be dealt with. We are glad that under this Government families have not just a stable economy, but a Government who back children and families, and help them out of poverty into work and into a decent standard of living.

Mr. Eddie McGrady (South Down) (SDLP): The Prime Minister has indicated that the nuclear energy option is back on the agenda for policy review. Will he recognise that many of us, particularly people on the east coast of Ireland, are totally opposed to the expansion of nuclear energy because of our experiences of the output, the outfall and the discharges from Sellafield? What cognisance and what weight will be given to the opinion of the people of Northern Ireland and of the Republic of Ireland, who will be affected if the policy is pursued?

The Prime Minister: Of course we will give full weight to that. That is one of the reasons why we have reduced discharges considerably over the past few years. However, I must tell my hon. Friend that this is not about an expansion of nuclear power. The fact is that over the next 15 or 20 years we will lose that 20 per cent. of our electricity presently generated by nuclear power. It is in the interests of people in Northern Ireland and in the whole of the United Kingdom that we have secure supplies of energy for the future. Therefore, we need a balanced energy policy. A major component of that will be additional renewable energy and a big push on energy efficiency. My own view is that we need a mix of all these things if we are to safeguard the future of the country.

Sir Menzies Campbell (North-East Fife) (LD): May I begin by associating my right hon. and hon. Friends with the expressions of sympathy and condolence for those who have died in Iraq? Such events happen too often on the occasion of these proceedings.

Can the Prime Minister confirm that the United Kingdom has given no logistical support for rendition to the CIA nor provided any information to be used in torture?

The Prime Minister: We have said absolutely all that we have to say on this. There is nothing more to add to it. The Council of Europe report adds nothing new whatever to the information that we have.

Sir Menzies Campbell: I think that the Prime Minister might find careful reading of the Council of Europe report particularly rewarding. It says that rendition involves disappearances, secret detention and unlawful transfers to countries that practise torture. On 7 December the Prime Minister told the House that he fully endorsed rendition. Does he still do so now?

The Prime Minister: I think that what I actually said was that rendition had been the policy of the American Government for a long period, under the last Administration as well as this Administration. We have kept Parliament informed of all the requests that we

are aware of: four in 1998, two of which were granted and two declined. As for the rest of what is in the Council of Europe's report, that concerns other countries, and obviously I am not in a position to speak about them.

Judy Mallaber (Amber Valley) (Lab): Last year the Derbyshire asbestos support team helped nine people in Amber Valley suffering from asbestos-related diseases, two of whom have since died from mesothelioma. Will my right hon. Friend discuss with his Cabinet colleagues whether the excellent Compensation Bill that will be discussed in the House tomorrow can be amended to reverse the appalling House of Lords Barker judgment that denies justice and compensation to many people suffering from that long-drawn-out disease?

The Prime Minister: I totally understand my hon. Friend's concern. As I said a short time ago in the House, we are looking at this very carefully in the context of the legislation that she described, and I hope that we will be in a position to make an announcement shortly.

Q2. [74878] **John Hemming** (Birmingham, Yardley) (LD): I start by declaring an interest because, along with the governor of California and one or two hon. Members, my body mass index is over 30. A growing number of primary care trusts have refused to put patients on waiting lists unless their body mass index is under 30, to save money, reduce deficits and ration health care. Does the Prime Minister believe that that is an acceptable way of rationing access to health care?

The Prime Minister: What I can tell the hon. Gentleman about the waiting times in his area—[HON. MEMBERS: "Answer!"] Well, he was talking about people who have been put on waiting lists, and the fact is that the number of people waiting more than six months for treatment was 5,000 when we came to power, but it is zero today. What is more, in-patients are being treated more quickly. Under this Government, we are investing more and the national health service is getting better.

Ms Dari Taylor (Stockton, South) (Lab): My right hon. Friend knows the joys of family life. He knows, too, that this Saturday is national infertility day. Thousands of couples remain childless, and they desperately hope to access the medical intervention of in vitro fertilisation in the hope that it will give them the precious gift of a child. Will he restate the commitment that he gave in February 2004 that every infertile couple should be given one NHS IVF treatment, and will he join me in condemning the 25 per cent. of primary care trusts that deny people access to IVF and other PCTs that claim that it is only available to couples over 30, when the intervention process is seriously dysfunctional?

The Prime Minister: We are working with the leading organisation for patients requiring fertility treatment—the Infertility Network UK—to help them in their relationships with the primary care trusts to make sure that their voice is heard. Ultimately, those are decisions for primary care trusts, but it is important that the cycle of treatment is available to people. Obviously, it is agonising for the families involved, which is one reason why we asked the National Institute for Health and Clinical Excellence to produce a report, which was published last December. We will do all that we can to take it forward.

Mr. David Cameron (Witney) (Con): Fatal stabbings have increased by almost a fifth in the past eight years, and now represent a third of all recorded killings. Six months ago, the Labour party voted against our proposal to increase the sentence for carrying a knife. Will the Prime Minister confirm that he will support a tougher sentence, and will he tell us when it will be introduced in the House?

The Prime Minister: As I think the Home Secretary has made clear, we will look carefully at the issue of whether we need to toughen the minimum standard for sentences for individuals who are in illegal possession of a knife. As my right hon. Friend explained when this was debated, there are issues about whether it is possible to do this in a sensible way, but I totally agree that knife crime is extremely serious. That is why we have extended the types of knives banned under the legislation, and why we have made sure—for example, in sentencing guidelines—that sentences are tough for individuals who carry knives.

Mr. Cameron: But in December 2004, on "This Morning" on ITV, the Prime Minister said that he would look at toughening sentences for carrying knives. Why did nothing happen?

The Prime Minister: A lot has happened—*[Interruption.]* May I just explain what has happened? Following the introduction of the legislation, if a knife is listed as an offensive weapon, the maximum penalty for carrying it is four years. Since 1997 we have added stealth knives, disguised knives and batons to the offensive weapons list. We are raising the minimum age at which someone can buy a knife from 16 to 18. There is a new offence of using someone to mind a weapon, and there are extra powers, along with extra resources, for head teachers to search pupils for weapons. In addition, there was a national knife amnesty a short time ago. I will look at whether we need to increase minimum sentences. As I said, the issues were explained in detail when the matter was last debated, but in principle, we want to make sure that anybody who is found in illegal possession of a knife is subject to the toughest penalties possible. May I point out to the House that in respect of firearms, we introduced a mandatory minimum five-year sentence, which is now in operation?

Graham Stringer (Manchester, Blackley) (Lab): At about the same time as Kiyan Prince was being murdered with a knife, a head teacher at a school in my constituency was being forced by the independent appeals panel to take a boy back into school. The boy had been found in possession of a knife, and had been found guilty of violent conduct. Understandably, the head teacher is angry and in despair at this perverse judgment of the appeals panel. Will my right hon.

Friend look into the case, with a view to changing the procedures so that such a perverse judgment cannot be made again?

The Prime Minister: I certainly will. It seems an extraordinary decision to come to. These decisions are made by people locally, but I will certainly look into the point that my hon. Friend raises.

Q3. [74879] **Mr. Andrew Mackay** (Bracknell) (Con): In the light of yesterday's report from the House of Lords Science and Technology Committee, does the Prime Minister now accept that my constituents are right in believing that the huge number of extra homes being foisted on the south-east by the Deputy Prime Minister will make the current water crisis even worse?

The Prime Minister: No, they will not. There is provision for the additional homes that are to be built to have the proper water supply. We work carefully with Ofwat and with the water companies to achieve that. It is all very well for the right hon. Gentleman and some of his colleagues to say that they are against the building of new homes—but let me read to him what the shadow Chancellor said just a few days ago, when addressing something called *Property Week*, which I suppose is intended for property developers. He said:

"We should increase supply of affordable new homes...We should see if we can make new land available for development, but we should demand that developers do not simply bank it but bring it forward for building."

So I think there is a slight instance of the hon. Member for Tatton (Mr. Osborne) saying one thing and the right hon. Member for Bracknell (Mr. Mackay) saying another.

Mr. Andy Reed (Loughborough) (Lab/Co-op): As you are aware, because of your generous support, Mr. Speaker, 100 Members from all parts of the House will be taking part in the Westminster mile for Sport Relief in the next hour or so, to be started by Roger Bannister. Will my right hon. Friend pass on his congratulations to Sport Relief on its work and the projects that it runs? Will he commit himself to taking part, as he did in 2004? Most importantly, will he put at the heart of the Government's approach tackling poverty both at home and abroad, to make sure that in the future projects like Sport Relief are not needed, because we have the means and the technology—now we just need the political will—to tackle the worst causes of poverty across the globe?

The Prime Minister: I am taking part in the mile run in aid of Sport Relief, and my hon. Friend is right to say that it is important. I understand that more than 100 hon. Members have signed up to run. My briefing tells me to say that I hope that the sight of MPs in their running gear will encourage all people to participate in the run. That may be slightly sanguine, but it is an excellent idea none the less, and Sport Relief does a huge amount of work right across the globe to relieve poverty.

Q4. [74880] **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): Every year hundreds and possibly thousands of people, including young children, are brought into this country under the cruel practice of human trafficking. This is modern-day slavery. What measures does the Prime Minister have in mind to ensure that this barbaric practice is put to an end in the United Kingdom and abroad?

The Prime Minister: The most important thing is to work with the new Serious Organised Crime Agency, which has a specific remit, along with the intelligence services, to try to track down those who are engaged in people trafficking. The hon. Gentleman is right to describe it as a problem, but the only way of resolving it is by means of the measures that we have introduced, which will allow us to seize the assets of people engaged in this trade. I hope that when we introduce new measures, which we will do in the autumn, specifically to tackle organised crime, of which people trafficking is a part, his party will support those measures. The last time we introduced such measures—*[Interruption.]* I am afraid that the Opposition did not support them. It is important that the next time we do, they do.

Q5. [74881] **Mr. Jim Devine** (Livingston) (Lab): Does my right hon. Friend share the concerns that many of us have about the increase and potential increase in counterfeit drugs? More than 2,400 internet sites sell drugs, of which experts believe 80 per cent. are counterfeit. Last year, a man with a lab in his kitchen that could produce a million drugs a day was jailed, and two weeks ago in my constituency two people were arrested in connection with chemicals that could produce a date rape drug. Does he share our concerns?

The Prime Minister: I do, and my hon. Friend is quite right to say that this is not just a problem here but a global problem. We are working closely with the Medicines and Health Care products Regulatory Agency, the industry and other key stakeholders and international counterparts to combat the threat of counterfeit medicines, so I can assure him that we take it very seriously indeed.

Q6. [74882] **Mr. Mike Weir** (Angus) (SNP): The Prime Minister may have seen the remarks by his colleague, the Labour Mayor of London, that Crossrail is necessary to enable Scotland to live the lifestyle to which it is accustomed. Does that not show something of a brass neck, considering that this year £12 billion of Scottish oil revenues are enabling the Prime Minister's Government to live in the style to which they have become accustomed?

The Prime Minister: Crossrail is important for London and the whole country, but what would be absolutely disastrous for Scotland would be to separate Scotland from the United Kingdom. That would be devastating for jobs in Scotland, devastating for the economy and devastating for the Scottish people, which is probably why the hon. Gentleman supports it.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Will my right hon. Friend accept my personal gratitude for his swift response to a recent meeting that I had in his office, along with the hon. Member for Castle Point (Bob Spink) and representatives from the Association

of Children's Hospices, in granting an additional £27 million over the next three years to children's hospices? That is fantastic news, but will my right hon. Friend give me his reassurance that the Government will continue to have discussions and engage with the association, not just in the short term but in the medium and long term, on children's palliative care?

The Prime Minister: I congratulate my hon. Friend, the hon. Member for Castle Point (Bob Spink) and others who made their case in an extremely persuasive way, along with the children's hospice movement. We are pleased that we have been able to find £27 million over the next three years. My hon. Friend is right that we also need to review the long-term arrangements for the way in which hospices are funded—a point that was impressed on me very strongly. That review will now take place, and we will work closely with the children's hospice movement and others, including my hon. Friend, to find the right solution.

Q7. [74883] **Lembit Öpik** (Montgomeryshire) (LD): As the Prime Minister has already said, he rightly seeks to secure the energy security of the UK in the future. In this context, once the energy review has published its findings, or even before that, will he meet a delegation led by the Centre for Alternative Technology to discuss how Wales could address its energy needs by entirely sustainable means and without nuclear power? Clearly, such a meeting would not commit him to that blueprint, but the dialogue would contribute towards our shared goal of addressing the looming energy crisis safely and effectively.

The Prime Minister: I am sure that it is important that we engage in a dialogue with all interested groups, including the Centre for Alternative Technology, but the hon. Gentleman will realise that we must balance the energy interests of the whole of the United Kingdom.

Q8. [74884] **Michael Jabez Foster** (Hastings and Rye) (Lab): The pension credit system has been absolutely brilliant in my constituency. More than 5,600 pensioners now receive up to £30 a week more than they would have done if the Tories' income support had stayed. But just occasionally, errors are made. When official error does occur, will my right hon. Friend endorse the sympathetic approach that is usually applied by officials when hardship results?

The Prime Minister: That is important, of course, particularly when dealing with pensioners, but my hon. Friend is right to say that as a result of the pension credit, there are people who are receiving £40 a week more. These are pensioners who under the previous Government in the winter months would very often have to choose between heating and eating. Now they have not merely the winter fuel allowance, but the extra support for energy and home insulation. The pension credit gives literally hundreds of thousands of pensioners a decent standard of living for the first time in their lives, and we can be very proud of having introduced it.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): Is the Prime Minister aware that ending the sale of television licences at post offices, together with ending the Post Office card account, will cause a catastrophic loss of income for many thousands of post offices, as well as serious inconvenience for many people living in rural areas? Will he meet a delegation of postmasters from the highlands to discuss how his Government can better support post offices, rather than undermining them at every turn?

The Prime Minister: It is not our intention to undermine post offices, but as technology and people's lifestyles change, it is necessary to make reforms. The problem is that we already subsidise our post offices to the tune of hundreds of millions of pounds, and we must look carefully at how we manage to make ends meet within the public finances while providing rational and logical support to post offices. I am sure that the hon. Gentleman will make his point to the Secretary of State for Scotland.

Q9. [74885] **Mr. Jim Cunningham** (Coventry, South) (Lab): I am sure that my right hon. Friend is aware that there is concern in the west midlands about manufacturing. With Peugeot, the trade unions appreciate the fact that the Government got discussions going, but the problem is that the company will not engage in meaningful discussions about the trade unions' alternative. Will my right hon. Friend have a word with the company's senior executives to start meaningful discussions?

The Prime Minister: I certainly agree that it is important that the company gives the unions' alternative proposal to keep Ryton open the most serious consideration, and we will do what we can to make sure that it does. In the end, the matter is a commercial decision for the company, and I think that everyone understands that, but if anybody is made redundant, the partnership that has been set up in the area will do its utmost to make sure that they are given the fullest possible support. I agree with my hon. Friend that it is important that every alternative is considered, because the closure of that plant would mean difficulty and hardship for hundreds of families.

Derek Conway (Old Bexley and Sidcup) (Con): Is the Prime Minister aware that there will be great delight at yesterday's acquittal of the guardsmen? However, there will also be bewilderment, and indeed a degree of shame, that men with such fine service should have been placed in such a position on such flimsy evidence. Can the Prime Minister imagine what it is like to be a young soldier in Basra, having to look ahead for bombers and snipers and behind for the Attorney-General?

The Prime Minister: That last point is wrong and unfair. I am delighted that the soldiers were acquitted, and I hope that the lessons will be learned by the prosecuting authorities. As the hon. Gentleman knows—I hope that he will not suggest otherwise—decisions to prosecute are entirely separate from Ministers.

Q10. [74886] **Mr. Siôn Simon** (Birmingham, Erdington) (Lab): Thanks to the Chancellor's economic miracle, unemployment, which the Tories deliberately caused, has been eradicated in most of this country, but in some constituencies, such as mine, it remains a serious problem that lies at the heart of white working-class alienation, which risks becoming a thematic undercurrent. Will my right hon. Friend set up a working group now to deal with that scourge, so that those people—our people—know that they have not been forgotten, and that the miracle has not left them behind?

The Prime Minister: As my hon. Friend has said, it is important that we tackle the remaining areas of unemployment in our country, and inner-city regeneration is one way of doing so. In our view—this is a major point of difference with the Conservative party—we should expand and extend the new deal for the unemployed, rather than closing it down, which the Conservative party would do. If we want to tackle unemployment, the new deal for communities and the new deal for the unemployed should be deepened and strengthened and should not be cut back. I will certainly consider my hon. Friend's remarks in that context.

Angela Watkinson (Upminster) (Con): Will the Prime Minister agree to discuss with his Secretary of State for Education and Skills the range of inspection grades available to Ofsted teams, which are currently "outstanding", "good", "satisfactory" and "inadequate"? In a recent inspection at the Sacred Heart of Mary girls' school in Upminster, which was very good overall, its achievement levels were described thus:

"no underachievement in any group"

and "students achieve exceptionally well". The team did not seem able to describe that performance as "outstanding", so it was described as "good". Does the Prime Minister agree that there is a huge gulf between "outstanding" and "good"? Will he agree to discuss with his Secretary of State the introduction of an in-between grade of "very good"?

The Prime Minister: I will certainly consider what the hon. Lady says, but she will probably understand that in the end it would not be wise for me or the Secretary of State to make those judgments; that has to be left to local inspectors. I am sure that the people in her local school of the Sacred Heart at Upminster do a superb job for their children, and I congratulate them on the strong showing that they made in the report—but it is difficult for me to intervene in the way in which reports are written.

Q11. [74887] **Barbara Keeley** (Worsley) (Lab): Salford city council has been very effective in reducing antisocial behaviour through using antisocial behaviour orders, joint working, and the Together action line. However, we still have some problem families who can make other residents' lives a misery. Can my right hon. Friend tell me when we will be able to take forward the measures to insist on rehabilitation for people evicted as a result of antisocial behaviour, so that nuisance neighbours are helped to change their behaviour and not just moved around?

The Prime Minister: My hon. Friend is right to draw attention to the problems of antisocial behaviour. As a result of the new powers, drug dealers' homes can be shut down and people can be evicted from them, and antisocial behaviour orders and dispersal orders have a real effect in many communities. However, we are looking to see how we can strengthen this still further. We particularly want to ensure that those who are evicted and then receive new tenancies do so under the strictest possible conditions and restraint, and that we have a system to ensure that where people move across different areas there is some sharing of the available information. Antisocial behaviour is still a huge issue for people in very many communities, but the new powers and resources are making a real difference where they are being applied. I make it clear again that if the police and local authorities want even further powers to deal with it, we shall give them those powers.

NHS Performance

12.32 pm

The Secretary of State for Health (Ms Patricia Hewitt): With permission, Mr. Speaker, I wish to make a statement about the NHS chief executive's report and NHS finances for 2005-06.

Sir Ian Carruthers, acting chief executive of the NHS, today publishes his first report on the performance of the NHS, including the provisional financial out-turn for the last financial year. A copy has been placed in the Library, together with a more detailed report on the finances from the Department's director of finance, Richard Douglas. This information also forms part of the Government's evidence to the Select Committee on Health, which is conducting an inquiry into these matters.

I should like to begin by reminding the House of the context. Following decades of growth averaging around 3.1 per cent. a year, since 1997 the NHS has received annual average growth in funding of 6.4 per cent. The NHS budget, which has already doubled compared with 1997, will have trebled by 2008. That unprecedented investment has enabled the NHS to employ an additional 307,000 staff, including 85,000 more nurses. I am sure the whole House will want to express our thanks to all NHS staff for their outstanding dedication and hard work. With that investment has come reform, giving patients more choice for elective operations, using the independent sector to add to the capacity and innovation of the NHS, and establishing NHS foundation trusts with more freedom to respond to local people's needs.

Sir Ian's report shows that NHS staff are continuing to improve patient care. Waiting times are continuing to fall. Virtually no-one now waits more than six months for an operation, compared with 270,000 patients who were waiting more than six months for an operation in 2000. The majority are treated much more quickly—the average wait for an operation is around just seven and a half weeks. There is now a maximum 13-week wait for an out-patient appointment. Again, the average wait is much shorter, with four out of five people getting their first out-patient appointment within eight weeks.

Nearly 99 per cent. of people with cancer are treated within a maximum of 31 days of diagnosis, and more than 91 per cent. are treated within 62 days of an urgent referral from their GP, compared with only 75 per cent. one year ago. Early deaths from coronary heart disease, cancer and suicide continue to fall. Patient care is improving everywhere but some parts of the country face significant financial problems.

The provisional unaudited figures for 2005-06 show a net overspend across the NHS, excluding foundation trusts, of £512 million. That is made up of a gross deficit of £1.27 billion, offset by surpluses of £765 million. Although we clearly cannot allow that position to continue, we also need to put it into perspective. The net deficit in the NHS is less than 1 per cent. of the NHS revenue budget and is concentrated in a minority of organisations.

Seven out of 10 hospitals and other NHS organisations are not only improving patient care, employing more staff and paying them better than ever, but doing so within their budget. Two out of 10 have relatively small levels of overspending and only one in 10 NHS hospitals and other organisations account for more than two thirds of the overspending.

My decision to publish those unaudited financial figures, together with the director of finance's report to me, reflects our commitment to greater transparency in the NHS. In future, we will publish quarterly reports on NHS finances.

In the past, because the focus was largely on the overall financial position of the NHS, overspending organisations had little incentive to improve their performance but relied on other parts of the service to bail them out. The system was unfair because most of the overspending occurred in better-off areas with a generally healthier population and most of the underspending was in places with far greater health needs and health inequalities. We are not prepared to allow that unfairness to continue.

By the end of the financial year, we will return the NHS as a whole to financial balance. The turnaround teams that I announced to the House in January are helping organisations with the biggest financial problems to implement recovery plans that will allow them to maintain and improve patient care within their budgets. As most of the NHS demonstrates, and Sir Ian confirms in his report, there should be no trade-off between improving patient care and sound financial management. They go together.

We are aiming for all organisations with deficits to reach monthly balance of income and expenditure by the beginning of April next year. However, there will be some exceptional cases when an organisation needs longer to make the necessary changes while maintaining patient care. However, because overspending in one organisation has to be balanced by underspending elsewhere, we will continue to challenge and expect that minority of organisations to return to monthly balance as quickly as possible.

We have also asked the new strategic health authorities to establish a regional reserve that will support organisations while they return to balance. That means asking primary care trusts that have stayed within their budget or delivered a surplus to contribute some of their growth money, which averages 9.2 per cent., in the current year and to postpone some of the improvements that they were planning to make for their patients. However, that money will not be lost to those communities. It will be repaid, normally in the three-year allocations period. I have stressed to the health authorities that the areas with the greatest health needs should be repaid first.

There will be difficult decisions to make, especially in the minority of trusts with substantial deficits. In some cases, that will mean work force reductions and we all understand the anxiety and uncertainty that that causes for staff who have dedicated their lives to the NHS.

However, there will not be the wholesale redundancies across the NHS that some commentators have forecast. In most cases, as Sir Ian stresses, work force reductions will be achieved by natural turnover, reduced spending on expensive agency staff, redeploying staff and freezing some posts. Compulsory

[Ms Patricia Hewitt]

redundancies will be kept to an absolute minimum and those affected will, of course, be given as much support as possible to find a new post.

The NHS is treating more patients and saving more people's lives than ever before. Of course there is still more to do to meet the public's rising expectations, as people are living longer and a revolution is taking place in medical care and scientific knowledge. But Sir Ian's report today shows that the NHS is on the right track, and I commend it to the House.

Mr. Andrew Lansley (South Cambridgeshire) (Con): I am grateful to the Secretary of State for giving me the opportunity to see her statement and the financial performance report 40 minutes ago. After her excursion into a parallel universe, it is about time we came back down to earth. She has come to the House today to admit that, for the fourth year in a row under this Government, the financial situation in the national health service is deteriorating, and that the deficit is a great deal larger than in the previous year. She says that there was a net deficit of £512 million in the last financial year. On a like-for-like basis, it was £216 million in the previous financial year, so it is now more than two and a half times greater.

The Secretary of State's policy has failed, but of course it is the civil servants and the managers in the NHS who will get the blame. Trusts will be singled out and told that they are responsible for the deficit. Sir Nigel Crisp resigned in March. If everything was going so well in March, I wonder why the chief executive of the NHS had to leave in those circumstances. Since then, there has been an exodus from the Department of Health, with people either jumping or being ejected from the sinking ship. Many of them have rightly said that the NHS is suffering from the void of leadership in the rudderless Department of Health. The growing gap between the hard-working staff in the NHS and the leadership that ought to be coming from the Department of Health is causing a crisis of confidence.

The Secretary of State's statement purported to give us financial information about the past year. She gave us the unaudited figures, and mentioned a sum of £512 million. Did she go on to tell us that the unaudited figures last year were out by 80 per cent. compared with the audited figures? The audited figures were £112 million higher than the unaudited figures. We do not yet know what this year's audited figures are going to be.

The Secretary of State told us that the gross deficit was £1.27 billion. That is about 1.5 per cent. of the total NHS allocations. She then said that that was being offset by surpluses. Well, yes indeed—there are £760 million of surpluses. But she did not tell the House that more than £500 million of those surpluses have been generated by the strategic health authorities. That means that they have cut their budgets, and they are planning to do so again this year. Most of those cuts will involve training budgets, which will mean fewer posts for doctors and nurses coming into the profession seeking to pursue their vocation. If there is a 10 per cent. cut in training budgets this year—as postgraduate deans across the country expect—that will affect 4,000 training posts for doctors. In Stoke yesterday, a lecturer in nursing at Keele university told me that—*[Interruption.]*

Mr. Speaker: Order. The hon. Member for South Swindon (Anne Snelgrove) must be quiet. It is not her function to sit there and heckle.

Mr. Lansley: That lecturer told me that 120 student nurses who are finishing her course at Keele university will not find jobs.

Did the Secretary of State mention that deficit switching has led to cuts in mental health services that have been deplored by her own national clinical director? Actually, she did not say anything at all about mental health services. She talked about the reductions in waiting times, but did she mention the waiting times for diagnosis? Her own figures, to which she did not admit, now show that waiting times—including waits for diagnosis—can be up to four years for trauma and orthopaedics.

Did the Secretary of State admit that, but for the strategic health authorities cutting their budgets, the deficits would be more than £1 billon—precisely the amount that we predicted last November? In December, the Secretary of State told the Health Committee that the deficit would be managed down to £200 million across the NHS by the end of the financial year. Actually, she said £250 million, but she had to be corrected by her officials because she did not have the figure in her head. However, the deficit has not been managed down to £200 million. It is now two and a half times greater than the figure to which the Secretary of State committed herself in front of the Select Committee.

Did the Secretary of State come here with any apology? No, she did not. Did she come here with any clarification of what will happen this year? No. There may be a chief executive listening to this out there. Are chief executives required to achieve balance over the whole of the current financial year? We do not know. Are they required instead to achieve what the Department is now calling—we shall hear this term again—"run-rate" balance, which means balancing monthly income and expenditure in the last month of the financial year? That is a very different discipline. Perhaps they are expected to achieve such a balance; perhaps they are not. Are they required in all cases to recover earlier deficits? We simply do not know.

The Secretary of State is promising that by the end of this financial year the NHS will have returned to financial balance. Will she tell the House that if by the end of this financial year the NHS is recording a further net system-wide deficit, she will resign?

Yesterday the Prime Minister told the public service to speed up reform, but it is the mismanagement of reform that is holding the NHS back. Public servants want to deliver better services continuously, year by year—of course they do—but they cannot do that under a Government who have let them down. It is policy that is failing. It is not only consultants in the British Medical Association who are saying that. We have a Government who fail to allocate resources in line with the real burden of disease and demand across

the country, with the result that some health economies are going into serious deficit.

The Government grossly miscalculated the cost of new contracts, and failed to link those contracts to productivity or reform. They are spending billions on the NHS IT programme, but it is over two years late and is not delivering the system that the NHS wants. Last year the Government imposed central targets—the Secretary of State did not mention them—which cost hundreds of millions, distorted clinical priorities, and caused some of the deficits. The Secretary of State talked of 300,000 extra staff for the NHS, but she did not tell us that 106,000 of them were administrators. She has doubled the number of managers, and financial management in the NHS is clearly woefully lacking.

This is a Government who have let the NHS down. Policy failures and mismanagement have left the NHS in serious and growing deficit. Hard-working front-line NHS staff deliver good, indeed excellent, care to patients, but they complain bitterly—and with justification—that that is not because of the Government, but in spite of them. They want to be free of damaging interference by Labour Ministers.

Ms Hewitt: I find it extraordinary that the hon. Gentleman made no mention at all of the dramatic improvements in care that have been delivered in the NHS over the past eight years and, indeed, the past 12 months. I am very surprised that he did not choose to mention that whereas in 1997 the number of patients in South Cambridgeshire who were waiting more than six months, in pain, for operations that they needed was 1,790, the figure in March 2006 was zero. It is extraordinary that the hon. Gentleman failed to mention improvements in his constituency and elsewhere, but I have to say—*[Interruption.]*

Mr. Speaker: Order. Members on both sides of the House must pay attention to the Secretary of State's reply. We cannot have Opposition Front Benchers shouting across at the Secretary of State.

Ms Hewitt: Thank you, Mr. Speaker.

Not only did the hon. Gentleman fail to mention the improvements in care for patients; he was clearly very disappointed that the deficit was not higher—that it had not reached the levels that he had predicted. In fact, it is lower than the forecast figure that we published at the half-year point.

The hon. Gentleman asked specifically about surpluses in the strategic health authorities. Many of those surpluses come directly from primary care trusts and other NHS trusts; but instead of being transferred directly to the accounts of overspending organisations, where in the past they have served to conceal the real problem of overspending, they have been held in strategic health authorities.

The hon. Gentleman said that newly qualified nurses and other staff were finding it difficult to obtain jobs. Of course, with more staff in the NHS than ever before—85,000 more nurses alone—it is more difficult for newly qualified nurses to find jobs than it was in the days when it was scarcely possible to find nurses to fill the vacancies that so desperately needed to be filled. What we are doing in response is ensuring that much more effort is made throughout the country to match our newly qualified staff to the vacancies that exist for every kind of staff in some parts of the NHS.

Let me make it clear once again that I am determined that the NHS as a whole will be back in financial balance by the end of March next year. Of course, as Health Secretary I will be accountable to the House and the public for achieving that goal. We have said that we expect individual organisations to sort out their problems and achieve monthly financial balance as quickly as possible. A small number of them—largely those that have been overspending for several years and have large accumulated deficits—will not even be able to get to monthly financial balance by the end of next year. However, as I said, we will go on helping them to make the difficult but essential changes so that they get back into balance and deliver the best possible care within their budgets without expecting other parts of the NHS and other patients to bail them out.

My final point is that the hon. Gentleman needs to decide whether he wants the NHS to deliver the best value possible for the money—the increased money that he and Opposition Members voted against—that the public have put in. Does he really think that poorer areas, which typically are those that have been underspending, should go on bailing out better-off areas that have been overspending? Does he agree with the right hon. Member for Witney (Mr. Cameron), who wrote to the Prime Minister on 18 May asking for the deficit in Oxfordshire—one of the overspenders—to be wiped out? Does the hon. Gentleman recognise that in that area funding has risen by more than £38 million in the past three years? Does he recognise that it will increase again by more than £36 million in the next two years? Does he believe that south-west Oxfordshire, to take one example, which has 64 GPs per 100,000 population, should be given money from, for instance, Sedgefield, with 52 GPs per 100,000 population? Does he really believe that money should be taken from the poor to bail out the overspenders, or does he, like us, believe in fair funding across the NHS, and the best care and value for money everywhere?

Steve Webb (Northavon) (LD): I thank the Secretary of State for her statement. Will she confirm that she just told the House that the NHS deficit has doubled in the past year? Will she confirm that one in three trusts are in deficit and that one in 10 are in serious deficit, which is more than last year? Will she confirm that the scale of the deficits is so much that the deficit trusts between them have run up a deficit in excess of £1 billion, which they will have to sort out, including paying back any assistance that they get from other trusts? The Secretary of State gave figures excluding foundation trusts. What are the figures including foundation trusts?

Who is responsible for the financial crisis? If the Government set the pay rate for GPs, doctors and consultants, set "Agenda for Change" and NHS staff rates, set the tariff for how much trusts get and set all the targets, is it someone else's fault or is it the Government's fault if the sums do not add up? Will the Secretary of State take responsibility for the deficit in the NHS? How much of it is due to Department of

[Steve Webb]

Health mistakes, creating bodies that get abolished a few years later and negotiating contracts that result in overspending—the GP contract and the consultant contract? Is that her fault or someone else's fault? Can we believe her when she says that the NHS will be in balance at the end of the year when Sir Nigel Crisp said in December that the deficit this year would only be £200 million and then, just a few months later, she told us that it would be two and a half times as big? Why should we believe her when she says that she will get the deficit under control this time around?

The surpluses in the NHS are in different places to the deficits, so the gross deficit of £1.2 billion is huge. Is not it the case that it takes incredible mismanagement to spend record sums of money on the NHS and to come to the House admitting the worst deficits in years? How has the Secretary of State achieved that? How did she manage to do that?

Is not it the case that what is going on is breakneck NHS reform, because the Prime Minister said that he will not go until the NHS is sorted out? How quickly will it be sorted out? Is not it the case that what we are getting is not measured organisational change, with long-term planning and rational reorganisation, but emergency cuts packages to deal with a short-term financial crisis? Does the Secretary of State accept that that is no way to run the NHS?

Ms Hewitt: I have already given the specific answers to the questions that the hon. Gentleman asked initially. I have made it clear, and I shall make it clear again: seven out of 10 NHS organisations are in balance or delivering a surplus. Two out of 10 have a relatively small deficit, which is quite manageable. One out of 10 organisations, many of which have been overspending for several years, have serious financial problems. The financial figures for the foundation trusts were published earlier this week by Monitor. Their overall deficit is £24 million, making an overall deficit of £536 million, which is still significantly less than 1 per cent. of the overall NHS budget.

If the cause of the deficits was pay rises for staff or targets for better care for patients, there would be deficits everywhere, and there are not. The majority of trusts in the NHS are employing more staff and paying them better, treating more patients faster than ever before, and saving more people's lives—and they are doing it within their budgets. It is entirely reasonable—I am surprised that the hon. Gentleman does not support this—to say that the NHS should be doing that everywhere.

I am proud of the fact that we are paying our staff better than ever before. I am sure that they will note with interest that the Liberal Democrats are not so keen on that. It is perfectly true that the GP contract cost more than we and the British Medical Association initially anticipated. There is a very good reason for that: it is a performance-related contract and the GPs have delivered more and better care than we and the BMA expected. The additional costs in the GP contracts—somewhat below £300 million—have delivered better care for patients. Indeed, thousands of people are alive today as a direct result of that GP contract.

I stress—I tried to make this point earlier—that in the past the financial reporting systems within the NHS had the effect of concealing persistent overspending in a minority of organisations. In some cases, the underlying financial problems were wholly unclear even to the organisations themselves. We have stopped that. As a result of the changes and reforms that we are making, we have much greater transparency right across the NHS as we give patients more choice, as money follows the patients, and as hospitals, particularly foundation trusts, have greater freedom to respond to what patients need while taking responsibility for their performance and for delivering the best possible patient care within those increased budgets. In other words, our reforms are helping to reveal the problems and to deal with them, rather than causing them.

As Health Secretary, I take responsibility for the NHS, for getting the policy framework right, and for ensuring that we have got the right support within the Department of Health to make sure that our front-line staff go on doing a superb job for patients. I regret that the hon. Gentleman, like the hon. Member for South Cambridgeshire (Mr. Lansley), failed once again to acknowledge all the improvements taking place in the NHS for patients.

Mr. Kevin Barron (Rother Valley) (Lab): Does my right hon. Friend agree that the statistic that she just quoted—that seven out of 10 NHS organisations are improving patient care and employing more staff and paying them better—belies the siren voices of both Opposition Front Benchers, and of the BMA consultants this morning? Would not they do better to find out why three in 10 organisations cannot do what the majority can do?

Ms Hewitt: I entirely agree with my right hon. Friend and I know that he, in his capacity as Chair of the Health Committee and in the inquiry that he is undertaking, will help us to do exactly what is needed, which is to ensure that we deliver the best value and the best possible care for patients everywhere—within the enormously increased budgets that we have given to the NHS.

Peter Bottomley (Worthing, West) (Con): Does the Secretary of State accept that it is not a surprise to anyone that every Member present wants a health service that is fair, effective and improving? She says that money will follow the patient, but will she look into what is happening in Worthing—in my constituency and that of my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton)—where the hospital trust is expected to save 8 to 10 per cent. of its budget in-year, with an option of moving accident and emergency services far away from Worthing, which is the largest town in West Sussex? Would that be a case of moving the patients and the money following them—or would it be better to bring the money to the patients and to let them be treated in their own town?

Ms Hewitt: I am sure that the hon. Gentleman will readily acknowledge that in his constituency, as everywhere else in the country, far more money than

ever before is going into the NHS. I am not aware of the specific proposals for changes to the accident and emergency services to which he refers, but I will look into that and, if necessary, write to him with further information. I stress that such changes in NHS services have to be subject to full public consultation before decisions are taken and changes made.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. It is clear that a lot of hon. Members wish to respond to this statement. I therefore hope that they will limit their contribution to one question, perhaps followed by a short reply, so that more of them can be successful.

Chris Mole (Ipswich) (Lab): Brokerage was clearly the drug to which the NHS should never have become addicted. Anyone who has run a large public organisation will recognise the need to drive out overspends on a continuing basis. Where trusts still have to recover debts and the financial recovery plans that protect patient services take perhaps two years, rather than one, to take effect, will the fund that the Secretary of State hopes that strategic health authorities will hold enable trusts—where such a fund is available—to deliver over the longer term, rather than the shorter term?

Ms Hewitt: Yes, but as I stressed earlier we want that to happen only in exceptional cases and for the reason that I gave, which is that, where an organisation is taking longer to return to balance, another organisation will have to underspend and thereby postpone improvements that they want and need to make for their own patients.

Angela Watkinson (Upminster) (Con): Barking, Havering and Redbridge Hospitals NHS Trust is entering a year of great change, in which services and patients will have to be transferred from two old hospitals to one new one. That in itself is an enormous management challenge and has cost implications. Does the Secretary of State agree that it is almost too much to ask the trust to achieve that and to recover its budget deficit in one year? Will she seriously consider allowing the trust to recover its budget deficit over two years, or even three, in order to protect services to the public?

Ms Hewitt: I am sure that the hon. Lady and her constituents will warmly welcome the new hospital and the far better facilities that it will offer patients. I have no doubt that the point that she makes is also being made by many hospitals that have been overspending. The chief executive and chair of her local hospital will of course be discussing this matter with the London strategic authority, which has a reserve power; it has the discretion—but only in exceptional circumstances—to allow longer for that recovery to take place.

Joan Walley (Stoke-on-Trent, North) (Lab): I appreciate my right hon. Friend's acknowledgement that some trusts and local health economies will have serious problems in coming to terms with the deficit. I ask her to continue to take a keen interest in our efforts to move the north Staffordshire health economy out of deficit, which will take longer than the time that the Government are allocating. Will she make sure that, in addition to the £60 million that has just been announced for the new building programme, we can get early closure in respect of the fit for the future project and an early decision on the North Staffordshire community hospital?

Ms Hewitt: My hon. Friend has been assiduous in supporting staff and her constituents in the very difficult situation that North Staffordshire hospital faces. I will continue to stay closely involved as their hospital and health community are supported in returning to balance, and I am sure that she will wish to join me in thanking the new chief executive of the hospital, the primary care tr[illegible] and the acting chairman of the hospital for the work that they are doing with front-line staff to ensure that difficult decisions are taken in a way that has the least possible impact on patients, and that any staff affected are given all the support that they need.

Mike Penning (Hemel Hempstead) (Con): Let me explain one of the reasons why there is such a problem with finances in West Hertfordshire Hospitals NHS Trust, which is in my constituency. Sedgefield, for instance, gets £1,210 per head, whereas last year in Hemel Hempstead, Dacorum primary care trust received £960 per head. There is a clear problem across the country in this regard. On Monday night, the health trust announced, in essence, the closure of Hemel Hempstead hospital, as it is facing £450 million-worth of debts. My constituents will be astonished at the complacent and patronising way in which the Secretary of State has addressed this problem. Their hospital, which was built for their community, is to close.

Ms Hewitt: As the hon. Gentleman knows, the deficit and overspending problems not only in Hemel Hempstead but across Bedfordshire and Hertfordshire are extremely serious. They have to be tackled, and there has been lengthy debate and full consultation on the changes that are needed in respect of different hospitals in that area. He talked about funding, but I should point out that in his constituency there are 65 general practitioners per 100,000 population, which is significantly more than the average and significantly more than in a constituency such as Sedgefield. I am sure that the entire House and the public will be interested to hear that what the hon. Gentleman is asking for is less money for areas such as Sedgefield, which have far greater health needs, and more money for his area. However, his area has already received enormous increases in its NHS budget, and, on average, it has a healthier and wealthier population than the areas from which he would seek to take money.

Mr. Dennis Skinner (Bolsover) (Lab): I say to the Secretary of State on behalf of people such as me and Ronnie that age does not travel alone, and that we use the national health service. He has got a brand new knee—and he is proud of it—and I have been in the

[Mr. Dennis Skinner]

cardiac and cancer wards and the rest, and, like Eartha Kitt, I am still here. I have got the national health service to thank for that.

It is high time that there was some balance in this debate. If the Rover plant had had financial figures of the kind referred to today, it would still be open. If Peugeot had been able to produce the same results, its workers would still be at work, and if the National Coal Board had been able to produce those results, there would be 200 or 300 pits open today. The truth is that this is nothing other than a success story for people like me and the 30 others who had open-heart surgery. But the BBC, which joined with the Tories, refused to come to Brompton hospital and do a success story about the 30-odd people who had open-heart surgery and managed to survive.

Ms Hewitt: My hon. Friend is absolutely right and I certainly could not have put it better myself.

Mr. Edward Leigh (Gainsborough) (Con): At 12.30 pm today, the National Audit Office published the summarised accounts for 2004-05. The Secretary of State has announced today an unaudited deficit for 2005-06 of £512 million. For foundation hospitals, that will rise to £536 million. However, if we look at the audited accounts for 2004-05, we see that the audited account deficit was almost twice as much as the unaudited deficit. In light of what has happened in the last year, what credence can we give to these figures, which are unaudited, and how much trust can we have in financial management in some parts of the NHS?

Ms Hewitt: I made it clear that the figures are unaudited, but I thought it right to publish them for the House, as I undertook to do and as I did last year, rather than wait for the audited figures, which are some months away. The hon. Gentleman is quite right: last year saw a significant shift between the unaudited figures and the audited accounts. Obviously, we do not yet know what the audited accounts will show this year, but for several months the finance and turnaround teams have been crawling over the accounts of the organisations with the biggest financial problems, which has revealed problems that had not been acknowledged or discovered at the point of the mid-year accounts.

The hon. Gentleman mentions the National Audit Office report, of which I have had early sight, and I am grateful to the NAO and the Audit Commission for their recognition that our reforms to bring about greater transparency in the NHS are helping to uncover, and therefore to tackle, some of the longstanding problems.

Mr. Chris Mullin (Sunderland, South) (Lab): But it is true, is it not, that a major cause of some of the deficit is unfunded or underfunded centrally imposed initiatives or wage settlements? What is my right hon. Friend doing to take that into account for the future?

Ms Hewitt: As I said earlier, I am proud of the fact that we are paying our staff more. "Agenda for Change", in particular, has been a huge step forward, ensuring that we can guarantee our staff equal pay for work of equal value and reward them for taking on greater responsibilities. We have put more than £1 billion additional funding into the NHS simply to fund "Agenda for Change". The great majority of NHS organisations are meeting those obligations, paying staff more and employing more staff, but doing so within their budgets, which we expect the rest of the NHS to do.

Andrew George (St. Ives) (LD): Is the Secretary of State aware that it has been announced today that Royal Cornwall Hospitals Trust—it covers not a better-off area, but the poorest region in the UK—has an estimated deficit of £15.7 million, which is double what was announced only three months ago? Will the Secretary of State inform the House who is responsible for that? Is it the trust, which is appointed by her; is it the perpetual and expensive Government gimmicks endorsed by her Department; is it the funding formula that leaves Cornwall at the bottom of the earnings league table; or is it, in fact, the Secretary of State herself?

Ms Hewitt: There are different specific reasons for the deficits that have arisen in a minority of organisations—there is no single cause. If it were the targets or the pay rises, the deficits would arise everywhere, which is not the case. The Royal Cornwall hospital and the health community there must look into the same issues as other parts of the NHS are having to look into. For instance, are they doing enough day case surgery? Are they doing enough in the community to reduce the number of emergency admissions? Are they carrying out all the proven measures that are being used in other parts of the NHS to deliver better care to patients, with better value for money? The hon. Gentleman mentioned the funding formula, which we have made fairer. It now takes account of issues such as the demands of a rural economy, the proportion of elderly people living within the community and, above all, social and economic deprivation. That is why, over this year and the next, the poorest areas with the biggest health needs that are furthest from their target funding will get the biggest increases. I think that that is fair, and I regret the fact that the Opposition parties do not agree.

Andrew Gwynne (Denton and Reddish) (Lab): I welcome today's statement, not least because my own strategic health authority and two primary care trusts are in reasonable financial positions. However, can the Secretary of State guarantee that people in Denton and Reddish and elsewhere in Greater Manchester—areas with real health inequalities and real health needs—will not lose out to other areas, often more prosperous, which have run up financial problems?

Ms Hewitt: My hon. Friend raises an extremely important point, which is why I stressed to strategic health authorities that money contributed by primary care trusts such as my hon. Friend's to help manage the deficit in a different part of the north-west will be

repaid, and it should be repaid to areas with the biggest health problems and the poorest populations before it is paid to others.

Dr. Richard Taylor (Wyre Forest) (Ind): I gladly acknowledge the improvements, particularly in cancer and cardiac care, but I am completely puzzled by why morale is so low among NHS staff. Why are so many medical staff counting the days to retirement?

Ms Hewitt: I am grateful to the hon. Gentleman for acknowledging the superb work that is being done. He reflects the fact that an enormous amount of change is and has been going on in the NHS for some years, and of course that is enormously demanding for staff. The reason that change is continuing is, first, because it is working. I am sure that the hon. Gentleman would, like me, welcome the fact that the latest survey of patients showed that 90 per cent. believed that their NHS care was good, very good or excellent—the highest-ever level of patient satisfaction. That places demands on staff and we have to continue to change within the NHS in order to meet all the challenges of which the hon. Gentleman is so well aware, including the need to release resources for the new drugs and treatments that are becoming available, which patients quite rightly want to receive as quickly as possible.

Hugh Bayley (City of York) (Lab): Does my right hon. Friend agree that it would be unacceptable if deficits created a new postcode lottery whereby patients from one area had to wait longer for treatment than patients in a neighbouring area? Selby and York primary care trust has the worst deficit by far in the north of England. If it had been required to balance its books in a single year, it would have had to cut spending by more than 15 per cent., which would have had devastating consequences for patient care. I welcome my right hon. Friend's decision that some PCTs with the worst deficits will have longer than a single year to balance their books, but would she be prepared to meet me and senior health leaders from York and Selby to discuss the recovery strategy and reassure herself that she is not imposing conditions that would lead to an unacceptable postcode lottery?

Ms Hewitt: Let me stress that our targets—the six-month maximum wait, or for dramatically improved cancer care—apply everywhere. We expect them to be achieved even in organisations with serious financial problems. Of course, I readily agree to meet my hon. Friend to discuss those matters in more detail.

Sir George Young (North-West Hampshire) (Con): I welcome the increased investment in the NHS, but is not the introduction of practice-based commissioning, payment by results, patient choice, the merger of the primary care trusts, the abolition of the strategic health authorities, the roll-out of foundation trusts and the introduction of a new IT system simply imposing too much change at the same time? The people trying to manage those changes are currently having to bid for their own jobs. Does not the NHS really need a period of stability and fewer initiatives from Whitehall?

Ms Hewitt: When the Minister of State, Department of Health, my hon. Friend the Member for Leigh (Andy Burnham) recently announced, in my unavoidable absence, changes to the primary care trusts, they were widely welcomed. I know from my own city of Leicester that people have felt for some time that it was wrong and unnecessary to have two PCTs when one PCT, coterminous with social services, could do even better than the existing organisations. I believe that those changes were necessary. The right hon. Gentleman mentioned practice-based commissioning, and I am delighted that already a number of GP practices are signing up to it. That work will continue because it provides a way of ensuring that we can deliver better care more conveniently for patients and closer to home. We want to provide better care and better value for money as well.

Richard Burden (Birmingham, Northfield) (Lab): My right hon. Friend will be aware that South Birmingham primary care trust is one of the better-managed PCTs that has kept to budget and contributed to improvements in patient care. Indeed, some of the local hospitals, such as University hospital, also have a good financial record. Although they and I understand the logic behind the reserve and the fact that they will need to contribute to it, does she understand that they need some more reassurance that, while the much-needed improvements that they have planned may be delayed somewhat, they need to come on stream, so that their health needs and the needs of those communities, which are often uneven but nevertheless very severe, will be addressed and so that they will not have to wait an unreasonable time for that to happen?

Ms Hewitt: I can certainly give my hon. Friend that reassurance. One of the reasons I am being so tough on the overspending organisations is that I am not prepared to allow the areas with the greatest health needs, such as his constituency, to go on bailing out overspending in areas that often have more NHS services than those poorer areas. I know that he and his constituents very much welcome the recent announcement that University Hospital Birmingham Trust will have a badly needed new hospital, which will enable it to go on improving the care that it offers to the people of Birmingham and the west midlands.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): By the Secretary of State's own admission, three out of 10 NHS organisations are in deficit. Although she tried to diminish the importance of that figure by making excuses, the reality is that 30 per cent. of NHS organisations are in deficit, the impact of which is felt by thousands and thousands of people who receive less treatment than they would otherwise. It is regrettable that the Secretary of State cannot bring herself to admit that failure under her stewardship, but it is worse still that she cannot bring herself to apologise to those thousands and thousands of people. I invite her to review the position and to consider apologising to the thousands of people who are suffering.

Ms Hewitt: The hon. Gentleman, whose party voted against the increased investment in the NHS, really ought to acknowledge the fact that thousands of

[Ms Hewitt]

patients who were waiting in pain for months—sometimes years—for operations under the Conservative Government are now being treated better and faster than ever before. It is high time that he acknowledged that and praised the NHS staff for those achievements.

Ms Diana R. Johnson (Kingston upon Hull, North) (Lab): What extra resources will my right hon. Friend provide to those areas, such as my constituency in Hull, whose PCTs are in balance and well managed, despite the huge health challenges that they face?

Ms Hewitt: The extra funding that is going into the NHS this year and next year will be more than 9 per cent. of budget, and because of the fair funding that we are introducing, the areas with the greatest need will get the greatest funding increases. I know that that will be welcomed by my hon. Friend and her constituents.

Mr. Gregory Campbell (East Londonderry) (DUP): There has undoubtedly been a massive increase in expenditure on the NHS, but in some areas, particularly in Northern Ireland, substantial and significant problems remain. Will the Secretary of State confirm that the Government will undertake a comprehensive and radical review of NHS funding, along with many more preventive measures aimed at the higher risk groups in society?

Ms Hewitt: The NHS in Northern Ireland is, of course, a devolved matter, but we have already undertaken a substantial review of NHS funding; the report of Sir Derek Wanless, in particular, made it clear that we have the fairest and the most efficient funding system in the world. Labour Members would certainly never want to depart from the basic values of the NHS: funding from general taxation and treatment based on clinical needs, not on ability to pay.

Mr. Bob Blizzard (Waveney) (Lab): The James Paget health care trust, which runs my local hospital, has no deficit. It has met and, indeed, exceeded all its waiting list targets and every other target that it has ever been asked to meet. That is why it is a well-managed, three-star hospital. Waveney primary care trust has a small but manageable deficit. We are delighted that we are about to be merged with Great Yarmouth PCT. I thank my right hon. Friend for that decision. The Great Yarmouth PCT has no deficit, but the strategic health authority is requiring it to loan about £3 million to other trusts. Will she guarantee that we will get that money back? Can we be in the first group of trusts to get it back, bearing in mind our levels of deprivation and health inequality?

Ms Hewitt: My hon. Friend, as ever, makes a powerful case on behalf his constituents and his local NHS. The James Paget hospital has achieved some outstanding innovations in the organisation of its surgeries. That is one of the reasons why it is performing so well. He refers to the reserves and the contribution that his PCT is making towards them. Of course, as I indicated earlier, those in his health community will have the ability to spend restored to them. That will be done as quickly as possible, and I have made it clear to the SHA that the areas in the greatest need should get their money back first.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): My constituency has never had a higher level of health care than we have at present. That is partly due to the funding coming from the Government, but is mainly due to the dedication and professionalism of the staff. However, what would the Secretary of State advise me to tell my constituents who are seeing a ward close—not as the result of inefficiency; the hospital is run effectively—while the salaries of the foundation trust's chairman and board members are being doubled? Right across the country, every foundation trust's non-executive members' salaries will double. Sometimes, those people are earning more than £50,000. How can we justify sacking nurses and closing wards when we are paying unelected people those huge salaries? What added value do they bring to the system? Will she look radically at their work?

Ms Hewitt: Board members' salaries are entirely a matter for foundation trusts. The hon. Gentleman's foundation trust, like others, will have local members and a local governance arrangement, and it is up to the members and the governing council to decide what those salaries should be. He refers to ward closures. There are many reasons why a hospital might want to reorganise wards. It might need and want to reduce the number of beds. For instance, if it is doing more day case surgery or if it is bringing people in for an operation on the morning that it takes place rather than the day before, that is better for patients, but it has the effect that fewer beds are required and therefore resources can be released for use on other improvements in care for other patients. I thought that he would welcome that, as well as the strong leadership that is provided by those on the good board of any well-performing organisation, rather than criticising them in the shallow way that he did.

Andrew Miller (Ellesmere Port and Neston) (Lab): I am fed up to the back teeth with siren voices talking down the NHS. I have a lot to thank the cardiothoracic centre in Broadgreen hospital and the Countess of Chester Hospital Foundation Trust for my health. I have been looking around at the fantastic work that has been done on GP referrals for cancer patients in my constituency. The figure is now up to 99.9 per cent.—a fantastic result. Let us talk up the NHS. However, on the PCTs in my area, will my right hon. Friend ensure, as part of her commitment to the more disadvantaged areas, that there is no disproportionate slicing of resources from mental services in the recovery programmes?

Ms Hewitt: My hon. Friend is absolutely right about the first point that he makes, and I can assure him that there will be no disproportionate impact on mental health services; they are being treated exactly the same as other services.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Last week, the chief executive of my hospitals trust announced 150 sackings. Yet, only four years ago, the same chief executive told *The Daily Telegraph*:

"The NHS is people-hungry. It needs skilled and qualified people and that is why we are scouring the world."

Employment has gone up immeasurably in the past four years, only to have 150 sackings announced last week. Is that not a clear case of Labour's boom and bust in the NHS?

Ms Hewitt: The hon. Gentleman has fallen into precisely the trap that so much of the media have and that I warned against earlier: those are not sackings. [HON. MEMBERS: "Yes they are."] The hospital is making difficult but necessary decisions because it has a serious financial deficit and it is part of a broader health community in north-west London that accounts for a very large part of the deficit across the country, as he will see when he looks at the more detailed figures. Hammersmith hospital and the other hospitals in that part of London need to consider whether they are doing enough day-case surgery and organising their services in the best possible way, and they are already telling us that they can organise those services more effectively and continue to deliver patients very good care indeed.

Points of Order

1.29 pm

John Bercow (Buckingham) (Con): On a point of order, Madam Deputy Speaker. I should be grateful for your guidance on a point of order about the future of the Nuffield speech and language unit, which I raised with the Secretary of State on Tuesday 9 May and in which I declare an interest as the parent of a two-and-a-half-year-old boy who might in future require its services. I am not trying to make this point in a partisan way: I am simply anxious. The Secretary of State promised on 9 May to write to me directly, but has failed to do so, and I have still not heard from the Under-Secretary's office about the meeting promised to me. It is most unsatisfactory when Ministers make promises and then do not keep them. *[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. I understand that the hon. Gentleman has raised this situation on more than one occasion. Ministers from the Department of Health are present and I am sure that they will have heard what he said. It is, of course, not a point of order for the Chair.

Mr. Charles Walker (Broxbourne) (Con): Further to that point of order, Madam Deputy Speaker. I wrote a letter six weeks ago to the Minister of State, Department of Health, the hon. Member for Doncaster, Central (Ms Rosie Winterton) , asking for a meeting to bring local mental health charities to visit her to discuss cuts in my local mental health service. What can I do to secure a positive response and advance that meeting?

Madam Deputy Speaker: That is not a point of order for the Chair, but the hon. Gentleman has made his point and Ministers from the Department of Health are present to hear it.

Fire Safety (Reduced Ignition Propensity in Cigarettes)

1.31 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to align cigarette manufacturing standards with international best practice so as to reduce the number of fires and fatalities in the home caused by cigarettes.

This Bill would require that tobacco firms modify their cigarettes so that they have a reduced ignition propensity. Essentially, that means that such cigarettes go out if left without being drawn on for more than a few seconds. The House is of course well aware of the toll of premature death and disease caused by smoking. As a result of recent debates, if nothing else, we are also now well informed about the damage that breathing in other people's smoke can do to one's health. However, there is a third element of the misery caused by smoking that is perhaps less well understood, and that is the number of deaths and injuries from fires started by cigarettes. I commend the Fire Brigades Union and Action on Smoking and Health for the work they have done to highlight the continuing risks associated with smouldering cigarettes.

Despite some success with "stub it out" campaigns, the number of tragic and avoidable deaths in such domestic fires has proved hard to drive down. The Government report "Fire Statistics for the United Kingdom" shows that in 2004, 3,500 fires in dwellings were caused by smoking materials, not including cigarette lighters and matches, and a further 1,600 in other buildings. Over the previous 10 years, the number of such fires totalled more than 60,000. Fires in dwellings caused in that way resulted in 114 deaths in 2004 and 1,260 non-fatal casualties. Smokers' materials are the most frequent source of ignition causing accidental dwelling fire deaths, accounting for around a third of such deaths every year. The vast majority of those fires were caused by manufactured cigarettes.

The victims of those fires are more likely to be from low-income households and of course they include non-smokers as well as smokers, children as well as adults, and firefighters as well as members of the public, so this is no trivial matter. If the dry statistics are not enough, the human stories behind them are all too evident. For example, the *Edinburgh Evening News* of 16 May this year reported on a fire that left a child aged less than 18 months with burns over almost half his body, requiring the amputation of two of his toes. It also left his family without a home. By great good fortune, and thanks to the presence of a smoke alarm, no lives were lost. Investigators believe that that fire, like so many others, was most likely to have been caused by smokers' materials.

Tobacco manufacturers have long dismissed the link between cigarettes and fire deaths as "merely a public perception", but for more than 20 years, as internal industry documents clearly show, the tobacco industry has known full well that many of those fires could be easily prevented. It argues that the introduction of cigarettes with a reduced propensity to ignite would lead to more negligent behaviour, but that is not a valid argument as the changes needed to the cigarette are slight and unlikely to be noticed by smokers. There are also many examples of safety standards being imposed on consumer products to protect public health without triggering dangerous or irrational behaviour, such as seatbelts and airbags in cars. If that argument were accepted, nothing would be accomplished by any attempt by the authorities to impose safety standards on consumer products. To avoid misleading descriptions, I suggest the use of the term "reduced ignition propensity"—as used in Canada—rather than "fire safe" or "self-extinguishing".

In January 2000, the tobacco firm Philip Morris introduced a reduced ignition propensity cigarette into the market, using small speed bands on special paper, which ensured that the cigarette rapidly went out if not actively smoked. In August 2000, New York state passed fire safety regulations requiring that all cigarettes sold there had to meet reduced ignition standards by June 2003. Early figures suggest that that may have reduced the number of fire deaths from smoking materials across the state by at least a third. Similar standards now apply in Canada, and the regulatory impact assessment there forecasts a reduction in the number of fires caused by manufactured cigarettes of up to two thirds. In the US, Illinois and Vermont have already followed the example of New York.

In this country, a fire research report done for the former Office of the Deputy Prime Minister estimated that, had cigarettes in the UK conformed to the highest standards in New York, the number of fires caused by cigarettes would have fallen by nearly two thirds. The ODPM figures suggest that that would have meant 78 fewer deaths in 2003 alone.

Such standards could be introduced across the European Union, under the general product safety directive. Indeed, the European Commission is believed to favour such a move. Therefore, I hope very much that we can now discount early rumours that officials at the Department of Trade and Industry might not support further progress on this issue, when the relevant Committee meets in Brussels on 13 and 14 June next week. I understand and accept that the DTI rightly seeks to protect business from unnecessary regulation, but I do not accept that the bulging bank accounts of the tobacco industry really need such diligent defence by Government officials. Surely the experience of that child in Edinburgh and the thousands of other victims of fires caused by cigarettes merit a little consideration.

If DTI officials are really so worried, let me reassure them that reduced ignition standards could be introduced at minimal cost to business and without threatening sales. Many of us may say in relation to cigarettes that that is not something to be given undue priority in any event. I hope that, now this matter has been drawn to the attention of Ministers, they will instruct their officials to take a more constructive approach. However, this House does not need to wait for the cumbersome processes of the European Union and the internal workings of Whitehall Departments to bear fruit. My Bill would require this simple and overdue measure to be introduced in the United Kingdom.

[David Taylor]

Smoking is a lawful activity in a free society, but it brings with it terrible problems and it is surely our job as legislators to ensure that they are minimised as far as possible. In this case, we could introduce reduced ignition standards without affecting anyone's freedom to any significant extent. The number of fires would be reduced. The number of deaths and serious injuries in fires would fall too, and insurance costs would fall with them. The Department of Health would be assisted in its hugely important aim of reducing health inequalities. The Department of Communities and Local Government would be helped to meet its equally crucial public service agreement target of cutting the number of deaths from fires in the home by a fifth by 2010. And fewer young children like the Edinburgh toddler would be exposed to horrific accidents and injuries.

In my own county of Leicestershire, a 55-year-old Anstey man would still be alive today if this Bill had been on the statute book, as would a 70-year-old woman from Fleckney. Residents in Thringstone and Ravenstone, wards that I have represented at various stages in my local government career, would not have had some serious fires occur in their homes—so it is not surprising that the Bill is supported by firefighters who, all too often, have to risk their own safety to deal with fires caused by cigarettes. That is especially true for those in the Leicestershire fire service, whom I thank for their research into one element of the Bill.

In short, everyone would gain from my Bill—and even the tobacco industry would barely notice its effect. The recent historic votes in this House on the Health Bill show that there is overwhelming support for action to reduce the burden of death and disease caused by smoking. We must disregard the rather odd conclusion reached yesterday by the Economic Affairs Committee in the other place, which suggested that we should have legislated to prevent passive smoking in the home—how on earth would we do that?—instead of taking the historic step of eliminating it in workplaces and enclosed public spaces. I chair the all-party group on smoking and health, and I respectfully suggest that their lordships are somewhat detached from reality on this issue.

I recently tabled early-day motion 2290, which draws attention to the hundreds of lives being lost in fires caused by smoking-related materials. I am gratified at the extent of support already shown by parliamentary colleagues for that motion.

Where we cannot persuade people to quit smoking altogether, we can—and must—act to reduce the harm caused by that habit and addiction. My Bill is a simple and overdue measure that is designed to achieve precisely that. I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by David Taylor, Norman Baker, Mr. Kevin Barron, Mr. Peter Bone, Colin Burgon, Mr. David Drew, Dr. Ian Gibson, Mr. Lindsay Hoyle, Helen Jones, Mr. Gordon Prentice, John Robertson and Bob Russell.

Fire Safety (reduced Ignition Propensity in Cigarettes)

David Taylor accordingly presented a Bill to align cigarette manufacturing standards with international best practice so as to reduce the number of fires and fatalities in the home caused by cigarettes: And the same was read the First time; and ordered to be read a Second time on Friday 20 October, and to be printed [Bill 192].

Opposition Day

Tax Credits

[Relevant document: The Sixth Report of the Treasury Committee, Session 2005-06, HC 811, on the Administration of Tax Credits.]

Madam Deputy Speaker (Sylvia Heal): I must inform the House that Mr. Speaker has not chosen either of the amendments tabled to this motion.

1.42 pm

Mr. George Osborne (Tatton) (Con): I beg to move,

That this House notes the overpayment, fraud and incompetence in the administration of the tax credit system; is concerned about the impact of this incompetence on the most vulnerable members of society; and calls upon the Chancellor of the Exchequer, the author of the tax credit policy, to explain to this House what measures are being undertaken to address these problems.

The incompetent administration of tax credits touches the constituents of every Member of this House. This debate could not be more timely: last week, the Inland Revenue revealed that almost half of the 6 million people in receipt of tax credits were paid the wrong amount. That is a staggering level of error, and an increase on the previous year.

I welcome to the debate the Chairman of the main Treasury Select Committee, and his counterpart on the Treasury Sub-Committee. The Treasury Committee, of course, is made up of Members from all parties. Yesterday, it published a report identifying Government error as a key cause of the overpayments. In its briefing for this debate, the National Association of Citizens Advice Bureaux reminds us that, four years after the introduction of tax credits, it continues to see

"thousands of families who face hardship and genuine confusion as they have been told that they have been overpaid but given no explanation and no warning before payments are suddenly cut".

Yet the Chancellor of the Exchequer still lacks the courage to defend a policy that he designed and implemented. We are told that he is at ECOFIN—the first such meeting that he has attended since December. Two days ago, he was planning to send the Paymaster General. We know that because we have the list of the week's events produced by No. 10 Downing street. It clearly states:

"EU ECOFIN Council meets in Luxembourg — Paymaster General Dawn Primarolo attends."

Then this debate was called and, for some reason, the Chancellor of the Exchequer changed his mind. Is it not strange how the right hon. Gentleman is always around to take the credit if things go well, but always happy to let others take the blame when things go wrong? Not once in the past year has he made a statement, taken part in a debate or even answered a question on tax credits. It is the policy that dares not speak its name, from a Chancellor who dares not open his mouth. Prime Ministers need many qualities, but political cowardice is not one of them.

In the Chancellor's absence, we have the poor new Chief Secretary to the Treasury. He, at least, must know something about the chaos in the tax credits system as he happens to represent the constituency with the largest number of people who are overpaid and the largest number who are underpaid in the entire country. Half of all the hon. Gentleman's constituents in East Ham who claim tax credits receive the wrong amount from the Department that he helps to run.

The Chief Secretary will undoubtedly tell us that the amount being overpaid across the country has fallen a little, to a mere £1.7 billion. When he does so, perhaps he will confirm that the number of people being overpaid has risen, with almost 3 million people getting the wrong award. When he tells us that help is going to the poorest families, will he also confirm that more than 100,000 of the poorest families—those on incomes of less than £5,000—did not receive the level of support to which they were entitled? When he tells us about what he has called in the past couple of days the "improved performance" of the tax credits system, will he explain why the number of people in his constituency being overpaid has doubled in a year? Why did NACAB tell me yesterday that there was no sign of a reduction in the number of families contacting it?

The Chief Secretary to the Treasury (Mr. Stephen Timms): Will the hon. Gentleman give way?

Mr. Osborne: In a moment.

The tax credits system is a shambles. The Chief Secretary knows that, as does every MP in this House. The millions of people caught in the system's web know it, too—it is a shining monument to the incompetence of this Government. On that note, I give way to the Chief Secretary.

Mr. Timms: The hon. Gentleman referred to the report published yesterday by the Treasury Committee and to the remarks made in the introduction by the hon. Member for Sevenoaks (Mr. Fallon), who said that tax credits were right in principle. Does he agree with that?

Mr. Osborne: Yes, I believe that tax credits are right in principle, but I want a system that works. The present system does not work, and that is why we are having this debate.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): Will the hon. Gentleman give way?

Mr. Osborne: I am happy to give way to the right hon. Gentleman. I do not know whether he has checked the figures for his constituency produced by the Inland Revenue, but 5,200 people there received the wrong payment.

Mr. McFall: Does the hon. Gentleman accept that the Treasury Committee is an all-party Committee, and that its report supported the principle of tax credits? The next question is, does he support a flexible system or a fixed system for tax credits?

John Bercow (Buckingham) (Con): My hon. Friend supports a system that works.

Mr. Osborne: As my hon. Friend the Member for Buckingham (John Bercow) suggests, I support a tax

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credits system that works. Towards the end of my speech, I shall speak specifically about whether the system should be flexible or fixed. I note what the Treasury Committee report says about the variability of low incomes, and its request that the Chancellor keep an open mind about moving to a more fixed system.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Gentleman has said that his party supports tax credits in principle and that it wants a system that works. However, does he accept that the variability of low incomes is bound to mean that a substantial number of claims will have to be adjusted at the end of the financial year, under any system? I used to be an accountant, and I speak as one used to dealing with complex forms. Does the hon. Gentleman also agree that, to understand the statements that people receive, one needs a post-graduate qualification in encrypted Sanskrit?

Mr. Osborne: The hon. Gentleman makes his point extremely well and I had better support his ten-minute Bill now.

Today's debate should focus not just on the mistakes of the past, but the prospects for the future. I have four questions for the Chief Secretary to answer when he responds. They lie at the heart of whether the Chancellor's tax credit system, designed by the Economic Secretary, can ever be made to work in future. First, can the Chief Secretary confirm that the huge annual overpayments—almost £4 billion in two years—are not the result of what the Paymaster General once dismissed as "teething problems", but are now a permanent feature of the tax credit system? He admitted as much last week when he set out the latest emergency reforms to the way in which the credits operate. He said—this is a striking statement—that once the changes are

"fully implemented, we expect them to reduce overpayments in future years by around one third".

So, even if the reforms work as well as he hopes—let us face it, nothing else that the Government have promised on tax credits has worked—two thirds of the overpayments will remain. Almost 2 million people a year will go on receiving the wrong tax credit payment and will face having the money clawed back off them, with all the hardship that we know that brings.

Ms Sally Keeble (Northampton, North) (Lab): Will the hon. Gentleman give way?

Mr. Osborne: I am happy to give way because I have been checking on the figures in the hon. Lady's constituency. In Northampton, North, 1,800 people were underpaid and 3,800 people were overpaid. That is almost half of all the people in her constituency who received tax credits.

Ms Keeble: Yes, and quite a lot of them came to see me. I helped them with that, which has given me a good understanding of the tax credit system. *[Interruption.]* It was a special surgery. Does the hon. Gentleman accept that the reduction of one third would follow from the change in the income disregard, but that the other overpayments should also be reduced by the changes to the reporting requirements? That was another really important recommendation made in the pre-Budget report.

Mr. Osborne: As I understand it—there is an opportunity for the Chief Secretary to clarify this—the reduction of a third would occur if all the changes, both the reporting requirements and the increase in the disregard, were to take place. The increase in the earnings disregard simply reclassifies overpayments as disregarded income. That is one of the ways in which the Government are dealing with the problem.

As I said, the Chief's Secretary's admission was extraordinary. As the Child Poverty Action Group reminded us last week:

"behind these figures are thousands of families struggling to survive when the overpayments are clawed back".

Not that we need reminding—we see that every week in our constituency surgeries. A disabled young constituent of mine told me that she was

"at the point of despair"

because of the clawback of tax credits that were rightfully hers. The chairman of the Inland Revenue wrote to me about the case earlier this year. He said:

"I am sorry to say that when we processed your constituent's claim we missed including her new income details".

How can one possibly miss including the income details when one processes a tax credit claim? That reveals a deep flaw in the system.

The new changes announced by the Government include new obligations on claimants to fill in more forms and to file them more quickly—any bureaucracy's answer to any problem. Why do not the changes also include new obligations on the Treasury? The parliamentary ombudsman recommended a year ago that the Government introduce a statutory test for the recovery of overpayments that gives people a right to appeal to an independent tribunal when they think that the Revenue has got things wrong. That is the same test that exists for other benefits. The parliamentary ombudsman said that the test would

"strike the right balance between the obligations on the part of the administrators and those on the part of the recipients".

NACAB says today that the test would

"build confidence in...the decisions being made".

Why have the Government refused to introduce that statutory test? Why are they instead imposing new obligations on the recipients that are not matched by new obligations on the administrators?

John Bercow: Surely the impenetrable complexity of the system is such that it is understood only by the Chancellor of the Exchequer, if at all. Is it not distinctly shameful for him to have devised a system that is even more complicated than the Schleswig-Holstein question? At least three people understood that—even if one of them went mad, the second died and the third forgot what the answer to the question was.

Mr. Osborne: Believe it or not, I studied the Schleswig-Holstein question at university, but I am not

going to go into it. My hon. Friend makes a telling point. It is a remarkable achievement of the Chancellor that he has made the tax affairs of the poorest almost as complex as the tax affairs of the richest.

Mr. Mike Weir (Angus) (SNP): I was interested in what the hon. Gentleman said about the new forms. What good is there in changing forms if part of the problem is that the information does not seem to get on to the computer system in the first place? The people who return forms still end up with overpayments or the wrong payments because the information goes missing, does not get put on to the computer or the computer seems unable to recognise it.

Mr. Osborne: That is one of the rare issues on which I agree with the hon. Gentleman.

The other question for the Government on overpayments is, why have they not implemented their own promise last year to pause before proceeding to recover an overpayment so that they can work out whether it is the Revenue that has made the mistake? Again, the parliamentary ombudsman recommended that approach. So, too, did NACAB. The Select Committee said in its report yesterday that that was

"crucial, in the interests of natural justice."

However, the Committee also said that it feared that the Government promise had been "sidelined". Why have the Government reneged on that promise? Perhaps the Chief Secretary can explain.

If multi-billion pound overpayments affecting millions of people are to be an annual feature of the tax credit system, the Government need to implement the changes needed to protect the rights of our most vulnerable families. That brings me to the second question—when will the ongoing fiasco of the computer system be resolved? Again, I recently dealt with a case in my constituency of a single parent who repeatedly tri[illegible] to tell the Inland Revenue that she was being overpaid. She was ignored for months, only for her tax credits suddenly to be suspended altogether two weeks before Christmas. She wrote to me to say that she could not buy her two young children presents because she was struggling to provide them with even the basics. A month later, after Christmas, the Revenue wrote to me admitting that it had got the case wrong because of

"a technical fault we are experiencing with our computer."

That was this year. That was the same computer that the Paymaster General told the House a year ago was "stable and performing...well". Does the Chief Secretary still think that the computer is stable and performing well? Will he repeat that phrase when he gets up to speak?

The Government amendment says that the IT problems affected only

"the early stages of implementation".

If Ministers really think that that is the case, I am afraid that they are living in a fantasy world. Certainly the Select Committee does not agree. It says in its report that IT error remains a "significant" cause of the tax credit mistakes. Do Ministers not realise what is going on in their own Department? The report goes on to talk about the Paymaster General's evidence. It states:

"The factors cited by the Paymaster General...as contributing to the problem of overpayments do not appear to give us a comprehensive account of the reasons why overpayments have arisen".

It continues:

"It is obvious to us that the Paymaster General's account makes no reference to causes which have arisen as a consequence of the Department's own processes—for example official error and IT error".

Jeremy Wright (Rugby and Kenilworth) (Con): Does my hon. Friend agree that the position on information technology is even worse than he has set out? Is he aware that in my constituency I have a case in which a lady was overpaid repeatedly? She told the authority that that was happening and the reply was, "Yes, we know, but the computer won't let us put it right."

Mr. Osborne: It is an extraordinary example—one of many. I suspect that every Member could produce similar examples of computer errors.

The Government finally sacked EDS, the company that provided the computer, and announced triumphantly that the company would pay them compensation. However, as yesterday's Select Committee report shows, the deal done by Ministers means that—this is truly incredible—full compensation is paid only if EDS wins other Government contracts. In short, the company that Ministers believe is guilty of messing up the tax credit computer will pay full compensation to taxpayers only if it is given a chance to mess up another Government computer system. Only this Government could negotiate such an incompetent deal, and now they refuse to discuss the details of the deal on the ground of commercial confidentiality. The Select Committee is right—Ministers should be accountable for the mistakes that they make and subject to parliamentary scrutiny on the arrangements into which they enter on our behalf, instead of hiding behind commercial contracts.

Of course, it is not only the computer that has cost the taxpayer millions of pounds, but fraud, which brings me to my third question—what is the true cost of tax credit fraud and what are the Government doing to tackle it? The Government refuse to tell us the true extent of tax credit fraud. According to the Paymaster General, there have been

"persistent attempts by organised criminals to obtain tax credits by using stolen or fictitious identities".

We know that the Government had to abandon their online application system six months ago after systematic abuse. We know, too, that although Ministers say that they are acting tough, there were just 211 prosecutions for tax credit fraud, with only two for organised tax credit fraud, out of 6.5 million applications. However, we do not know when Ministers knew for the first time that systematic fraud was taking place or how much money has been lost. Does the figure run into hundreds of millions of pounds, or even billions?

Ministers were warned about the possibility of fraud before the tax credit system was introduced. Why did the Chancellor ignore the series of security checks that was proposed by the right hon. Member for

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Birkenhead (Mr. Field) when he was Minister for welfare reform? The right hon. Gentleman said earlier this year:

"After I resigned ... the counter-fraud measures were not carried out and now it shows in the figures".

Why were those counter-fraud measures not carried out?

What about stopping fraud in the future? Surely the Select Committee is right when it warns that increasing the earnings disregard to £25,000 creates an incentive for further fraud as people deliberately fluctuate their incomes from year to year, but the Government have done nothing to prevent that from happening. Will the Chief Secretary address that problem today, too?

The Paymaster General promised the House that the Treasury would provide

"more comprehensive information on the level of claimant error and fraud ... in spring 2006."—[*Official Report*, 10 January 2006; Vol. 441, c. 551W.]

I know that winter has descended early on the Labour party and it is getting its seasons muddled up, but it is now June. Where is the information that we were promised for the spring?

For the second year running, ministerial incompetence and computer chaos have caused hardship for hundreds of thousands of people and cost the taxpayer billions of pounds, so I ask my final question—is it not time that the Government looked at the design of the tax credit system? The Government say that money has got to the poorest, but after spending more than £15 billion a year, it would be extraordinary if it had not. However, that comes at a price. In the words of the right hon. Member for Darlington (Mr. Milburn), a great friend of the Economic Secretary to the Treasury, in the Budget debate in the House:

"poverty has become more entrenched."

The right hon. Gentleman said:

"the number facing marginal tax rates of 60 per cent. or more has increased by nearly 1 million, largely as a consequence of the workings of the tax credit system."

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Will the hon. Gentleman give way?

Mr. Osborne: I am happy to give way. I do not know whether the hon. Gentleman agrees with the right hon. Member for Darlington.

Mr. Bailey: I do not, and my constituency is West Bromwich, West, if the hon. Gentleman wants to tell me how many overpayments there have been in my constituency. Something like 8,000 families in my constituency are benefiting from tax credits, but over the past three years, just 37 people have come to my surgery with tax credit problems. Will the hon. Gentleman tell us what comparable reforms he would introduce that would allow families with children on an average income to be £1,500 a year better off, with those who are poorest being £3,500 a year better off? That is the true nature of the issues about which he is talking.

Mr. Osborne: As the hon. Gentleman does not know what is going on in his constituency, I can tell him that 3,600 people there were overpaid. He will have to ask them why they did not feel that it was worth their time to go to his constituency surgery.

The right hon. Member for Darlington told us that the tax credit had left us with an

"80-20 society, in which 80 per cent. do OK but 20 per cent. are left behind". —[*Official Report*, 28 March 2006; Vol. 444, c. 710-11.]

[Interruption.] It is no good Members saying that he was wrong. Did the hon. Member for Dudley, North (Mr. Austin) say that?

Mr. Ian Austin (Dudley, North) (Lab) *indicated assent.*

Mr. Osborne: There we go. The hon. Gentleman is one of the Chancellor's henchmen and a proponent of what was called the "Kill Mil" operation. No doubt he is getting to work on the Education Secretary as we speak.

The right hon. Member for Darlington is not the only person who has criticised the operation of tax credits. As my right hon. Friend the Leader of the Opposition pointed out during Prime Minister's questions, the right hon. Member for Birkenhead has said:

"using tax credits as an anti-poverty weapon is like attempting keyhole surgery with a hacksaw".

That is Labour's verdict on Labour's record.

At question is not the existence of tax credits—we support tax credits, but want tax credits that work—but the system that the Chancellor chose of annual awards, annual income assessments, annual overpayments and annual clawbacks. That system means that almost half of all families get the wrong tax credit payment.

Perhaps the Economic Secretary to the Treasury has not even read the parliamentary ombudsman's report, but if he did, he would see that she says that there is

"the fundamental question as to whether, for people on modest incomes who have to budget and plan their finances carefully to manage their lives, such inbuilt instability or uncertainty really works."

The Treasury Committee, in its first and perhaps most important recommendation, points to the new evidence that shows that the family incomes of many of the poorest have become more variable and unstable as a result of tax credits. That all-party Committee asks the Chancellor to consider fixing awards over shorter periods than a year, and I ask him again to do so. The time has come to give serious consideration to moving to a tax credit system that is based on shorter, more fixed payments, that brings greater certainty to family incomes and that avoids the hardship of overpayment.

Mr. Jim Devine (Livingston) (Lab): It is great to hear the hon. Gentleman giving advice, but in his interview in last month's edition of *Magill*, the well-respected Irish magazine, he said:

"anyone who says that I haven't known adversity hasn't looked at my CV—I worked for John Major when we lost the 1997 election".

He then said that he worked for the right hon. Member for Richmond, Yorks (Mr. Hague) when the Conservatives lost in 2001. He went on to say:

"That doesn't say much for the quality of my advice"—

so why should we listen to him now?

Mr. Osborne: An absolutely devastating intervention. I should refer the hon. Gentleman to the figures on awards in Livingstone, which has pretty much the worst record on errors of anywhere in the country outside East Ham and West Ham. If he wants to toddle off and look at the figures, he can do so.

Examining the design of the tax credit system does not mean scrapping tax credits, but trying to make them work. In a rare admission of error, the Chancellor, too, opened up that possibility at the end of last year when he said that the Government might have to examine fixed payments. However, I doubt that he will do that considering that he designed the flawed system and has presided over its incompetent administration. Today's tax credit system is his creation and no one else's—*[Interruption.]*

Madam Deputy Speaker: Order. Could we have just one debate in the Chamber with one speaker?

Mr. Osborne: Thank you, Madam Deputy Speaker.

The Chancellor remains stuck in the past. He is refusing to listen and is the road block to reform. He is too proud to admit that he has got it wrong and too lacking in courage to defend the system in public. It will be up to the next Government to fix the broken tax credit system and give millions of lower-income people the social justice that they deserve.

2.9 pm

The Chief Secretary to the Treasury (Mr. Stephen Timms): Today's debate gives us the welcome opportunity to reflect immediately on yesterday's report from the Treasury Committee on the administration of tax credits. We will, of course, respond to the report in full in due course. In the mean time, I welcome it as a constructive contribution to the debate, and I hope that it offers the prospect of a new consensus throughout the House on the advantages of the tax credit system.

The hon. Member for Tatton (Mr. Osborne) said, in introducing the report, that tax credits are right in principle. I agree. The report rightly drew attention to the wide support among non-Government organisations, such as Citizens Advice, for the tax credit system. It underlined the importance of improving the quality of service provided to tax credit claimants. I agree about that as well.

It is a shame that the speech of the hon. Gentleman did not reflect very much of the now broad agreement on the gains from the tax credit system. He told us that he agreed that tax credits are right in principle, but he did not tell us very much about his agreement. It seemed that he was much more anxious to voice his criticism of the system than to explain why he now supports it.

I remind the House why there is broad agreement about the gains from the tax credit system. Let us consider the progress that we have made since 1997.

Mr. Andrew Mackay (Bracknell) (Con): Before the Minister goes any further, will he clarify exactly why the Chancellor of the Exchequer will not reply to the debate? At what point did he decide to go to the ECOFIN meeting? Why, according to the website earlier this week, was the Paymaster General attending?

Mr. Timms: The right hon. Gentleman will be pleased to know that my right hon. Friend is defending our national economic interests in Brussels today, as he has done extremely effectively over the past nine years. I think that the right hon. Gentleman will find that reassuring. As for the way in which we are handling the debate, it is precisely the way in which these debates have been handled in the past.

I remind the House of the changes that have occurred since 1997.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Will the Minister give way?

Mr. Timms: No. I will make some progress and then I will gladly give way to those who want to intervene.

Since 1997, there are now over 2 million more people in work, thanks in large part to the tax credit system. In 1997, just 800,000 people received family credit. Today, 6 million people benefit from tax credits. Ninety three per cent. of families on incomes below £10,000 claim their entitlement to child tax credit compared to the initial family credit take-up of just 57 per cent. under the Tories. In 1997-98, fewer than 2.5 million families with children paid no net tax. Under today's tax credit system, there are now 3 million families in that position.

Three enormous gains have been achieved from the introduction of the tax credit system, which is what it was designed to deliver, and which it is succeeding in delivering.

Mr. Charles Walker (Broxbourne) (Con): Undoubtedly the tax credit system has helped many people, but there are many families that suffer huge distress when they receive claims for large sums that they have no means of paying. How is the Minister proposing to reduce this distress on hard-working families who do not deserve to be treated in that way?

Mr. Timms: I shall set out the progress that we are making on that, because I think that it will be acknowledged that it has led to considerable improvements. Before I do so, I am grateful for acknowledgement of the benefits of the system, which I shall set out. First, tax credits have significantly improved incentives to work. In the past, far too many people found that they were better off on benefits than in a job. Tax credits have put that right. That is one of the reasons why so many more people are now in work and why the historic high rate of employment that we have achieved has been maintained for so long. Secondly, the tax credit system has reduced the tax

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burden on low to middle-income families. An OECD study, published in March, showed that, thanks to tax credits, net tax paid by a couple with one child living on the average manufacturing wage has fallen from more than 17 per cent. in 1997 to less than 10 per cent. now. That is a dramatic reduction in the tax burden for people who are benefiting greatly from the improvements that have been introduced.

Mr. Philip Hollobone (Kettering) (Con): I shall read briefly the comments recently of one of my constituents in response to a letter from the Tax Credit Office. My constituent writes:

"I should like to point out that although initially the tax credit payments proved very useful, the situation created by your overpayment has caused me substantial hardship and increased stress. In fact, I wish that I had never applied in the first instance. I feel very let down by the system."

Mr. Timms: I shall describe to the House the improvements that we have made. It is particularly interesting to note that take-up of tax credits has continued to rise.

The most recent figures and data have confirmed that the third big gain has been that tax credits have helped to achieve a big reduction in child poverty—since 1997, the number of children growing up in poverty has fallen by 700,000. That is consistent with our aim of halving child poverty by 2010 and abolishing it by 2020. Tax credits have made a big contribution to that success.

Of course, there have been problems with administration and with IT. It is right that the House should press for those problems to be fixed, and I want to report progress on that. I hope that the debate will reflect a new agreement across the House that tax credits are right in principle and that the focus now needs to be on how we can make the system more effective still. Conservative Members now say that they agree with that, and that is progress, but that is not reflected in the detail of their contributions to the debate. Tax credits are playing a key role in moving people into work, helping people move up the employment ladder while in work and ensuring that it pays to be in a job.

Mr. Jim Cunningham (Coventry, South) (Lab): I am sure that my right hon. Friend recalls that when the Opposition were in Government they opposed tax credits. They opposed the proposal all the way down the line. Does my hon. Friend recall also who it was who introduced the Horizon project that cost billions and cost nearly £50 million to put right? The shadow Chancellor of the Exchequer did not talk about that. I wonder whether he had a hand in that when he was an adviser in John Major's Government.

Mr. Timms: The Conservative party was responsible for that. My hon. Friend is absolutely right that the Conservative party consistently opposed tax credits and consistently opposed the dramatic improvements that we have seen in work incentives, reductions in tax burdens and reductions in child poverty.

I will say a little more about those three key improvements. Tax credits have improved incentives to work. Together with our wider economic stability, they have helped to increase the number of people in work by more than 2 million since the spring of 1997. Since then, long-term unemployment has reduced by 450,000. For example, from this October, a couple with two children moving into full-time work on the national minimum wage will be £41 a week better off for having done so. A lone parent with two children moving into full-time work on the national minimum wage will be £76 a week better off compared with the £54 that that person would have received under the system as it was in 1997. A single person without children moving into full-time work on the national minimum wage will be £58 a week better off compared with the £39 that they would have received under the system as it was in 1997. There have been substantial improvements in the incentives to move into work, and they are one of the main reasons why we have seen such a big increase in the employment rate.

Mr. Vara: The Minister is keen to emphasise the positive aspects of the system. Will he concede, bearing in mind some of the recipients of tax credit are the poorest in the land and some of the most vulnerable, that he and the system are doing such people no favours by increasing bureaucracy and the responsibility on them to make claims without there being a similar impact on the administrators?

Mr. Timms: There is a big impact on precisely the people to whom the hon. Gentleman refers, and that is for the good. For example, the tax credit system has reduced substantially the tax burden on low to middle-income families, precisely those to which he refers. That tax take of 9.8 per cent. on a single earner couple on £21,000, with two children—the manufacturing average wage—is now, according to OECD studies, the lowest rate of any country in the G7. There has been a huge gain for middle and low-income families. The single earner family with two children can now earn just under two thirds of the average wage before they start to pay any net tax. Thanks to tax credits, the number of families with children paying no net tax will have risen by more than 500,000 to more than 3 million this year. Those improvements should attract wide support from across the House.

Mr. McFall: I thank my hon. Friend for his remarks on the constructive but critical report of the Treasury Committee. It says clearly that tax credits are right in principle. The core issue is whether we want a flexible system or a fixed system. I would wish to take up that issue if I were to catch the eye of the occupant of the Chair. I have not had a response from the shadow Chief Secretary about the core issue. Where are the Opposition going? Are they fixed or flexible? Will my hon. Friend address that core issue.

Mr. Timms: If I understood him correctly, the shadow Chancellor wants a more flexible inflexible system. However, I look forward to the contribution of my right hon. Friend the Member for West Dunbartonshire (Mr. McFall), as I agree that this is a very important point indeed.

The third big gain from the system is the fact that tax credits have helped to achieve a significant reduction in child poverty—700,000 children have been lifted out of relative poverty since 1997, compared with a doubling of child poverty in the previous 20 years under the Tory Government. There is recognition across the House that child poverty must be tackled. Previously, the Opposition did not acknowledge that, but they do so today, which is another reason for the broad agreement that, as the Treasury Committee said, the tax credit system is right in principle. Tax credits provide support for 20 million people—a third of the population—and assist 6 million families and just over 10 million children. Take-up is substantially higher than in any previous system of income-related financial support for families in work, and it has risen much faster than it did under previous benefit systems such as family credit. The people most likely to take up their entitlement are the low-income families who stand to benefit the most.

Anne Milton (Guildford) (Con): The Chief Secretary is talking about statistics, but we are talking about individuals. For anyone listening to our debate, it is individuals who matter. In my Guildford constituency, it is a story of telephone calls that are not answered or returned. Recently, the worst case with which I dealt was one in which someone received an overpayment of £9,000 that they were asked to repay in monthly instalments of £600, which is far beyond their means. Until the Chief Secretary and the Government accept that the problem affects individuals and until they stop citing facts and statistics, we will not make any progress. I should like to ask the Chief Secretary—

Madam Deputy Speaker: Order. The hon. Lady has made her point.

Mr. Timms: I am afraid, Madam Deputy Speaker, that I shall continue to cite facts. Individuals are better off in work, instead of being on benefits, as they were in the past. Individuals have a lower tax burden, thanks to the tax credit system, and 700,000 individual children are not growing up in poverty, although they would have done so under the system administered by the Opposition.

Mr. Bailey: We should talk about individuals. Individuals whom I have met on the doorstep say that tax credit has transformed their personal financial circumstances. If Opposition Members were completely honest, they would have to include that in the equation. However, does my hon. Friend agree that an obvious overpayment factor was built into the system? In itself, that should not mean that a family suffers hardship when their income increases and they have to repay it but, in a small minority of cases, the calculations are wrong, resulting in difficult circumstances. Furthermore, does my hon. Friend not agree that the alternative is a fixed, inflexible system that penalises people far more?

Mr. Timms: My hon. Friend is right on both points. Yesterday, the Treasury Committee made the point that its witnesses have not called for a return to a less flexible system, although some hon. Members have done so.

The statistics published at the end of last month showed continued growth in the number of tax credit recipients. The total number of families who benefit from tax credit rose to 5.9 million in 2004-05, and 305,000 families have benefited from the child care element alone—a 14 per cent. increase on the previous year. A total of 79,000 families benefit from the disabled worker element, which represents an increase of 23 per cent. on 2003-04. Tax credits, as my hon. Friend rightly said, make a vital contribution to the well-being of hard-working families in Britain today. As the Treasury Committee said yesterday, they are right in principle. The challenge is to make sure that the administrative problems that have been raised in our debate are put right.

Mr. David Laws (Yeovil) (LD): So that we can move on to the substance of the debate, can the Chief Secretary tell us how many recommendations made a year ago by the ombudsman have been implemented?

Mr. Timms: We responded positively to the ombudsman's report, and we have not rejected any of its recommendations. The hon. Gentleman will have seen our response, as it has been published.

A good deal of the debate concerns end-of-year adjustments, which were raised by my hon. Friend the Member for West Bromwich, West (Mr. Bailey). Let me make the position clear: as family circumstances change, we must reflect those changes in the tax credits that are paid, which is why end-of-year adjustments are integral to a flexible system that responds to people's changing needs. For example, if a couple have a second child or if they suffer a sudden drop in income, the tax credit system should be able respond with extra help straight away. That is the great strength of the flexible system that has been set up, and such a response is only possible if payments can be adjusted during the year and, where necessary, at the end of the year, once any changes in income are known.

Mr. George Osborne: The Treasury Committee said in its final recommendation:

> "We note the Chancellor of the Exchequer's indication that he is keeping an open mind on the possibility of returning to a regime of fixed awards in which entitlement is based on the previous year's income."

Will the Chief Secretary confirm that that is the case?

Mr. Timms: The hon. Member for Yeovil (Mr. Laws), in particular, has called for the introduction of a system based on income in a previous period. He is right that the need for adjustments would be removed if we did so, but he and the House must acknowledge the price that would be paid is a loss of flexibility. Interestingly, the report published yesterday included a suggestion, based on work by the Economic and Social Research Council centre for analysis of social exclusion, that, if anything, the system should be more flexible in future.

Mr. George Osborne: The Chief Secretary told us the views of the hon. Member for Yeovil (Mr. Laws), but I asked for the views of the Chancellor of the Exchequer who, we are told,

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"is keeping an open mind on the possibility of returning to a regime of fixed awards".

Is that the case?

Mr. Timms: We certainly keep the system under review, but its flexibility is a source of enormous strength and benefit. It can respond straight away to changes in people's circumstances, which is a huge gain.

Mr. Weir: I agree that flexibility is essential to the system, but if my constituents try to provide information to officers, it is often not entered into the system or is not entered correctly so it cannot be found if there is a problem. This week, I received a letter from Revenue and Customs saying that it could not retrieve information from the system to tell me whether my constituent had been overpaid, underpaid or paid the correct amount. My constituent is beside herself with worry—there is a problem in the system, as it cannot deal with flexibility.

Mr. Timms: I was pleased to discuss the improvements that we have made in a recent Adjournment debate, when the hon. Gentleman raised his concerns. Procedures are in place to minimise hardship, including reduced recovery rates from continuing tax credit payments for people on low incomes. For people who no longer receive an award, there are 12-month instalment plans, with longer repayments where necessary. Her Majesty's Revenue and Customs considers the case for making additional payments to people who claim hardship as a result of recovery. My right hon. Friend the Paymaster General listened to representations last year about the balance between certainty and flexibility, and responded with changes that reflected those representations.

We do need to improve the quality of service to tax credit customers, as the Treasury Committee stated. That is why we have introduced a series of changes building on experience from the first couple of years of the system. I am grateful, again, to the Treasury Committee for its acknowledgement yesterday:

"We welcome the close attention that the Government continues to pay to improving the design of the regime".

Mr. McFall: On the point made by the shadow Chancellor—yes, the Chancellor is keeping an open mind, but I have tried to impress upon the Chancellor and other members of the Front-Bench team that if we go back to a fixed system, we can be sure that, as my right hon. Friend the Member for Birkenhead (Mr. Field) said, there will be many, many more complaints from our constituents. The question is flexible or fixed, and I am looking for an answer from the shadow Chancellor. We must be sure that a flexible system works. That is why we need to keep an eye on it.

Mr. Timms: That is why the Liberal Democrat Front-Bench spokesman's predecessor said that

"when people's circumstances change to their detriment, we want a substantial response".—[*Official Report*, 10 December 2001; Vol. 376, c. 625.]

The Liberal Democrats had previously favoured flexibility. My right hon. Friend is right about the benefits of that.

Mr. George Mudie (Leeds, East) (Lab): As a member of the Select Committee, I appreciate the open mind that my hon. Friend is bringing to the problems that were thrown up. They are not easy problems to resolve, but the fact that they are accepted and that work is going on is welcomed. However, seeing the problems should not distract us from the effect that tax credits have had on our estates. I have seen so many young people waste away on benefits, particularly single parents, who should be in a job but whose lack of skills means that their first job will be a low-paid one, which does not make it worth their while coming off benefits. Tax credits—my hon. Friend mentioned the figure of £50 to £76 a week—have provided the incentive for so many people on my estate to take up work, enter society and be a stakeholder for the first time.

Mr. Timms: My hon. Friend is absolutely right. The dramatic improvement to the incentives to get into a job have been a big gain from the system. I am grateful to him for drawing the attention of the House to the gains in his constituency, and I pay tribute to his work on behalf of his constituents in that respect. That is why the Select Committee said yesterday that we could not go further on certainty without putting flexibility at risk. That was an interesting conclusion, which the House will want to reflect on.

My right hon. Friend announced some important policy changes last November, in particular to address the impact of the annual income rises that have led to the need for adjustment and an increase in the tax credits disregard from £2,500 to £25,000. That crucial change has taken effect from April this year. Together with other changes, those policies will minimise the need for adjustments, yet maintain the flexibility to respond to changes in circumstances.

Greg Clark (Tunbridge Wells) (Con): On the increased disregard, can the Chief Secretary say what estimates his officials gave Ministers of the cost of that policy change?

Mr. Timms: The overall impact of the package is broadly neutral in cost terms. When one considers the elements of it that cost money and those that gain revenue, the overall impact is broadly neutral.

In our modern labour market, where in any year 3 million people change jobs, flexibility to respond is tremendously important. That is the big benefit of the system as it has been constructed. I welcome the Treasury Committee's comments about that.

Our strategy is to make work pay and to provide real financial support to families through tax credits. There have been problems in the early stages of implementation, but there have also been vital gains. That is why there is growing recognition—across the House, I hope—that tax credits are right in principle.

Mr. George Osborne: I am grateful to the Chief Secretary for giving way again. I sense that he is winding up. Will he deal with two specific points, which I know the Select Committee considered and Citizens

Advice is concerned about? One is the statutory test and the right to appeal to an independent tribunal, which exists for other benefits. The second is the pause that the Government promised before the clawback of overpayments, to give people the right to question the Treasury's decision on that.

Mr. Timms: On the first point, the procedure as we now have it is consistent between the tax credit system and the benefits system as regards the handling of official error. As the hon. Gentleman knows, I have just come from the Department for Work and Pensions, and there is consistency now between those two. On the pause, we have said that we want to accept the ombudsman's recommendation. I can reaffirm that today. Some IT changes will be needed to achieve that, and they may take a little time. We want to take the time, to make sure we get it right. It is our intention to proceed with that, as we have said.

Better incentives for work, a lower tax take from families on low and middle incomes, a big reduction in the number of children growing up in poverty—the system is right not just in principle, but increasingly in practice as well. It is the right system for a progressive welfare state and for a fair and prosperous Britain.

2.35 pm

Mr. David Laws (Yeovil) (LD): As the Front-Bench speakers for the Conservative party and for the Government observed, this is a timely moment to consider tax credits and the future of the system. Not only do we have the figures that were published last week on the 2004-05 performance of the tax credit system, but we have the excellent report from the Treasury Committee, which throws a great deal of light on the salient issues that we shall discuss today, many of which were glossed over in the Chief Secretary's response. I hope that the Paymaster General will be able to say more when she sums up.

I welcome the Chief Secretary to his new responsibilities and am glad to see that he is taking a leading role in tax credits policy. Indeed, he seems to have been taking the lead role over the past week as the Government dealt with the implications of last week's figures.

I had not spotted the statistics that the shadow Chancellor drew to our attention, which indicate that in the Chief Secretary's constituency there are greater problems with the tax credit system than anywhere else in the country. I hope that that will ensure that there is a stronger spokesman in the Treasury than there has been in the past for the interests of those who have been failed by the system and who are looking for reforms, rather than complacency, from the Government.

There are two aspects of tax credits that we must debate today. The first group of issues are those on which the Select Committee commented in its excellent report, concerning the practicalities of the tax credit system, with its existing broad design. The parliamentary ombudsman commented on many of those in her report a year ago. The Chief Secretary said that the Government accepted all the ombudsman's recommendations, but he failed to say which had been implemented to date, and he is surely wrong to say that the Government accept all the recommendations. I thought it had already been made clear by the Paymaster General that the Government did not accept the ombudsman's most important recommendation, No. 10, which was to write off the overpayments that have occurred in the past owing to official error. Perhaps the Paymaster General can put on the record later whether the Government's position on that has changed.

Philip Davies (Shipley) (Con): The hon. Gentleman hits upon something that affects one of my constituents, Susan Webster, who is in a distressing situation. She made Revenue and Customs aware each time her circumstances changed, as HMRC has confirmed to me on its hotline, yet she still had an overpayment of £1,000, which she is expected to pay back. Revenue and Customs refuses to write off that sum. Surely it is wrong, when someone makes HMRC aware of changes in their circumstances at the right time, that they are still expected to pay back a considerable amount of money.

Mr. Laws: The hon. Gentleman makes an excellent point. He draws to our attention the fact that the Government have been in denial about the problems of tax credits ever since the system was established, and they have maintained from the beginning—it is picked up in the Treasury Committee's report—that all the problems that people have faced with tax credits have been due to their own incompetence in dealing with the system. In fact, most of the people I have seen in my advice centres in my constituency—I must have seen 250 to 300 over the past two years—have faced problems that were caused in some way by official error. That is what the Government have neither acknowledged nor dealt with in the design of the system.

Mr. Roger Gale (North Thanet) (Con): Does the hon. Gentleman recall the Prime Minister standing at the Dispatch Box at Prime Minister's Question Time and saying that the Government would not seek to reclaim money in any case where the error was shown to be on the part of Her Majesty's Revenue and Customs? Does he agree that the Government are quite simply in breach of that undertaking?

Mr. Laws: The hon. Gentleman is quite right that the Prime Minister made a commitment that the Government have not kept. Indeed, it was a commitment that the Chancellor of the Exchequer repeated on GMTV. But our constituents have found themselves in a double lock where they have not only to demonstrate that there was error by HMRC, but to demonstrate by a very strict standard that they could not have been aware of those particular problems.

Mr. Weir: Will the hon. Gentleman give way?

Mr. Laws: I shall make a little progress and then give way.

The Chief Secretary dealt with some of the successes of the tax credit system, and 17 of the 18 lines of the Government's amendment trumpet its successes. Every hon. Member today has acknowledged that for many

[Mr. Laws]

people, tax credits have made an enormous difference. It would have been almost unbelievable that a Government could spend £15.8 billion in a single year on means-tested benefits without benefiting anybody. The issue is that the design of the tax credits system has been fundamentally flawed, that overpayments are fundamental to the system and that they have driven into poverty many of the people whom the Government have sought to help most, as has been shown by not only the Select Committee's report, but the ombudsman's report, which has been sitting on the shelf for the best part of a year.

The Chief Secretary and the Paymaster General would do well to read the leader article in the *Financial Times* last week on the day on which the Government published the latest statistics, in which the leader writer said:

"Compassionate governments insulate low-income hard-working families from the ravages of a global market. Enlightened governments seek such protection by rewarding work through their tax and social security systems. Arrogant governments close their ears when these policies are failing."

One of the greatest disappointments in terms of the Government's response over the past year, and to some extent even the Chief Secretary's response today, is that there has been an arrogance and an unwillingness to accept the problems that have been created for many people on the lowest incomes throughout the country.

The problems of the tax credits system, in terms of the loss of public money and the enormous overpayments that have had to be recovered from people on low incomes, are already well known. Many hon. Members today have already spoken, and I am sure others will later, of their own experiences of dealing with the individuals who have had these problems, many of whom have never been significantly in debt before, are baffled by the complexity of the system, and have got into these enormous debts and overpayments through no fault of their own. It is on those practical issues that I seek some reassurance from the Government today.

Mr. Timms: The hon. Gentleman's main proposal is the reintroduction of a much less flexible system, like the old family credit system based on fixed awards. He will have seen what the Treasury Committee said about that yesterday. I quote:

"there seemed to be little support amongst our witnesses for returning to a regime of fixed awards."

Indeed the hon. Gentleman's predecessor in his current post explicitly supported the ability of the system to be flexible in the way that it is. Does that give the hon. Gentleman any pause to reflect on the merits of the proposal that he has been running with for some time now.

Mr. Laws: I find the Government's position on this issue rather difficult to fathom. The Chief Secretary has said a number of times that the fixed system would have terrible disadvantages and that it would be some kind of disaster, and that was the line that the Paymaster General used to take. But at the same time they have acknowledged to the shadow Chancellor that they are considering precisely such an option and that they are keeping it under review. I remember being in this House a year ago and hearing the Paymaster General tell us how the alternatives to the then system were ridiculous; that a fixed award system would be ludicrous and that increasing the disregard to the outrageous figure of £10,000 would be enormously expensive. Yet a few months later the disregard went up from £2,500 to £25,000. The Chief Secretary would do well to acknowledge that in paragraph 52 of their report, members of the Select Committee say that they had not sought in this inquiry

"to ask whether the model of tax credits regime which the Government has adopted is the right model."

That is not what the Select Committee has pretended to do. The Committee also took evidence from a series of people, as the Chief Secretary will know, including one-parent families, who want to see a return to fixed awards; the Institute for Fiscal Studies, which believes that that option needs to be looked at seriously; and the Child Poverty Action Group, which has said that it believes that if the existing system cannot be made to work, there should be a major redesign. If the Chief Secretary really believes that the system of fixed awards is so flawed, why do not the Government carry out a public assessment? Why do they not commission some sort of research about other systems in the world? We have this extraordinary debate where it is hinted that a fixed system would be unacceptable, yet the Government simultaneously say that the system is being kept under review.

I noticed today that one of the things that the Chief Secretary is trying to do by continually coming back to the issue of a fixed award system, which was not even an aspect of the Select Committee's report, or one of the recommendations of the ombudsman, is to try to distract attention from the lack of progress on some of the major issues in the ombudsman's report, which came out a year ago. I find it extraordinary that the Chief Secretary is unable to say how many of the ombudsman's recommendations made a full year ago have been implemented. I find it extraordinary that he does not know that the principal recommendation that the ombudsman made has been rejected by the Government. It is extraordinary that the Government do not seem to have taken on board the implications of the existing system for low-income families. It is also extraordinary that, one year after the ombudsman's report, which was the most powerful critique of the impact that the tax credits system was having on some low income families and will probably never be bettered in terms of its insights into the tax credits system and its recommendations for putting it right in its existing form, a cross-party Select Committee with many thoughtful but also instinctively loyal Members of the Government, a majority Labour Committee, should be reporting that

"we are not convinced that the Paymaster General and the Department fully realise the extent to which HMRC needs to re-focus its administrative structures for tax credits around the needs of claimants."

It is astonishing that the Select Committee has gone on to conclude:

"We consider it would be much more helpful if the Department were to focus on the quality of the service it provides to claimants, rather than seeking to attribute the majority of problems with the tax credits regime to error or omission on the part of claimants."

The Select Committee refers to the Paymaster General's statement about a year ago when she attributed virtually every aspect of the overpayments to errors that other people were making, and no aspect of the overpayments to the errors that are being made by the system itself and by the Inland Revenue.

Mr. Mark Francois (Rayleigh) (Con): Does the hon. Gentleman agree that if, as the Government claim, the pre-Budget report package is supposed to be essentially revenue neutral, and because the tenfold increase in the disregard is expensive—although the Government will not tell the House how much it costs, even though we know that they know—in logic, the only way to keep the package neutral is that HMRC will have to rule more harshly on those other decisions about who is responsible for overpayments, and that will have a deleterious effect on the low-income families who were supposed to be helped in the first place?

Mr. Laws: The hon. Gentleman makes a serious point about the Government's package that was presented in the PBR last year, and the Treasury Committee's report was fairly scathing in setting out the lack of evidence about costings for those changes. I suspect that that is either because the disregard of £25,000 will be much more expensive than the Government expect, or perhaps the Government were never expecting ever to be able to reclaim a lot of those overpayments in any case, and therefore have treated them as written off.

Let us come to the main recommendations of the ombudsman in her report last year, and the main recommendations about overpayments in the Select Committee's report and what I would like the Government to focus on as their first priority. I will touch upon some of the interesting issues that have been raised with regard to fixed awards and some of the comments about means-testing. There are challenges there for all the parties. But the first matter to get right is the system as it is working now.

There are a number of problems in the ombudsman's report that, in fairness to the Government, they have started to try to deal with. Unfortunately, the problems that they seem to have prioritised have been some of the smallest and therefore the easiest to change. The biggest recommendation of all, which would have involved a lot of money, writing off overpayments due to official error, has been disregarded by the Government. But the really critical recommendations that the ombudsman has made concern the way in which overpayments are treated. That was clear from today's briefing by the National Association of Citizens Advice Bureaux, from recommendations 10 to 17 of the Select Committee's report, and from the shadow Chancellor's questions, but it was not clear in the answer from the Chief Secretary. We must move away from the type of system that one-parent families described in the Committee's evidence as a system designed by HMRC that would work with IT rather than with claimants. That is the type of system that the Paymaster General described to me in a letter last June, when she said that it was right that there should be

"a presumption of recovery by means of reducing or stopping further payments"

because most overpayments would be due to errors by claimants. In other words, the system as it has always worked from the beginning has been driven by IT and computers, not by any sense of justice.

In light of the responses by the Paymaster General and the Chief Secretary, I am very disappointed that one year on from the recommendations made by the parliamentary ombudsman, the Government seem to have made absolutely no progress on putting in place a pause so that people are able to challenge the overpayments that have been alleged against them. That pause must not only mean that people are not guilty until proven innocent but allow them to understand why the overpayment has occurred. At the moment, the information about that is completely inadequate in most cases.

Ms Keeble: This is a very important point that comes back to how one manages the collection of debts, which is what they are in some instances, from people on low incomes. We must ensure that, in the name of having a pause, we do not build another big delay into the system that makes it worse for people who are having difficulties. That is not a flippant point but a serious one about managing income, repayments and debt.

Mr. Laws: The hon. Lady makes a legitimate point about the balance between not allowing people to get further into debt and overpayment and giving them a reasonable breathing space to challenge overpayments. I am sure that she accepts that the existing system that presumes that people are guilty until they prove themselves innocent is inadequate and, as the ombudsman puts it, systemic maladministration. It is fundamentally unjust.

What has struck me from my own constituency cases is the complexity of making decisions about many of the cases where overpayments occur. Looking at the system from the top, one might think that one would be dealing either with an overpayment caused by an outright error by the Inland Revenue, where it was obvious to the person that £1 million had turned up in their bank account, or the opposite, where there had been a case of fraud. A huge number of cases are much more complicated, and the tax credits system needs to deal with that. They usually arise when individuals have accurately reported information over a helpline or on paper to the Inland Revenue. Those individuals usually then assume that the Inland Revenue will use that information correctly, but often it does not. It makes errors that it expects people to pick up from extremely complex forms which most people do not understand, and which, in fact, many Members of Parliament probably would not understand.

I can think of an enormous number of cases in my advice centres just over the past few weeks. People have reported that in a particular year they had no income and then have gone into a job, and the tax credits award notice that came back showed them simultaneously working 40 hours and also having no income. People have been on the basic state pension but the award notice has said that they are on pension credit and they have not understood that. People have put in one application for a disabled child with particular mobility components and something else has

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turned up on the form. Many of these cases are not black and white. The existing system, which applies the double lock whereby someone has somehow to prove not only official error but that they could not have found it by looking through all the forms, is completely inadequate for most of our constituents.

I cannot understand why the Chief Secretary does not accept that the systems of the Department for Work and Pensions and the Inland Revenue are fundamentally different in relation to the assumptions that are made about error and reasonableness. We need a fairer test.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): May I draw the hon. Gentleman's attention to the fact that his predecessor as Front-Bench spokesman, the hon. Member for Northavon (Steve Webb), was apparently able as a Member of Parliament to claim tax credits, perfectly properly, by discounting his pension contributions from his income? Does he find, as I do, that most of our constituents do not do that, and that that accounts for a great deal of the overpayment?

Mr. Laws: With all due respect to the hon. Gentleman, who is my former colleague on the Treasury Committee, I am sure that he is making a serious point—that one needs to be a professor of social policy and a former fellow of the Institute for Fiscal Studies to understand this system. I was once a Treasury spokesman for my party, and I am now supposed to be the Work and Pensions spokesman, yet I cannot understand some aspects of the forms that the Government send out. They are still not simple enough, and it is still unsatisfactory that there is no statutory test. It is bizarre that the Government have been maintaining several different standards for writing off overpayments over the past couple of years. It is disappointing that none of those issues was addressed by the Chief Secretary. The Treasury Committee's report goes over incredibly important ground that we knew about a year ago following the report by the parliamentary ombudsman.

Mr. Weir: I am interested in the hon. Gentleman's remarks about the complexity of the system. I used to be a solicitor, and I find it very difficult to follow. The situation is even worse than he suggests. A constituent of mine recognised that she had been overpaid and continually told the Revenue so, but it would not accept it. Eventually she got a letter from it claiming an overpayment and saying that although she had repeatedly said that she was being overpaid, it was not reasonable for her to accept the payments. What sort of reasonableness are the Revenue working to when they send out such letters?

Mr. Laws: The hon. Gentleman is right. Many hon. Members who have had people with tax credit problems coming to see them will recognise such cases, and yet will be entirely uncertain about how the Inland Revenue would deal with them in practice. I have referred cases to the tax credits office where a correct judgment has been made to overturn the overpayments. I have had other cases where there is still fundamental injustice—sometimes involving people with serious disabilities or people with learning difficulties who could not possibly be expected to understand aspects of the form having given the correct information to the Treasury.

Mr. Mudie: I listened with interest to the hon. Gentleman's answer to my hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins). I went on television to defend the Liberal spokesperson for claiming tax credit despite a wage of about £60,000. This is a good opportunity to put that on the agenda. My personal view is that if a system directed at the poorest and most vulnerable extends to people such as MPs, that clearly pushes a lot of work on to the Revenue that it should not have because we should not be able to claim. The system should be tighter and directed at the most needy.

Mr. Laws: The hon. Gentleman makes a sensible point. As he says, people are entitled to claim from a system that the Government have established and on which they have a legitimate claim. He will know that there will be huge sympathy for his viewpoint. It seems bizarre that people who otherwise pay the upper rate of tax can get such benefits. The Government's difficulty with a means-tested system is that if one wants to deny the benefits to such individuals, one has to taper it away more sharply, which raises the disincentive issues mentioned by the shadow Chancellor.

When the Paymaster General winds up, I would like to hear what progress has been made on the crucial recommendations made by the parliamentary ombudsman a year ago, which the Treasury Committee has felt it necessary to come back to in its report. That should not have been necessary. The Government should have been able to progress these issues by now, even if they had decided to make changes that could not have been implemented for some time.

I would also like to follow up the shadow Chancellor's point about fraud. Those matters deserve a much bigger debate than we have today. However, it is clear that the Comptroller and Auditor General was expecting the updated fraud figures this spring. Have provisional figures already been made available to him? When will they be given to the House?

We need to have a wider debate on fixed awards and the balance between flexibility and stability. The Select Committee acknowledged that it did not fully investigate that in the report. It would be enormously beneficial to the House if it could examine some of those issues in future. Even the Government have had to learn to some extent from their experience when the original design of the tax credits system went wrong. The Chief Secretary's claims that a fixed award system would be wrong or damaging sits ill with the Government's statements that they are keeping the matter under review. If they are keeping it under review, it would be interesting to know what they are doing to review it.

Rob Marris (Wolverhampton, South-West) (Lab) *rose—*

Mr. Laws: Are the Government simply keeping it in the bottom drawer or doing anything active to discover whether the sort of system that exists in Canada—doubtless the hon. Member for Wolverhampton, South-West (Rob Marris) is about to brief us on that—should apply in this country?

Rob Marris: The hon. Gentleman has been generous in giving way. Of course, we acknowledge that there are problems with the system. As a Government Back Bencher, I know where my party is going and I have some idea now of where the Conservatives are going—although they are not entirely clear—but I am beginning to feel like one of the hon. Gentleman's constituents in Yeovil because I do not know what his party stands for. He says that we need more debate here and more debate there—that is good—but his speech, with interventions, has lasted more than 20 minutes and he has not outlined his party's policy. Will he please do so?

Mr. Laws: I advise the hon. Gentleman to read the Select Committee report and the parliamentary ombudsman's report and ask the Government why they have not implemented the recommendations, which we support, that should have been implemented as a priority a year ago. I ask the hon. Gentleman to ask the Chief Secretary to consider seriously the case for a fixed award system such as that in Canada. I thought that he would brief us on Canada's excellent experience of a fixed and stable system. The Government should examine that option because stability is as important if not more important than flexibility for families on low incomes.

We all understand that the Government have made, at considerable cost to the public finances, an enormous commitment to trying to reduce child poverty and improve work incentives. They have changed the terms of the political debate, even though there are some major problems with the design of tax credits and the extent to which we can rely on increasing use of means-tested benefits. The Chief Secretary will know about that from his time in the Department for Work and Pensions, dealing with the pension credit.

My major criticism of the Government is not that they have rejected all our proposals for a fixed award system, but that we are sitting here, one year after the parliamentary ombudsman reported and two years after we knew about the problems, and the most important recommendations have not been implemented. I do not like to personalise such matters but it is regrettable that the Chancellor of the Exchequer has not bothered to be here today and that he can find time to change his diary and deal with international issues but cannot find time to tackle an important issue such as this. It is also regrettable that much that the Paymaster General has said in the past couple of years has been complacent and reflected a state of denial. That must lie behind the fact that a year has passed and yet we have made no progress on the key issue. I therefore believe that the Department would benefit from new ministerial responsibilities for tax credits.

I started by quoting from an excellent leading article that appeared in the *Financial Times* on the day when the tax credit figures were published last week. It concluded that the Chancellor's

"failure to sort out the tax credits mess bodes ill for this government, the Labour party and low income working families."

I hope that Ministers will listen to hon. Members today. If they do not listen to Liberal Democrat Members, I hope that they will listen to the ombudsman and their colleagues on the Select Committee. If they do not, they will pay a high price at the ballot box in losing the votes of precisely those people whom the tax credit system was designed to help.

3.4 pm

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): It is a funny old world when both Opposition parties tell us that we must refer to the Treasury Committee report to find out where we are going. Like my hon. Friend the Member for Wolverhampton, South-West (Rob Marris), I am puzzled about where the official Opposition and the Liberal Democrats are going.

The official Opposition proposal for a more flexible inflexible system is something to get one's teeth into. If the Conservative party is a serious party, its members must stand up to the plate on the matter. At Prime Minister's questions, the Leader of the Opposition referred to the Treasury Committee report and was misleading. I looked at the Conservative website's home page today. It states that, as a result of the report, the Opposition would hold a half-day debate and that

"Mr. Osborne was speaking as the cross-party Treasury Select Committee issued a report condemning the tax credit system".

That is wrong, wrong and wrong again.

Our Committee is regularly mentioned in the House. I love hearing the Opposition referring to the noble position that I take on specific issues when it pleases them and I am delighted that the Committee's report forms the backbone of the debate. The official Opposition and the Liberal Democrats have exposed it to the light.

Mr. Laws: I believe that we are considering the sub-Committee's report. The Chairman of the sub-Committee launched the report by saying that the tax credit system was not fit for purpose. The right hon. Gentleman is therefore in danger of giving a false impression about the extent of support for the system.

Mr. McFall: Absolutely not. I am surprised at the hon. Gentleman, who has served on the Treasury Committee. He should know the rules. The sub-Committee is a creature of the main Committee. The sub-Committee does not publish a report by itself. We are considering a Treasury Committee report and the Chairman of that Committee is the right hon. Member for West Dunbartonshire. I am in my place to deal with the comments about the main Committee's report.

Mr. Laws: Will the right hon. Gentleman give way?

Mr. McFall: No, I do not believe that I should give way in the light of the ignorance that is being displayed about the way in which the Treasury Committee goes about its business.

Ms Keeble: Will my right hon. Friend give way?

Mr. McFall: Given that I have given way to a former member of the Treasury Committee who does not know what he is talking about, I should like to give way to a current member of the Treasury Committee in the hope that she knows what she is talking about.

Ms Keeble: The report states:

"We agree that the policy underpinning tax credits of taking people, and especially children, out of poverty is laudable, and that the programme has had considerable success."

It states that the policy is right and has had considerable success. That is a good verdict from a cross-party Committee.

Mr. McFall: My hon. Friend shows tremendous promise.

The Treasury Committee supports the principle of tax credits. That is clear in our report. Indeed, we stated that we

"are encouraged to hear that they are providing financial assistance to so many people, especially families with children."

We noted further:

"Tax credits have succeeded... in achieving a significantly higher rate of take-up than was the case under previous regimes".

The tax credit system has three overriding objectives. The first is the increase in support for families, the second is the decrease in child poverty figures and the third is providing an adequate incentive to work.

Mr. Mudie: Criticism of the Paymaster General is unfair. The Select Committee report stated:

"We welcome the close attention that the Government continues to pay to improving the design of the regime, as evidenced by the package of reforms announced in the PBR 2005."

That is the part of the Select Committee report that the Opposition parties do not care to quote.

Mr. McFall: I thank my hon. Friend but he knows that, as Chairman, I am here to provide objectivity and to reflect the comprehensive nature of the report. I have not once been criticised by members of Opposition parties about that.

Mr. David Gauke (South-West Hertfordshire) (Con): As a member of the Treasury Committee, perhaps I can counterbalance the hon. Member for Leeds, East (Mr. Mudie). Paragraph 28 states that

"we are not convinced that the Paymaster General and the Department fully realise the extent to which HMRC needs to re-focus its administrative structures for tax credits around the needs of claimants."

The report makes it clear that there is no understanding of the role of official error, of fraud or of the costs of the new package. Those issues also need to be addressed.

Mr. McFall: The hon. Gentleman anticipates some of the points that I am going to make. His raising that point further underlines my objectivity on this matter.

On increasing support for families, we now have 20 million people getting support, as the Paymaster General said, involving 6 million families and 10 million children. That is an increase on the results of every past policy, and the take-up rate among low earners has been 93 per cent. That is a big improvement compared with the take-up rates of 57 per cent. in the early years of family income supplement, of 62 per cent. for family credit and of 65 per cent. for working families tax credit. That is why the Select Committee has endorsed this policy.

The Select Committee also endorses the child poverty objectives that have resulted in 700,000 children being lifted out of relative poverty, and the measures on creating adequate financial incentives to work. The Chief Secretary to the Treasury mentioned the tax burden. Like him, I look to the survey carried out by the Organisation for Economic Co-operation and Development, which showed that, as a result of the tax credit, there had been a large fall in the tax burden for families. The tax burden on a single-earner couple with no children earning £21,000 has fallen from 17.3 per cent. of gross earnings in 1997 to 9.8 per cent. in 2004. That is the lowest rate for any G7 country, and it is indeed an incentive for people to get into work. The effect of the policy on children is also important, and the Select Committee report notes that the tax credit has helped to ensure that the number of families with children paying no net tax has risen from under 2.5 million to more than 3 million in 2006-07. That is a considerable improvement.

However, I must ask whether everything is going right with the regime, and the answer is most definitely no. That is why the Treasury Committee has sought to address a number of points. Is the regime fit for purpose? Yes, in terms of the majority of people getting tax credits. However, it is not fit for purpose for the minority of people having problems with the tax credit system. That is why the Select Committee visited the tax credit office in Preston, where we looked at the way in which the regime was working in practice. Overpayments were a big issue there.

We examined the problem of overpayments, and the staff gave us three reasons for it. The first is that people's incomes rise from one year to the next. The second is that families overestimate the extent to which their income has fallen. The third is that the provision of payments at the start of a tax year might be based on out-of-date information. Those three reasons combined account for 70 per cent. of the overpayments. I would like to think that the Select Committee has performed a service in identifying those three issues so that they can be tackled. The Select Committee also noted that 30 per cent. of the overpayments were due to delays in reporting changes in a family's circumstances.

The Conservative and Liberal Democrat spokesmen both mentioned the arguments for either fixed or flexible systems, and I would like to say to the hon. Member for Yeovil (Mr. Laws) that that subject was very much a feature of the Committee's discussions. My right hon. Friend the Member for Birkenhead

(Mr. Field) gave oral evidence to the Committee in which he said that he was getting fewer complaints at his surgeries about tax credits now. I have also taken anecdotal evidence on this, and that is certainly a feature of what hon. Members tell me more widely.

If we were to go back to a fixed system, hon. Members would have an increasing number of people coming to see us about the problems involved. I would also like to point out to the Chief Secretary to the Treasury that if we returned to a fixed system, we would not be responding to the demands of a modern labour market. That is important because 3 million people change jobs every year in a modern labour market, and each year more than 200,000 move into new or better jobs, resulting in an increase in their family income by £10,000 a year or more.

Those are the reasons for the overpayments. I cannot stress strongly enough that, if we are to have a flexible system, overpayments will be a feature of it. So how can we manage this in a client-sensitive manner? I might be departing from what the Select Committee has said on this, but my experience is that the benefits of a flexible system are there for everyone in the family.

Jim Cousins: Will my right hon. Friend comment on paragraph 30 of the report's conclusions and recommendations? The Select Committee makes it clear that, if we are to have a system with the flexibility that he described, it will not be reasonable to expect to achieve staff reductions. In fact, the number of people being employed to achieve a more flexible system is growing, and that pattern is likely to continue. We will not be able to achieve staff reductions if we want to achieve flexibility.

Mr. McFall: That is a very good point. That issue was raised with us at the tax credit office in Preston. As a result of the demands on the office, extra members of staff were being drafted into that area. When the Minister and others look at the Gershon reviews, and at the demands that have been made on the Department already, they should keep this issue up front. We realise that this cannot be fixed overnight; it will take time. I will mention some of the problems involved as I go through my speech. However, it is an issue that we can all tackle constructively.

I know that the Chancellor has an open mind about this system. The media and others focus on the fact that there have been £2 billion of overpayments this year. That equates in the public's mind to £2 billion of losses, but that is not the case. However, it does give the impression that the system is running less than smoothly. So perhaps the Chancellor will anticipate that reaction and say, "Okay, we'll go back to a fixed system. It will be a surer system." But will it serve the interests of our constituents? I do not think so.

Mr. Laws: Does the right hon. Gentleman accept that this is not just an issue of presentational embarrassment for the Government or lost money for the taxpayer? It is also a fact that many of the overpayments are being recovered from people on extremely low incomes, sometimes when the problem has arisen through official error rather than their own. That is an even bigger problem than the fact that the Government have paid out £2 billion more than they intended.

Mr. McFall: The hon. Gentleman must accept that overpayments are an inherent part of a flexible system. But how can we marry such a system with a client-sensitive system? The Select Committee had that discussion with members of the unions and officials in Preston when we visited the tax credit office there, and that is the important issue for them.

The overpayments were £2.2 billion in 2004-05 and £1.8 billion in 2005-06, and I hope that the Paymaster General will respond to this point when she winds up the debate. A breakdown is needed of those overpayments to determine what the Government's figures are. The figure of £4 billion over two years needs to be broken down.

Mr. Philip Dunne (Ludlow) (Con): Does the right hon. Gentleman agree that this is not just about the overall amount of money involved? It is also about the number of people involved. He referred to a minority who had received overpayments, but we heard from the shadow Chancellor earlier that, in many constituencies, nearly 50 per cent. of those entitled to payments are either being underpaid or overpaid. I have just worked out that, in my constituency, 47 per cent. are getting the wrong payment. Given the administrative nightmare that is taking place in HMRC, the impact on people's lives of having to deal with this problem is getting them very upset, and we have to spend all our time dealing with that. Solving the problem of administrative incompetence is absolutely critical to getting this matter right.

Mr. McFall: As I said earlier, overpayments are an integral part of the system, but it is necessary to distinguish between individuals who can make an adequate response to the tax credit office about overpayments and those—perhaps people on low incomes and in distress—who cannot. However, I agree with the hon. Gentleman's second point.

Mr. Weir: I understand what the right hon. Gentleman is saying, but does he not accept that, as many other Members have pointed out, some people who recognise that they have been overpaid find it difficult to persuade Her Majesty's Revenue and Customs that they have been overpaid? That prevents the problem from being sorted out earlier.

Mr. McFall: I realise that, and if Members give me an opportunity I shall say more about it shortly.

Rob Marris : My right hon. Friend is doing a great job in drawing out what I perceive as a consensus, evidenced by the last two interventions. The consensus on both sides of the House seems to be that tax credits are a good thing and are doing a great deal to alleviate poverty, and that there are administrative teething problems. The only difference now seems to concern the magnitude of the problems, and how far the Government have gone towards addressing them. The overpayment figures for two years that my right hon. Friend has given show that they are moving in the right

[Rob Marris]

direction. If the Opposition would be a little more flexible, we could have consensus on that. There are problems, which are being fixed. It will take more effort to fix them further.

Mr. McFall: The Paymaster General dealt with a number of those problems in the pre-Budget report, and I am sure that she will discuss them later.

End-of-year adjustments feature in any flexible system. The only way in which to eliminate overpayments is to have a fixed system in which eligibility is based on the previous year's income and circumstances, and I certainly do not want to go down that road.

The Treasury Committee said that there should be a shift in the culture of HMRC if the tax credits system was to be a success. HMRC conducted a review of the merger of the two departments, which the Select Committee recommended to the Government. As has been pointed out, there are two entirely different cultures, and the client-centred culture has not been predominant. That must be addressed, and I hope that David Varney, HMRC's chief executive, and his colleagues will read the report with that constructive criticism in mind.

I should like the Paymaster General to think about what the Committee said about official error. The Committee believes that it has been a cause of overpayments in a significant number of cases, and that the Government should publish a complete analysis of incidences. There are also the errors caused by the IT system, which a number of Members have mentioned. Constituents have come to me about it. After our visit to Preston, the reason is obvious to us. When a client telephones a civil servant who then consults a computer, not all the information on the client will be on that computer. If decisions are being made on the basis of incomplete information, we can be sure that the system will be made worse. The IT problem must be addressed as a matter of urgency.

When we visited Preston, we learned that only about 25 per cent. of claims went straight through the automated system with no need for manual intervention. About 80 per cent. of new claims required intervention, and it was required by about 30 to 35 per cent. of claims for renewal. The Public and Commercial Services Union told us that the Government initially intended the "rapid data capture" process—the conversion of written information from application forms into electronic data—to handle about 90 per cent. of claims without further need for human intervention. My hon. Friend the Member for Newcastle upon Tyne, Central (Jim Cousins) mentioned staff numbers, and those figures make his point. There is an urgent need to keep staff at the tax credit office.

A recurring theme was the IT system's lack of flexibility, and the difficulty of correcting a mistake once it had been entered into the system. Staff may—as they told us—accept that the information is wrong, but may still be unable to correct the error.

The Committee also referred to fraud, error and organised crime. When the Paymaster General appeared before the Committee, I personally interrogated her on issues relating to staff from the Department of Work and Pensions and from Network Rail. HMRC has closed the e-portal and it feels that the fraud issue can be addressed, but there is still a problem over national insurance numbers. Vigilance is needed.

Mr. Mudie: Perhaps it is wrong to raise this when my right hon. Friend is talking about fraud, but I think we should record the problems that the Committee had with Electronic Data Systems. We were not able to confirm that we could discuss the matter with the Minister, because we were bound by a settlement. The Public Accounts Committee has raised the issue, and it has been raised by us. I think it should be put on record that the settlement with EDS is insupportable—that it is quite wrong, requires investigation, and should never be replicated.

Mr. McFall: My hon. Friend makes a good point. I remind the Paymaster General that David Varney, the HMRC chief executive, contacted us and offered us a confidential briefing. However, that would naturally have meant that we could not open our mouths at any future date. As politicians and public representatives, we were not prepared to enter into any such negotiation.

There is a credibility problem. There is, perhaps, a perception of impropriety. There may have been no impropriety, but the position is far from satisfactory, and my hon. Friend the Member for Leeds, East (Mr. Mudie) has done us a service by referring to it.

The Committee welcomed the increase in disregard from £2,500 to £25,000, but the Government say that they expect the increase to reduce the current level of overpayments by a third. That suggests that the remaining two thirds of overpayments arise as a result of changes in claimants' circumstances other than increases in income. Consequently, over the next few years—although the tax credits regime may see a decrease in the number of overpayments—levels are likely to continue to be high. At the same time, claimants' problems may well become increasingly complex as their case histories within the regime lengthen. I should like the Paymaster General to examine that issue, as well the important issues of the pause and the referral to an independent tribunal for appeal. We have mentioned both those issues.

Ms Keeble: On the independent tribunal appeal, does my right hon. Friend agree that it is important that we see the report first, as the Treasury Committee suggests, so that we can determine the practicality of having an independent appeal system, which is what we recommended?

Mr. McFall: I agree and hope that the Paymaster General continues to talk to the Committee while she considers the pause. We said that we were concerned by the apparent lack of urgency on the part of the Government and the Paymaster General in seeking to implement the pause before recovery of overpayment, given that automatic recovery of overpayments is contrary to natural justice. We recommend that the

Government reassess the priority that they have assigned to implementing the pause. I hope that she refers to that.

In deciding whether to write off an overpayment, HMRC should not apply a stringently objective reasonableness test, but take account of things such as a claimant's circumstances and the clarity of award notices. I know that the Paymaster General has considered that.

Mr. Michael Wills (North Swindon) (Lab): Does my right hon. Friend agree that one of the important innovations that the Paymaster General and her team introduced was the hardship team, which examined individual circumstances and could vary the amount of repayment? Does he share my concern that the hardship team was disbanded at the start of this financial year and no date has been set for it to be re-established? Does he share my hope that the Paymaster General will address that?

Mr. McFall: I agree entirely. I do not know the particular circumstances of the case, but I am willing to take my hon. Friend's word on it. However, as I said, we have to distinguish between those who have been overpaid and can pay the money back adequately, and those low-income families who are experiencing hardship and are in distress. As he says, a hardship team is essential in determining that, and I hope that the Paymaster General considers the issue.

I think that I have exhausted all possible interventions and finish on three things mentioned earlier. First, on the support for families, more families are getting the credit. Secondly, we are making progress on child poverty targets. Thirdly, on incentives to work, my hon. Friend the Member for Leeds, East mentioned young people who are unemployed. I am a former school teacher. When I first took up teaching, a lot of the kids whom I taught in the area where I lived went on not to work, but to unemployment. I would meet some of them five, 10 years later. They would be with their wife or kids, pushing a pram, and I would dread asking, "What are you doing?" I was reluctant to do that. Now I can walk down my high street and ask people what they are doing with more confidence and more authority because more people are in work.

We need a flexible system that responds to people's needs and provides incentives to work, especially for young people, because we must remember that unemployment is the single most important determinant of poverty. If we can have such a system, warts and all, it deserves our support. However, we will keep our critical eye on the Paymaster General over the next few months. We will not let up and will work as a team to ensure that we get the system right.

3.32 pm

Mr. Roger Gale (North Thanet) (Con): I am saddened that the Paymaster General is alone on the Front Bench. In the time that I have dealt with her on such issues, and on the two occasions when I have found it necessary to go to the Treasury to meet her to discuss them, I have found her and her civil servants extremely courteous. The fact of the matter is, however, that a ghost is missing from the banquet—it is the author of this shambles, the Chancellor of the Exchequer. It is conspicuous that over the three years of malfunction of the system that he introduced he has not taken part in one of these debates. Like the Duke of Plaza-Toro, he has led his troops from behind. Frankly, that level of political timidity in somebody who—at least once—aspired to be the Prime Minister of the United Kingdom is very unbecoming indeed.

My hon. Friend the Member for Guildford (Anne Milton) correctly said that the debate is about people, and it is—*[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the hon. Gentleman, but we do not want a sedentary interchange. It is extremely disruptive.

Mr. Gale: I want to deal with the people issues. Some correspondence fortuitously landed on my desk this morning. It was from a constituent and pretty much encapsulates much of the argument. He enclosed a letter from HM Revenue and Customs, which was sent to him on 17 May. It said:

"On 25 June 2004, an amendment was made to your award as you had informed us that"

your wife's

"correct income was £7500.00. Unfortunately due to a system error"

your income

"of £23930.00 was not taken into consideration and you were awarded a higher entitlement than normal.

Two award notices dated 25-06-2004 were issued to you, one referring to your 2003-2004 award and the other referring to your 2004-2005 award. They both stated that you were now entitled to £5695.85 tax credits...In our view"—

the Treasury view—

"it was reasonable for you to have known that due to the increased level of your joint household income this increased entitlement was incorrect...Although this overpayment was caused by a mistake on our behalf, we do not believe it was reasonable for you to think this increased entitlement was correct. I consider that you should have been aware that your payments were wrong, therefore the decision to recover both overpayments is correct."

In other words, "Game, set and match; we're right and you're wrong."

My constituent replied:

"In your last letter in which you changed your mind about how the overpayment occurred and we pointed out errors so you 'reconsider'. We find this wholly unreasonable and yet again you have made a glaring mistake in stating"—

my constituent—

"received Tax Credits via his employer totalling £1,393.74...In fact we received no tax credits via my employer as the enclosed wage slips will verify.

You state it was reasonable for us to know we should not be entitled to the overpayment, may we enquire why? We supplied all the information, you made the errors, you stated our award may change...You accept the errors, You make more errors in stating tax credits paid via employer...You change your mind over the reasons for overpayment and we are meant to believe you when you state we should have been responsible."

The Revenue and Customs has batteries of civil servants and an unbelievably expensive information technology system paid for by United Kingdom taxpayers, yet it cannot get its sums right. However, it

[Mr. Gale]

expects our constituents to work out—presumably on the back of an envelope, without the help of the civil servants and the computer—sums that the Treasury cannot itself get right, and to take responsibility for the Treasury's errors.

The Prime Minister stood at the Dispatch Box at a Prime Minister's Question Time and told the House, in terms, that the Treasury would not seek to reclaim money that was paid as a result of a fault of the Treasury. Ever since that statement was made, the Treasury has wriggled and weasled. It has sought to claim, in one form or another, that all the problems—problems that have been referred to every Member of Parliament—are the fault not of the Treasury or of Revenue and Customs, but of the man who cannot work out complex sums on the back of an envelope, who, in this instance, is my constituent.

Mr. Dunne: All Members could give similar examples to that which my hon. Friend offers of HMRC's excuses for its incompetence. A problem of the sort that we have not heard mention of so far arrived on my desk yesterday. As a result of an internal systems breakdown, an overpayment remained unrecognised for more than six months. The advice given to my constituent—the excuse—was, "Treat it as an interest-free loan and we will come and get it from you later. We cannot sort it now because things are in such a mess."

Mr. Gale: My hon. Friend highlights a point that has been made time and again in our debate. You will be relieved to know, Mr. Deputy Speaker, that I do not propose to read out all the 106 cases with which I have dealt. Twenty-nine are still live, many have been outstanding for more than two years, one has been referred to the adjudicator, and eight more will have to be referred to the adjudicator. Because of our debate, I plucked out 12 cases from the 29 live ones and discovered that there was an average repayment claim of £2,190 per household, a lowest figure of £611 and a highest figure of £4,262.

By implication, we are talking about some of the poorest, most underprivileged families in the country. Sadly, the per capita level of deprivation in North Thanet, in east Kent, is still among the highest in the United Kingdom. Can any Member begin to contemplate the terror and misery felt by a young man or woman who picks off the doormat a bill for £4,000, when they do not have 4,000 pence in the bank, and such money as they did have has long been spent on household and living essentials? How can the Treasury and the chairman of the Revenue and Customs, who was rewarded with a knighthood for his incompetence, dare to justify this sort of situation? We know how, because in response to another constituency case, a Revenue and Customs senior business manager wrote to me on 1 June and said:

> "Overpayments are sometimes inevitable in a flexible system as changes in circumstances which reduce entitlement can happen at any time in the year."

Forgive me, but the right hon. Member for West Dunbartonshire (Mr. McFall) has referred over and over again to the wonderfully flexible system. The system is flexible, in so far as I can see, in terms of the number of excuses that it allows Revenue and Customs to generate for its failures, but it is not responsive to data input—I think that that is the expression.

In evidence to the Treasury Committee, the Paymaster General said with tremendous and accustomed candour:

> "I am not a computer person."

The problem is that not only is the right hon. Lady not a computer person, but so far I can see, the people responsible for the installation and maintenance of the Treasury's computers are not computer people either—they are not capable of getting it right—and the result is a Treasury Committee report that is absolutely scathing in its determination.

We are dealing with real people. Teething troubles have been referred to—if there are such troubles, all I can say is that second teeth are coming through, because the programme is now three years old. The Treasury team responsible, including the Paymaster General and the Chancellor of the Exchequer, have had three years to get it right.

Members of Parliament continue to receive cases of hardship and misery, generated by a scheme that we were told would solve people's problems and help them out of debt, poverty and hardship and back into work. For a third of the people involved in the scheme, who are supposedly receiving money as beneficiaries, the reverse is the case—it is creating problems and causing hardship. It hurts me to have to say this, but frankly, if the chairman of Revenue and Customs and the Treasury team responsible for the scheme cannot get it right after three years, they should move over and make way for someone who can.

3.41 pm

Ms Sally Keeble (Northampton, North) (Lab): A bit later in my remarks, I want to deal with an aspect of the tax credit scheme that has not been talked about much: the child care element—a particularly important point that is responsible for some of the very high levels of overpayment. Before I do so, it is important to return to the fact that the policy is basically the right one. Although everyone says, "Oh yes, we agree that it is the right one, but...", we are left with the "buts", which are undermining. The implication that the system is working so badly that it cannot be made to work and therefore that it must be changed is one of the things that I want to refute very strongly.

We have a choice, and my right hon. Friend the Member for West Dunbartonshire (Mr. McFall) was right to press on both Opposition parties that there is a choice between flat-rate and real-time benefits. Of course, a flat-rate benefit would be easier to administer. We could just say, "We know the family size, and here's a flat-rate payment." However, the real issue is what the payment should be. That is where things become problematic, because we might assume that there is an identikit family and we might give people a certain amount of money. Labour Members' suspicion is that if the Opposition ever got their hands on the system, the level would be too low.

People are now much more familiar with working with computer systems and real-time benefits can take

account of changing circumstances. In a sense, people expect the system to target their real needs much more carefully. Again, that comes back to the child care element. That is why it is so important and why my right hon. Friend was correct constantly to press the point about the flat-rate system versus the more flexible version.

By providing flexibility, we make it possible for people to remain in work. That is fundamental not only to the fight against poverty, but to people's dignity, self-respect, standing in society and ability to support their children and to hold out the prospect of a better life for them and all the other things that people want to do for their families. In a previous incarnation, when I was the leader of an inner-London council during all the Tory recessions, I saw people on flat-rate benefits who lived on large council estates, and those benefits only served to keep them in poverty.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I remind the hon. Lady that her party is in power and this motion has been tabled because mistakes are being made by the Government. Does she agree that about half of those who apply for tax credits receive the wrong assessment? That is what we should be addressing, not some fictitious idea of what a future Conservative Government might do.

Ms Keeble: It is not a fictitious idea, because it relates to policy choices and what has been learned from the past to inform the future. It also relates to what happens to lone parents—unemployed women bringing up children—and their prospects. I do not think that anyone—and that includes Labour Members—has referred to that key issue for the tax credit system.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): The hon. Lady rightly sets out the objectives for the system, but major problems are caused by the high degree of error and incompetence, and they would make it worth while investigating returning to a system of fixed awards. The experience of my constituents is that it is no longer worth the trouble of engaging with the tax credits system—which was set up to help them—because the incompetence has been going on for three years and they are sick of it.

Ms Keeble: The hon. Gentleman makes the fair point that if a system is constantly run down, people disengage from it. It is important therefore to ensure that the public understand that the system can make a real difference to their life chances. I accept that it is complicated, and people may need help with working their way through it. The Committee's report contains important recommendations with which, as a member of the Committee, I wholeheartedly concur. We must recognise that if we are to give people a hand up, not a hand out—to use one of our old phrases—we must ensure that we provide them with the kind of support that will help them best in their present circumstances, not the circumstances in which they were last year.

The system is important because of what it has done for women, and that is why we must get the administration of it right. I take second place to nobody in criticising the administration and the amount of fraud. The system was designed to give a real chance to people on low and average incomes—and in some cases, people with fairly high earnings but large family commitments—to get children out of poverty and to provide some dignity for women who had been kept out of work and at home on benefits for many years, and it is a scandal that it is hampered by administration problems and fraud. That is why Labour Members are so concerned about the administration and why the Committee's report has received so much attention. It is certainly an excellent report.

Much of the ground has already been covered and other hon. Members wish to speak, so I shall make only a few points. The staff have received much criticism, and when we visited them in Preston it was clear that they have thought a lot about the issues and learned a lot from doing so. Some of the managers had done superb jobs in sorting out their targeting and working out ways to deal with the administrative problems. That deserves to be recognised, and the staff should be congratulated on their work. The system is complex and people who are not used to it or to dealing with benefits of this type can find it difficult to come to terms with. Such problems need to be resolved, but it is important that we do not merely castigate the staff for what has happened.

The report identifies various problems, but other challenges—such as the difficulty of reporting a change in circumstances—remain. The report spends a lot of time talking about how people's income can vary in-year. That is understandable when people working shifts or in temporary jobs have to adjust their hours for school holidays and so on. However, evidence gathered for the report made it clear that people's lives change. We must accept that families break up and that people find new partners. New babies get born and children grow up, moving from nursery school to their main school and then out to work.

All those changes can have an impact on a person's tax credit claim. My right hon. Friend the Chancellor announced changes to the system in his Budget statement, and their implementation must take account of people's changing circumstances. I am sure that my right hon. Friend the Paymaster General is more familiar with the details than I am, but I think that one of the proposals is that a change in circumstances will have to be reported in one month rather than in three months. Staff must be geared up and ready to deal with such changes, and claimants must also be aware of what they have to do. They must be able to manage what can be quite a complicated process, as it is not always clear that a change in circumstances will be permanent.

In addition, the relevant computer systems must be geared up to deal with the requirement that changes in circumstances are reported more quickly. It is important, too, that people who advise claimants understand the changes.

The Treasury Committee also talks about the ombudsman's recommendation about an independent appeals system, and makes it clear that it wants to see a report on the practicalities involved. I hope that HMRC can look into the matter very carefully and

[Ms Keeble]

make a report available quickly, because it is really important to ensure that a paper chase, once begun, does not proliferate.

The hon. Member for North Thanet (Mr. Gale) mentioned the arguments that people can get into, and the sequence of events is familiar to all hon. Members. When a person in receipt of a tax credit award undergoes a change in circumstances, he or she is likely to say that the award was wrong in the first place. Details of the changes are fed through the system, making the first award even more wrong and rendering incorrect any award made subsequently. The problem then is that it is very difficult to alter the first award, with the result that a paper chase begins that goes on and on. It can take an inordinately long time to resolve such a problem.

Any appeals system has to be appropriate. It must arrive at the right decision and provide proper redress, but it also has to be quite fast. It must not add to the paper chase—it is very important that the appeals system makes things better rather than worse. I hope that the HMRC report on an independent appeals system is made available to hon. Members, and that it is prepared very quickly.

My final point has to do with child care, an element in the debate that has been overlooked so far. It is important that we remember that the flexible tax credits system recognises the cost of caring for children. It is not perfect, but for the first time ever women can claim their child care costs and go out to work.

In the early days of the system that led to some fraud, but the new process has helped a bit. Some problems remain, such as how to deal with holidays and what mature students with children can do about their child care costs. However, it is really important that, as we move forward, we retain the recognition that a woman might need only a small amount of money in tax credits because she can earn reasonably well, but she can earn well only if all her child care costs are paid. She might need only a few pounds a week in tax credits, but she will need £100 a week or more in child care costs. I hope that that is recognised.

I hope that it is also recognised that, because that is the case, I have constituents who have received huge overpayments because of the child care element. I am sure that other hon. Members have such constituents, too. I ask that that be looked at—particularly in any future proposals that the Treasury makes—to make sure that women can get their child care costs, and also that, if mistakes are made, women do not suddenly find themselves plunged into paying large amounts of money because of miscalculations on child care, especially when child care costs sometimes do not take account of holidays and some of the difficulties that women have.

I know that Conservative Members do not like being told about things that happened in the past. Fortunately, it is a long time since the last Tory Government. However, I remember hundreds of people being laid off work and being put on benefits in the middle of one of the worst of the Tory recessions in Birmingham. That was in the days before computers—or before large-scale computers. The then Department of Health and Social Security system—all the offices in Birmingham—shut down in a strike because people were overloaded. It was not just that the admin did not work; it shut down completely. For about nine months, people got nothing. That was an example of the Conservative Government administering financial support to people who were out of work because of the recession that the Conservative Government created, and who were in dire poverty. The suffering was severe, which is one reason why Labour Members think twice when they hear Conservative Members talking about benefits for people on low incomes.

As I say, I will be second to none in criticising maladministration and fraud in the benefits system. Will my right hon. Friend the Paymaster General make sure that we have a welfare system that does not act as a kind of opium of the masses in keeping them in unemployment, but enables people to transform their lives, go out to work and have proper child care for their children, and create a much better future for their families?

3.57 pm

Greg Clark (Tunbridge Wells) (Con): There is no perfect system of welfare. The system always involves choices. There is no utopia that we can ever hope to achieve. Because those choices have to be made, it is important that they should be debated properly and fully in Parliament. Those choices are fundamental to the designs of systems. There is the choice to provide incentives for people to stay in work—that extends in-work benefits up the income scale to the levels that we have. That is a choice that has to be made. We can have the simplicity of universalism in benefits, but that comes at a cost. All those questions need to be discussed fully and properly. What has been a bit disappointing in the contributions from Labour Members is how unwilling they have been to have a proper and open debate about the changes. Instead, they have defended a system that reflects some policy choices that can and should be questioned. The Select Committee report has done that.

It is important to address three points in particular. First, there is the question of overpayments. Secondly, there is the complexity of the system and, thirdly, there is the effect of the tax credit system on low pay. When it comes to the level of overpayments, let none of us be under any illusions. The overpayments are a direct consequence of the policy. The tax credit system is engaged in bringing together two completely different policies: the tax system, which has traditionally taken a look at income on an annual basis, and the welfare system, which takes a much shorter term—often week by week—looks at what claimants need. Needless to say, putting those two things together involves exactly the type of problems that we have seen and that are intrinsic in that system. That is why that requires debating.

Quite reasonably, the Government have recognised the problem and increased the disregard from £2,500 a year to £25,000. No doubt that will help to solve the problem. It is, however, important that we assess

whether the change represents value for money, but the Government have consistently refused to allow us to make such an assessment.

When the disregard was set at £2,500, the Treasury was able to estimate that it would cost £800 million. When the disregard was increased tenfold to £25,000, similar figures, miraculously, could not be produced and no assessment could be given—or so we thought. When the Public Accounts Committee questioned senior officials in Her Majesty's Revenue and Customs on the matter, it emerged, after a degree of probing, that such estimates had been produced. However, presumably because it would have been inconvenient to Treasury Ministers if the figures were disclosed, the information was not put in the public domain, although we know that it is available.

The Institute for Fiscal Studies, a well-respected think-tank that does valuable work to inform all parliamentarians about the technical aspects of the tax system, was eager to obtain the information so that it could make what, as every hon. Member would agree, would be an independent assessment of the consequences of the change, but its request was refused. HMRC sent the IFS an unbelievable letter in which it disclosed that it had information about the cost of the increased disregard, but refused, on freedom of information grounds, to give it. The letter read:

"In applying this exemption we had to balance the public interest in withholding the information against the public interest in disclosing the information."

I have no idea what the public interest in withholding the information can be. If the Paymaster General wishes to explain it to me, I will be happy to take her intervention, but she is, perhaps conveniently, buried in her paperwork, as ever.

We are able to make an estimate of the figure because we know that the overpayments in the most recent financial year amounted to some £1.8 billion. It is argued that the overpayments reflect several factors, of which changes to income in-year is but one, and that it is impossible to work out the situation, although calculations have been done. However, in the qualification of the annual report and accounts of the Inland Revenue, the Comptroller and Auditor General was able to make an assessment of the reasons for the overpayments. In the 2004-05 accounts, the CAG said that the

"Total overpayments for 2003/4 were mainly because family income had increased by more than the £2,500 disregard".

In other words, the CAG, who is an unimpeachable figure, says that the main contribution to the then £2.2 billion figure, which is now £1.8 billion, was in-year changes in income. If the Paymaster General wishes to correct Sir John Bourn on the record, I will happily give her the opportunity to do so, but I see, again, that she chooses not to intervene. The matter is important. If we interpret the CAG's assessment as generously as possibly by regarding "mainly" as constituting half the expenditure, the relevant figure is well over £1 billion a year and could be as high as £1.8 billion.

I said at the beginning of my speech that the welfare system involves policy choices. We should be able to debate in both Select Committee and the Chamber whether £1 billion of Government expenditure is best applied to simplifying the system in such a way, or whether, for example, we should use it to increase child benefit by £140 for each family, which would be an alternative. Ministers are disgracefully denying us the opportunity to exercise such scrutiny. Although I understand the political interest in doing such a thing, I do not see the public interest.

Ms Keeble: Will the hon. Gentleman give way?

Greg Clark: I will be glad to hear an explanation of the public interest in withholding the information.

Ms Keeble: If the hon. Gentleman reads the report, it works out that 30 per cent. of the overpayments are due to changes in income, roughly 30 per cent. due to changes in circumstances, and about 15 per cent. each to two other factors. That does not mean that there can then be a transfer into values. There is an interrelationship between the different elements, so the conclusion is wrong.

Greg Clark: The hon. Lady is right in saying that there are different factors. That is why I referred to the Comptroller and Auditor General, whose qualification of the accounts was based not on the number of claimants—he has no interest in that—but on value. He said that the main contribution was from in-year changes in income. That was his assessment.

There are two more deficiencies in the present system. The first is its complexity. We should be able to have a reasonable exchange of views on the complexity of the developing system without having to pretend that it is the best possible system for the best possible set of circumstances. The National Audit Office takes a balanced and reasonable view. In a report on the complexity of the benefits system that the PAC considered, the NAO said:

"We consider that an appropriate degree of complexity exists when there is an equilibrium between the system being complex enough to meet the needs of the wide range of different individuals in various circumstances, yet straightforward enough to run efficiently. Overall, in the National Audit Office's view, this equilibrium has not yet been reached."

Those are the objective and independent words of the NAO. Surely Ministers should reflect on that and concede that the system is too complex and needs to be reformed so as to be more simple. If the words of Sir John Bourn do not carry much weight with Treasury Ministers, perhaps those of the Child Poverty Action Group will. Its helpful handbook on welfare benefits and tax credits has, I think, been sent to all of us, as Members of Parliament. It now runs to 1,600 pages. In this year's introduction, it says that recent

"changes...have left activists exhausted, claimants increasingly anxious about their entitlements"—

we have heard that from many of my hon. Friends—

"and arguably, a system more fragile and complex than ever before."

This cannot be seen to be a system that works.

I was concerned when the Chief Secretary seemed almost to be welcoming the ever-increasing numbers of people who are claiming tax credits. I will be the first to welcome improvements in take-up—that is to say people who are entitled to benefits taking them

[Greg Clark]

up—but surely it cannot be a benchmark of Government policy that more and more people coming onto state benefits should be a symptom of success. What basis of economic competitiveness is that?

Another way of thinking of record numbers of people claiming tax credits is that 7 million working people—representing 6 million families—are in jobs that are not productive enough to generate an income to keep themselves and their families without a top-up from the state. Of course, if they are not able to earn to that level, they need to have a top-up. They need to be helped, but we cannot congratulate ourselves that earnings are so low that more and more people every year require the intervention of the state so as to have a decent sum on which to live.

I endorse the view of the Secretary of State for Work and Pensions, who, in a notable lecture to the Fabian Society, recently said:

"It is a striking fact that around half of the children living in poverty today live in a household where an adult is in work."

There are two reasons why people require these top-ups to sustain themselves. One reason is that they may not be productive enough—their skills may not be adequate enough to support themselves and their families. An increase in claimants for that reason is a damning indictment of what we need to do to be competitive. Again, the Secretary of State for Work and Pensions said:

"Whereas we today have 3.4 million unskilled jobs, it is estimated that by 2020 we will need only 600,000."

It is extremely important that we increase skill levels within society.

Ms Keeble: The conclusion of the hon. Gentleman's argument is that it is better to be unemployed and on benefits than to be in work and on benefits. However, the tax credit system is designed to support people into work, which is why they claim when they are in work.

Greg Clark: The hon. Lady has got the wrong end of the stick. People who cannot earn enough to keep themselves deserve to be supported, but we should not congratulate ourselves, as every year, more and more people have jobs that pay so little that their earnings need to be topped up by the state. However, support should be available.

Unusually for a Conservative Member, I endorse the campaign by the Transport and General Workers Union on low pay in the cleaning industry, in which it points out that, for example, 60 per cent. of cleaners employed in the City of London earn less than £5.50 an hour. It is unacceptable for employers who make do very well from large profits and who depend on those services to get away with poverty pay. We should not accept such behaviour, and Government Members should not accept it either. We need to look seriously at the tax credit system and its interaction with the minimum wage if we are to address the argument of the eminent academic Jonathan Bradshaw of the university of York:

"At the moment the state is playing a vital part in supporting market earnings. At no time in our history has it had to do more...The taxpayer is providing a large subsidy to low-paying employers and no doubt many are laughing all the way to their shareholders".

In conclusion, this is such an important issue that it is disappointing that the Government have complacently defended the present position. We need to debate these things more thoroughly and positively. If my words and those of of my right hon. and hon. Friends do not carry any weight with Treasury Ministers, perhaps the words of the right hon. Member for Darlington (Mr. Milburn) will do so. In March, he said that we need to

"tackle the root causes, not the symptoms. That must mean moving beyond simply correcting low wages and family poverty after the event, towards policies that spread opportunity and help people to realise their own aspirations for progress."—[*Official Report*, 28 March 2006; Vol. 444, c. 710.]

Conservative Members certainly share those aspirations, and I hope that when she replies to our debate, the Paymaster General will say that the Government do so, too.

4.12 pm

Andrew Gwynne (Denton and Reddish) (Lab): It is a pleasure to follow the hon. Member for Tunbridge Wells (Greg Clark), given his apparent conversion to Labour's national minimum wage.

I welcome this debate, but the House will be relieved to learn that I wish to make only a brief contribution. Tax credits have made a huge difference to a great many families in my constituency. Earlier, the hon. Member for Guildford (Anne Milton) bemoaned the citing of facts and statistics, and she urged us to focus on individuals. I am happy to do so, because she reminded me that in the last general election campaign, I ran a street stall on Denton market ground on a Sunday morning. A young mother came up to me and said, "Are you Labour?" Given her tone, I hesitated to reply, but I said, "Yes." She said, "That's okay, because your lot have made a real difference to my life. You have done so much for me and my family. The tax credits have really made a difference, and have enabled me to go out and find a job."

That is the hidden success of the Government's tax credit system. Quite simply, tax credits have made work pay, and they have helped to support families financially. As the Minister said, they have helped us to lift 700,000 children out of relative poverty, which is good news that should be applauded. Yes, some of my constituents have experienced problems, and when things go wrong they often go very wrong indeed, which causes those families great concern. However, as my right hon. Friend the Member for West Dunbartonshire (Mr. McFall) said, our right hon. Friend the Member for Birkenhead (Mr. Field) and others have received anecdotal evidence of fewer tax credit problems than in earlier years. Having worked in my predecessor's constituency office, and having dealt with many of those tax credit problems myself, I can confirm that there has been a substantial reduction in cases, although there are still some issues that need to be resolved. I have every confidence that they will be.

I welcome the changes being put in place by Her Majesty's Revenue and Customs, which will alleviate some of the problems in the system, not least with the increase in the disregard for earnings between one tax

year and the next from £2,500 to £25,000. That will reduce the overpayments substantially once the measure is fully implemented, as has been acknowledged by speakers in all parts of the House. People whose circumstances have changed and who currently get caught up in the system should not get caught up in future. That is surely to be welcomed.

I am working to resolve the cases that my constituents have brought to me, and I will continue to do so, as I am sure other hon. Members will do. I re-emphasise what tax credits mean to many people. Tax credits benefit 6 million families. In my constituency, Denton and Reddish, that amounts to 7,600 families in receipt of family tax credit and 12,600 in receipt of child tax credit. Those are often lower paid families who struggled to survive under the Conservative Government.

For all the difficulties that there were and are in the system, that extra money is making a fantastic difference to a great many families in Denton and Reddish and throughout the country. It is most certainly not the shambles that the hon. Member for North Thanet (Mr. Gale) described. Yes, let us iron out the problems, but let us also be proud of this good policy—a redistributive policy, a Labour policy and one that is lifting families out of poverty and giving people opportunities to secure work. I am proud of that and I want to see those principles continue into the future.

Despite the apparent conversion today of those on the Opposition Front Bench, I do not

"long for a Chancellor who...introduces a Budget which abolishes all of Brown's endless reliefs and credits",

as the right hon. Member for Witney (Mr. Cameron) does. That would be a retrograde step and it would be a disaster for that young mum on Denton market and thousands like her in Denton and Reddish, Greater Manchester and throughout the country.

4.17 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It will take me just three minutes to get my views across in this interesting debate. I am sad that the Chancellor is not present to hear some of the comments, and that it has taken the Conservatives to bring the issues to the fore. We listened with interest to the Chief Secretary, but one can always tell when a Minister is on the back foot. Rather than answer the questions put to him by the shadow Chancellor, the hon. Gentleman went on to attack what a Conservative Government might or might not do in the future. He failed to explain why about half of those who apply for tax credits do not receive the correct amount. He failed to explain why the overpayment threshold has been changed from £2,500 and increased tenfold to £25,000, and the consequences of that to the taxpayer. On a personal note, he also failed to explain why his own constituency is among those that fare worst in the tables published last week.

We have a benefits system that is getting worse, not better, getting more complicated, not simpler, and costing more, not less. It has taken the Conservatives to bring the matter to the Floor of the House. It is interesting that Mr. Speaker decided to throw out the amendments to the motion because they were not worthy. We wanted to discuss issues of overpayment, fraud and incompetence in the administration of the tax system. We wanted the Chancellor to reply, since he created the system in the first place, but he is not here.

In their amendment the Government usually cite a great many statistics. I am glad to hear that some of the £15 billion that is being spent on the tax system is going to some places, but with just under half the people not getting the right amount, there are clearly questions to be answered. They were not answered today. I hope that the shadow Chancellor will have the wisdom to call another debate when the Chancellor can fit it into his diary and be present in the Chamber. However, the Government have been forced in their amendment, which has been thrown out, to acknowledge that there are IT problems and that there have been administration cock-ups, and to acknowledge the need for more changes yet again in a system that the Chancellor created.

We have had enough renaming, rebranding and restructuring. We need a radical overhaul of the tax system, with a programme that simplifies it to its core, that is revenue neutral and that reduces the gap between the cost of paying a tax and the amount of tax collected. Until we go down that road, more and more of the £15 billion that has been spent every year will be wasted.

4.20 pm

Mr. Mark Francois (Rayleigh) (Con): It is a genuine pleasure to sum up the debate today for Her Majesty's Opposition and to highlight what has become the shambles of the tax credits system as administered by the Government. The system now costs some £16 billion a year, or the equivalent of 5p on the standard rate of income tax. It incorporates some 6 million families, of which some 2 million were overpaid in 2004-05, while at the same time just under 1 million families were underpaid. In other words, nearly half of all the payments in the entire system were incorrect. I therefore welcome the Chief Secretary's admission that the system has serious problems, and his acceptance this afternoon that there is now "a consensus" that tax credits should be retained. It was important that the Government accepted that there was a consensus to retain them, and we welcome that.

However, the tax credits system, as it is currently configured, is seriously flawed. It is prone to fraud and it is also far too complicated, to the extent that many of the claimants who use it do not fully understand what they are claiming, many of the staff who administer it do not really comprehend it properly, and it is all based around a computer system that itself is highly unreliable, as was brought out clearly in the typically punchy contribution of my hon. Friend the Member for North Thanet (Mr. Gale). That serves only to compound the mistakes in the system itself.

The Government's defence, as outlined in their hurried written statement that was rushed out on Monday, is essentially that the package of remedial measures announced in the December pre-Budget report will put things right. But six months on, they still refuse to tell the House what the package will really cost, and even then, they admit that this will reduce the

[Mr. Mark Francois]

overpayments by only a third, so well over 1 million families will still be overpaid even when the package is fully up and running. The PBR package does not address the problems at the heart of the current system—namely, its excessive complexity and its dependence on unreliable information technology. *[Interruption.]* The Chief Secretary has returned just in time for me to welcome his acknowledgement of our consensus. In effect, the PBR package is an attempt to place a sticking plaster over what has become a gaping wound.

Since the new, and supposedly more flexible, system was introduced in 2003, a series of independent reports has subsequently criticised the operation of the Chancellor's system. In June 2005, after receiving thousands of individual complaints about the new system, the parliamentary ombudsman produced a report that concluded:

"A review of all the cases referred to the Ombudsman shows that the greatest difficulties are suffered by the core group that the tax credit system is aimed at helping, mainly families on low incomes."

In September 2005, the Public Accounts Committee looked at the system and attacked its complexity. It concluded:

"The Government intended the new tax credits to provide a system that was simple for people to understand and to administer. In practice, many people have found the scheme difficult to understand. Many have complained to the Inland Revenue about the system and the frustration and misery it has caused to claimants."

We heard that reflected on both sides of the House in our debate this afternoon.

In January 2006, after reviewing the ombudsman's findings, the Public Administration Committee delivered the following damning verdict on the IT system, which underlines the current tax credits system. It said:

"We are concerned that the IT system which is supposed to enable an efficient delivery of the scheme has in fact been a root cause, first of creating some of the problems which have led to the criticism and complaints about the scheme and then of acting as a barrier to resolving them quickly."

Then, in April 2006, we had a scathing report by the Public Accounts Committee that looked at the fraud and errors in the system, including overpayments that totalled £1.8 billion in 2004-05. It concluded:

"The Department does not have reliable or up to date information on levels of claimant error and fraud in tax credits. The absence of this information and its analysis seriously impairs the Department's management of the schemes and its ability to safeguard taxpayers' money".

Despite that, Ministers at all levels in the Treasury keep trying to insist in the media that the system is working well.

Can the Paymaster General tell us the true extent of the fraud that is now inherent in the tax credits system? We were promised those figures in the spring—let us have them now. Picking up on what my hon. Friend the Member for Tunbridge Wells (Greg Clark) cleverly pointed out, we still have not had the cost of the tenfold increase in the disregard, and we are now told that it is not in the public interest to tell us, as elected Members of Parliament, what that figure is. Will the Paymaster General tell us why?

Only yesterday we had, as the right hon. Member for West Dunbartonshire (Mr. McFall) said, a very objective report from the Treasury Committee, which looked in great detail at the administration of the system and concluded:

"It is obvious to us that the Paymaster General's account makes no reference to causes of overpayments which have arisen as a consequence of the Department's own processes—for example official error and IT systems error. Rather, the Paymaster General has referred only to those causes of overpayments which can be attributed to claimant error or omission, or to the design of the tax credits regime, or a combination of both."

All these critical reports, in just two years, represent a litany of failure, and it is a failure lodged firmly on the doorstep of No. 11 Downing street.

There is also a growing consensus among the voluntary sector that the current system does not work properly. As we have heard, the National Association of Citizens Advice Bureaux—citizens advice bureaux now advise tax credit claimants as a major part of their work load—provided a frank commentary on the problems in the system:

"Last year Citizens Advice Bureaux across the UK advised on around 150,000 tax credit problems. CAB experience is that the recovery of overpayments has caused significant hardship to many families as payments have stopped without warning or explanation."

Whereas, for those who read *The Guardian*, the Reverend Paul Nicholas, chairman of the Zacchaeus 2000 Trust, was quoted in the paper this week as follows:

"Enforcement is driven by computers that have no means of identifying the illiterate, blind, disabled, mentally or chronically ill"—

and in some cases, even dead. He concludes that

"an overpayment of tax credits can lead to a downward spiral of a family's fortunes into a morass of debt."

Even the Fabian Society has acknowledged that the system is not working. In its report, "Narrowing the Gap", issued earlier this year, it admitted that the system had faults and that tax credits were associated with "complexity and administrative problems". Now it has a sleeper within the Treasury arguing that agenda, as the report was launched by none other than the Economic Secretary—and where is he?

It needs to be remembered that this system was established to assist people on low incomes. In many cases, it is doing precisely the opposite. It needs to be reformed in order to continue to provide help to people who need it but without driving them to distraction in the process. As far as the current configuration of tax credits is concerned, the Treasury is shuffling the deck chairs on the Titanic, with the Economic Secretary particularly desperate to get one before they all disappear.

Perhaps the greatest irony of all is that the architect of this system is the Chancellor himself, who famously said in the mid-1990s that he wanted to abolish means-testing. Yet the current system is the apotheosis of that concept, against which there is now an overwhelming consensus that it needs to be reformed. The Prime Minister referred at Prime Minister's

questions earlier this afternoon to: "Working families tax credit, which makes work pay for people."

Working families tax credit was abolished three years ago. That is the old system. We are debating the new one. The Chancellor has created a system that is so complicated that even the Prime Minister does not understand it, so what hope is there for a single mother, who perhaps has not had a strong financial education, living on a run-down council estate struggling to fill in the forms and deal with the bureaucracy that the Select Committee identified?

The greatest shame is that the system was the Chancellor's personal creation. It was his pet project above all others. Yet when the day came for him to be held to account, what did the iron Chancellor do? He ran away. Unusually, the Government's amendment has not been selected, so hon. Members have a clear choice. They can put up with the shambles that is the current system, and go along with the fact that the Chancellor invented it but would not come and defend it, or they can join us in the Lobby and protest against a system that drives ordinary working families to distraction. I hope that they will do the latter.

4.30 pm

The Paymaster General (Dawn Primarolo): We have had another interesting debate on tax credits. As always, the Conservatives miss the point—about tackling child poverty, helping those with volatile incomes and helping people into work.

I welcome the Treasury Committee report and congratulate my right hon. Friend the Member for West Dunbartonshire (Mr. McFall), not only on steering through that helpful contribution to the general debate, but on presenting the outstanding issues so comprehensively and in such a considered way today.

The debate divided into two halves. The first dealt with administration and the second considered a flexible system—the tax credit system as it is now—versus a fixed system. I shall revert to those points later.

My right hon. Friend the Member for West Dunbartonshire specifically mentioned the pause or the 30 days and the appeals process. I shall respond to those points shortly. He also made it clear that Her Majesty's Revenue and Customs must put the needs of the claimants first. I agree with him and the Committee. He also said that there must be a shift in the fundamental culture of HMRC if tax credits are to be a success. I agree with him about that and so does the Department, as the report acknowledges.

My hon. Friend the Member for Northampton, North (Ms Keeble) congratulated the staff on their commitment and recognition of the challenges and the changes that they needed to make.

The hon. Member for North Thanet (Mr. Gale) made several things absolutely clear but I shall pick on one of them. He said that the system was about people. I could not agree more. He knows that I have made it clear both in private meetings and in exchanges across the Floor that it is crucial to do what needs to be done to take forward a basically sound policy and ensure that its administration is right.

My hon. Friend the Member for Northampton, North also highlighted the challenges that remained to be met of the changing circumstances that people experience in their lives and the accuracy and swiftness of the Department's response. She made important points about child care, to which I want to refer.

My hon. Friend the Member for Denton and Reddish (Andrew Gwynne) echoed the point about the important contribution that tax credits have made in his constituency and in constituencies throughout the country.

Let us be clear: the tax credits deliver three key achievements. They improve incentives to work, they reduce tax on low to middle income families, they help dramatically to reduce child poverty and they have played a major role in helping people into work and to move up the employment ladder, ensuring that work pays over benefits.

I am not surprised that a party that presided over doubling child poverty when in power attaches so little credit to those achievements. When we seek a consensus in the Chamber—the consensus to which my right hon. Friend the Member for West Dunbartonshire referred—it is to get all Opposition parties to commit themselves to the principle of eradicating child poverty and the practical means of achieving that. Every time the Conservatives and the Liberal Democrats were challenged by Labour Members this afternoon, they were unable to say how they would match the huge contribution that tax credits have made to this important debate.

Let us remind ourselves of that contribution. A couple with two children moving into full-time work on the national minimum wage will be £41 a week better off, compared with £34 in 1997. A lone parent—and I can assure hon. Members that they can read and write—with two children moving into full-time work on the national minimum wage will be £76 a week better off, compared with £54 in 1997. A single person without children moving into full-time work on the national minimum wage will be £58 a week better off, compared with £39 a week in 1997.

Tax credits are central to reducing the tax on low and middle-income families, as the recent OECD study shows. The tax paid by a couple with two children earning £21,000 a year has fallen from 17.3 per cent. of gross earnings in 1997 to 9.8 per cent. in 2004. That is the lowest rate in any G7 country. In the UK, a single-earner family with two children can now earn just under two thirds of the average wage before they start to pay any tax. Those are the benefits of tax credits. That is the contribution that is being made by a policy that the Treasury Committee unanimously agreed in principle was the right way to proceed. It has reduced poverty and raised children out of living on absolute low incomes.

Are families responding to this in a positive way? We have only to look at the take-up figures to see the answer. In the first year, 93 per cent. of families on an annual income below £10,000—that is low pay by any definition—claimed their entitlement, compared with 50 per cent. in the early years of family income supplement, and 57 per cent. for family credit.

My right hon. Friend the Member for West Dunbartonshire asked about appeals and about

[Dawn Primarolo]

the pause. On the latter point, the Department entirely supports in principle the ombudsman's recommendation to give taxpayers notice before commencing recovery—the so-called 30 days—and we are considering how we can integrate such a pause into the information technology system without jeopardising it. On appeals, we are exploring with the adjudicator's office the feasibility of introducing a fast-track process to provide claimants with the timely, accurate response that my right hon. Friend described. We have done that in close consultation with the ombudsman, who circulated a letter to every Member of this House on 27 March 2006 stating:

"Since I published that report, my staff and I have had regular discussions at senior level with staff in the Revenue, including the Tax Credit Office and the Adjudicator's Office."

Those matters are being taken forward.

The key objective in tackling poverty is to consider how the needs of families—especially low-income families—change, and how we can respond to those changes. We know that their incomes are volatile. More than a quarter of households analysed by Professor John Hills had erratic and high levels of income changes. The statistics for tax credits show that 1 million families saw their income fall between 2003 and 2004, and 700,000 of them would have been worse off under a fixed system. We would have to bear that in mind if we went back to a fixed award system. They would not have received the extra money that tax credits provide for them. We need that flexibility, and of course that means that there sometimes has to be an end of year adjustment. Let us keep this in perspective, however. Fifty-four per cent. of the overpayments are less than £500, and 31 per cent. are less than £200.

In 1997, only 800,000 families received family credit; 6 million now receive tax credits. In 1997, only 50 per cent. take-up was achieved; now take-up is 93 per cent. among the poorest families. Today the income tax liability of 3 million families has been effectively wiped out by tax credits which ensure that they can use their money to spend on their families.

The consensus that we seek today is one that includes the Tories and the Liberal Democrats. We seek a commitment to the eradication of child poverty, a commitment to recognising that people have volatile incomes, and a commitment to willing the means. Today the Conservatives failed in that regard. That is no surprise in the case of a party that presided over child poverty in the 1990s.

Question put,

The House proceeded to a Division.

Mr. Deputy Speaker: Order. I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 218, Noes 287.

Division No. 257] **[4.40 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clegg, Mr. Nick
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Donaldson, Mr. Jeffrey M.
Duddridge, James
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Keetch, Mr. Paul
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike

Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, Mr. Peter
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Salmond, Mr. Alex
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simpson, Mr. Keith
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Michael Fabricant and Mr. Tobias Ellwood

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Dunwoody, Mrs. Gwyneth
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Harman, rh Ms Harriet
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacDougall, Mr. John
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morgan, Julie
Morley, Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Oiner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian

Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, Mr. Stephen
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Wi[illegible] Lynda
Warsi, Mr. Robert N.
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woodward, Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Tony Cunningham and Mr. Michael Foster

Question accordingly negatived.

Volunteers and Carers

4.58 pm

Alistair Burt (North-East Bedfordshire) (Con): I beg to move,

That this House takes note of the immense contribution to society made by those honoured during the recent Volunteers Week and forthcoming Carers Week; recognises and values the significant economic and social benefits resulting from the work of volunteers and carers, often performed in difficult circumstances requiring the most selfless qualities; further notes the need to ensure that the fewest possible barriers are placed before those wanting to volunteer and act as carers; believes that encouragement should be given to all, especially the young, to consider volunteering as a contribution to the welfare of a healthy society; and expresses its thanks to all those who act as role models for volunteering and caring.

I am delighted to have the privilege of leading this afternoon's debate on a matter close to the heart of virtually every Member. Its purpose is to honour those involved in volunteering and caring in society by using mainstream time on the Floor of the House to demonstrate how important their contribution is to all hon. Members. We have therefore taken the opportunity offered by volunteers week and carers week to do precisely that. We want to recognise the immense, varied and significant contribution made by individuals throughout the country who participate in volunteering and caring and to register the extent of their commitment and the contribution that they make.

I trust that we can explore current issues facing volunteering and caring, consider the barriers that still need to be overcome to make the most effective use of people and their time and examine how life can be made easier for those involved. Finally, I hope that we can look to the future and raise issues that the recently announced Commission on the Future of Volunteering will examine over the next 12 months. I have little doubt that the debate will be well informed by all hon. Members and that we will hear about the personal experiences of some of the remarkable people we have met who are involved in these activities. I intend to concentrate on volunteering, leaving my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) to talk in greater detail about the work of carers when he winds up the debate.

There is no typical volunteer in this country. People who give up their time to help others come from all sections of the community, are of all ages and come from all cultural and ethnic backgrounds. Despite the dreadful story in the newspapers this morning of the poor child left calling for help in the middle of the road after being struck by a car, the instinct to help one's neighbour is one of the deepest human ones imaginable.

Members of Parliament have many privileges, as journalists are frequently keen to remind us, but one of the privileges rarely reported is the opportunity that we have to observe some of the finer instincts of members of our community. A typical MP's diary of time spent in the constituency will reveal visits to those involved in some of the most selfless activities, which all too rarely command national headlines. Our local newspapers make an excellent, if too often unsung, contribution, and often provide the recognition necessary to enable a community to appreciate that the picture of national

collapse—an inference too often drawn from some appalling incident—is not the reality of life for everyone.

Before we consider individual stories, let us gain some sense of how important the voluntary sector is to this country. I am indebted to the National Council for Voluntary Organisations and Stuart Etherington for their statistical analysis and work on this matter. The latest information available shows that the voluntary and community sector, as best it can be defined, has an income of more than £26 billion. Its work force is sizeable, at some 600,000, but the number who volunteer—defined as giving unpaid help through groups, clubs and organisations to benefit other people or the environment—is staggering. Some 29 per cent. of our community take part in formal volunteering at least once a month and 44 per cent. at least once a year. Half of our population has volunteered, formally or informally, at least once a month, which is equivalent to more than 20 million people in England and Wales.

Derek Conway (Old Bexley and Sidcup) (Con): My hon. Friend's support for the voluntary sector is renowned in the House and I am delighted that he is opening the debate. Will he recall that volunteers in the animal welfare sector—especially the 10,000 who do so for the organisation to which I am connected, Cats Protection—make a commitment not once a week or once a month but, because they are dealing with live animals, every day? Those who volunteer to help animals, especially cats and dogs, make a seven-day-a-week commitment, and it is all the more remarkable for it.

Alistair Burt: In a typically feline intervention, my hon. Friend uses his personal knowledge, as many other hon. Members will do in this debate, to highlight another corner of national life in which volunteers and carers are involved. It is remarkable that hardly any facet of our national and community life does not involve selfless giving by people, and my hon. Friend's valuable work and expertise in his area is recognised. It is right for him to say what he said.

Mr. Andy Reed (Loughborough) (Lab/Co-op): I do not wish to diminish the work done by a wide variety of organisations, and I am sure that the hon. Gentleman will mention many of them, but will he recognise that 26 per cent. of all volunteers work in sport? Some 6 million people volunteer in sport regularly, and I speak with a slight vested interest as chair of the National Strategic Partnership for Volunteering in Sport, which brings them all together. The hon. Gentleman could also give us some indication of his own prowess at sport with his run earlier today in the Westminster mile.

Alistair Burt: Unaccustomed as I am to talking of my activities in the parliamentary football team or other sports, I nevertheless seem to recall that I was a minute ahead of the hon. Gentleman this afternoon, in an event graced again by an astonishing performance by the Minister for Employment and Welfare Reform, the hon. Member for East Renfrewshire (Mr. Murphy), who did the mile for Sport Relief in 5 minutes and 35 seconds—an extremely creditable performance.

Colleagues will know from their constituency work that remarkable things can be done with sport. It touches all parts of society, including the most needy people. Time given up for sport is exceptionally valuable, but that brings us to one of the problems of modern life. People used to live and work in more or less the same area, finishing work at a reasonable time and going home for tea at 5 o'clock. They were therefore able to go out and support a sports club or train a team in the evening. These days, however, people work further away and get home much later. They are more tired and more committed to their work, so it is harder for them to offer the support for sport that the hon. Member for Loughborough (Mr. Reed) mentioned. We should pay a special tribute to those who work with youngsters in sports teams and who thus make an immense contribution.

Mr. Nigel Evans (Ribble Valley) (Con): My hon. Friend has visited my constituency several times, and knows that it is a rural area that does not have as many sporting facilities as other places. However, we are rich in mums and dads and other volunteers prepared to give up their time in the middle of the week and at weekends, in all sorts of weather. I am thinking of George Hibbert of the Clitheroe Wolves, who helps more than 450 young boys and girls to play football on a regular basis, and of Farouk Hussain, who gives up his time in the middle of the week to help youngsters play cricket. Without such people, young people in rural areas would not have the same opportunity to play sport.

Alistair Burt: My hon. Friend is right. He makes the point that voluntary activity to help disadvantaged people is not confined to urban areas but is also effective in rural areas. He mentions the time commitment required of those who work and train with youngsters in the way described by the hon. Member for Loughborough. I pay tribute to the people in my hon. Friend's constituency who devote so much time to that—and especially to those who are working to build up yet another wonderful Lancashire cricket team that will win more trophies.

What is the economic worth of voluntary activity, quite apart from the personal and social benefits that it confers? People who volunteer formally tend to spend about eight hours a month on voluntary work. That adds up to 1.9 billion hours of work—about the same as that done by 1 million full-time workers. At the national average wage, that contribution is worth £22 billion a year.

There is no possibility that that amount of effort could be taken over by the state or people in the paid sector. It could not be afforded, so the voluntary contribution that people make constitutes an exceptional addition to this country's national life. We should all salute and celebrate it.

Mr. Gary Streeter (South-West Devon) (Con): My hon. Friend has set out the undoubted economic benefit accruing from voluntary work, but does he agree that the long-term, one-on-one personal care devoted to some of the most vulnerable people in our society by people in the voluntary sector—including but not exclusively those in the faith communities—

[Mr. Gary Streeter]

could never be replicated by the state? The voluntary sector provides a great saving, but the quality of the care that is given could never be delivered by the state, no matter how well it was intended. Is not that the real benefit of what the voluntary sector provides?

Alistair Burt: There are some remarkable examples of the personal care provided by people in both the voluntary and state sectors. Those of our public sector workers who work with the most distressed individuals make a substantial contribution, but there is something special about people who do something that is not part of their job. Volunteering adds an extra dimension to their lives, as we have all seen.

For two years in the 1990s, I had the great honour to be the Minister with responsibility for people with disabilities. In that role, I came into contact with some exceptional people. I met people struggling with disabilities and overcoming circumstances that would be unimaginable to most of us, and I also met their carers, who were prepared to put in an extraordinary amount of time. My hon. Friend the Member for South-West Devon (Mr. Streeter) is absolutely right to recognise the contribution that such people make.

I have mentioned the economic impact of those who work in the voluntary sectors, but I now turn to carers specifically. About 6 million people in the UK look after someone who is frail, sick or disabled. The care that they provide is unpaid. Many do not identify themselves as carers because the care that they give is to a family member. Three in five of us will become a carer at some stage in our lifetime and 301,000 people are becoming carers each year. If each carer worked for 20 hours a week—1.25 million carers currently work for more than 50 hours a week and the Department of Health estimates that more than 400,000 carers combine a full-time job with more than 20 hours of caring a week—that collective output would dwarf the NHS's 1 million-strong work force. That is how much we depend on our extraordinary carers.

Mr. Michael Wills (North Swindon) (Lab): Everybody in the House shares the sentiments that are being expressed on both sides of the House. I certainly agree with the hon. Member for South-West Devon (Mr. Streeter) about the special nature of voluntary care, but I hope that the hon. Member for North-East Bedfordshire (Alistair Burt) agrees that it is important to remember that people who work in the public services as a job also give unparalleled care, dedication and service.

Alistair Burt: Absolutely. I hope that I made that clear when I responded to my hon. Friend the Member for South-West Devon. There should not be any sense of competition. We know that a number of people feel a calling to work in the public service. Some of us do that through politics, and we all know people in our constituencies who do it, whether in the health service, teaching or care. Some people feel called to give their lives in an extraordinary way and do so through their work; some people, because they work in a different sector, give their lives in a different way. There is no sense of competition.

That builds to an extraordinary national sense. We are talking about something that makes us the country that we are. That is why the story in the newspaper this morning was so shocking. It goes against everything in all our natures, and in the natures of the vast majority of people we come across, that someone in distress could be left. That still makes one stop and think when one travels abroad to a country where the extent of poverty is so great and the cheapness of human life is rather greater. One sees children in some degree of agony being left on the side of the road because no one can afford to care. That should not happen here. We build into our national life that sense of people being involved—either through their working lives or their voluntary lives.

Ms Dari Taylor (Stockton, South) (Lab): Will the hon. Gentleman add to the story that he has outlined at the Dispatch Box this afternoon the fact that the little girl in question was hit and the hit-and-run driver could not be bothered to stop? That is despicable beyond words. We do not want to believe that that type of behaviour could take place in Great Britain today.

Alistair Burt: It is exactly as the hon. Lady says. It is still a sign of hope that the national reaction has been so intense and that we all recognise that behaviour as abhorrent. The worry is that, over the years, experience has tended to show that a dreadful story one year might become commonplace the next. We are all striving to avoid that.

I know that a number of Members will seek to catch your eye, Mr. Deputy Speaker, to talk about people in their constituency or their experiences of volunteering with others, so that the House can get a flavour of what is behind the statistics. Volunteers week has been taken up by colleagues on this side of the House—as I am sure that it has been on the other side—as a particular opportunity to take part in or support voluntary activities. My colleagues have been involved in quite a range of activities. My hon. Friend the Member for North-West Norfolk (Mr. Bellingham) has been helping West Norfolk Disability Information Service. My hon. Friend the Member for Beckenham (Mrs. Lait) is visiting her Sure Start project in Penge to catch up on progress. My hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) sent round a helpful note of international development organisations that were looking for support and he is contributing some time. My hon. Friend the Member for North Thanet (Mr. Gale) has volunteered to help FARM-Africa. Colleagues have done a range of things.

My hon. Friend the Member for Meriden (Mrs. Spelman), my boss, has given me information about supporting a trip to Germany by a football team—this one supported by newspapers—from the Birmingham and Solihull Mental Health NHS Trust, which comprises those with mental health difficulties. They are playing in Germany in a round-robin tournament that involves other teams comprising fans supporting Germany or England. My hon. Friend lent a hand when some of that squad showed the giant banner that they have created in this country, which they intend to give to their German hosts. All of us in this place could come up with equally interesting stories and I hope that we do.

Philip Davies (Shipley) (Con): May I highlight another important benefit of volunteering? I spent Sunday afternoon helping on the Shipley Glen tramway in my constituency, which is an important part of the heritage in our part of the world. It is run exclusively by volunteers and would close without them. Does my hon. Friend agree that volunteers play a vital role in preserving and highlighting important aspects of our local heritage in all our constituencies that would otherwise be lost?

Alistair Burt: I entirely agree with my hon. Friend and he is right to bring that example to the attention of the House. Those of us who know west Yorkshire are aware of how important such a contribution can be. Other hon. Members will have further examples.

Bob Spink (Castle Point) (Con): My hon. Friend has not mentioned this, but I spent my weekend finding good homes for well over 100 teddy bears on behalf of Barnado's. Is he aware of the MPs heroes event of the hon. Member for High Peak (Tom Levitt), which is being organised by the Experience Corps? The event will be held here on 27 June to honour those in our constituencies who do good work as volunteers, many of whom are elderly. Those people represent the British spirit and culture. However, is my hon. Friend also aware of the great problem that Members have in choosing one individual to receive the award as a hero from so many worthy, deserving causes? Did other hon. Members do what I did and ask their local paper to do that for them?

Alistair Burt: My hon. Friend's expertise with his local newspapers is well known, especially by hon. Members who attend the end-of-term Adjournment debates, when he regularly wins the prize for naming the most constituents and linking them with his local papers. He makes a fair point about the difficulties that we have when choosing from among the causes that we are asked to support.

As far as my experience of support volunteering week is concerned—I raise this as an example of something in which we are all involved—I express my thanks to Gary Bishop, who is a church leader in Openshaw, Manchester, in the constituency of the hon. Member for Manchester, Central (Tony Lloyd). Gary is involved in the Eden project, which is a Christian-based initiative that has been operating in Manchester for several years. The project is especially extraordinary because it has asked young people to commit up to five years of their lives to live and work in some of the most deprived communities in the city. That enables them to become part of the community so that they can stimulate and support the personal and human development that is often necessary in places where there has been little family stability and where hopes and aspirations can be low, with self-esteem lower still.

The name of Bob Holman is known to many hon. Members because of his work on poverty. He identified that one of the key features of estates in difficulty is that when anyone gets a job or tries to improve themselves, they move out of the estate, thus depriving it of natural community leaders and people who might provide stability and focus for others. His life of commitment in Easterhouse in Glasgow has been the inspiration for many, including my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), whose work on social justice is proving to be a significant contribution to politics.

Members of the Eden project are working in Manchester in much the same way. Two of the estates in the area are classified as the 11th and 12th most deprived areas out of the 32,482 in the United Kingdom. Through a series of projects—including supporting mothers and children, home visiting, parents survival and family intervention, working with youths in clubs and on the streets, and providing after-school clubs, Sunday supper clubs and other opportunities—the Eden project and those who work with it are putting their time and effort into unglamorous and difficult work. It can be harder to ask volunteers to give their time to some projects than others. There are six staff, but 30 volunteers. Each of their stories is inspirational, but they would acknowledge that they are only representative of many more people working throughout the country.

Pete had the call to move from Leicester to Manchester to be involved in the community. He works in a Sure Start project and gives spare time to the community. Hannah is married to Gary. She came to Manchester, where she qualified as a nurse. Her daily work is as a district nurse in the area of need, but she still finds time to volunteer as a family support worker, when she works mostly with people with drug or alcohol misuse problems.

Unlike those who have moved from other areas to Manchester, Sinead, at 18, has always lived in the community. She got involved with Eden when it began to work with her and her friends, and now she is qualified as a nursery nurse, but spends extra time volunteering with families and children in the community.

Shannon, at 15, is even younger and is still at school, yet she has learned that she has a gift for working with and leading other youngsters in the area. I think that the project, and the work being done by Andy Hawthorn and others in Manchester, is remarkable, given the commitment that they have shown in becoming embedded in an area.

What has brought these volunteers to work in that place is no different from what has brought others to work in other areas—they recognise the need to help others. At the same time, they say how much they themselves have grown and developed through contributing voluntarily: getting involved with a simple and often repeated statement. They aim to ensure that their work is sustainable. Being able to lead youngsters such as Shannon and Sinead into positions of responsibility is a key objective. It is not merely that an elastoplast is being applied to the wound. These volunteers are participating in long-term care and recovery.

Although the multiple problems that the estate and those who live on it may face can be daunting at times, volunteers gain strength from working with each other and supporting each other through difficult times. I suspect that that is a common feature among those who work in difficult areas of society.

Mr. Andy Reed: I have also visited the Eden project. I am sure that the hon. Gentleman will agree that one of the project's most impressive points is that unlike some

[Mr. Andy Reed]

of us who volunteer—I help with my local Beavers group; we go in, we do it and we go away—the commitment shown by the volunteers whom we are talking about is that they live in the communities in which they aim to serve. Does the hon. Gentleman agree that we should try to replicate such a model as far as possible? It is not something that we can force, but would not it be great if the hope that such Christian groups have fostered in being part of the communities in which they serve could be models for the future?

Alistair Burt: The hon. Gentleman makes a good point. The commitment shown is extraordinary. The number of people who can make such a commitment is limited, but there is no doubt about what these people provide by physically being present in an area and staying in it. Those who live in some of the most difficult places in our society get used to seeing other people for a short period. A social worker moves on; someone who is trusted takes a different job. There is nothing wrong with that, but the more that people can stay and be consistently identified as points of stability in difficult areas, the better. If more projects can see that as a model, that will make a tremendous contribution.

Patrick Hall (Bedford) (Lab): The hon. Gentleman has referred to some young people involved in volunteering. Is that not an important point to be made in the debate? So much media coverage of young people is focused on antisocial behaviour, hoodies and all the associated problems. I acknowledge that these problems exist, but would it not be appropriate to have a more balanced view of young people, so many of whom, especially through school, perhaps, work hard to raise money and raise the profile of many issues? For example, in Bedfordshire we know of the tsunami appeal, Work Africa, African Children and teaching and work on AIDS. Is not that an important aspect of volunteering? Young people can involve themselves in thinking beyond their immediate needs and wants and take on board the needs and wants of others.

Alistair Burt: The hon. Gentleman correctly identifies one of the privileges that we have that all too often others do not. We are lucky in that we see many youngsters—good youngsters in our community—who far outweigh the number of those who cause difficulties. We are lucky enough to see them at work. I pay tribute to our local newspapers, which tend to highlight good youngsters rather more than national newspapers. It is always easy to criticise and to pick up the things that go wrong. Nationally, to value our youngsters who are working so hard, would do us all a great deal of good.

David Taylor (North-West Leicestershire) (Lab/Co-op): Right hon. and hon. Members often pay lip service in Treasury questions to a light-touch approach to regulation, monitoring and inspection of small and medium-sized enterprises for fear of stifling initiative. Is there not strong power in the voluntary sector as well, where legislators should step in with great reluctance, ensuring proportionate protection for children and others involved in voluntary bodies through the Criminal Records Bureau and other bodies? Is there not a risk that we can stifle community spirit by excessive interference and involvement from the centre?

Alistair Burt: The telepathy between good friends and near neighbours has worked again. The hon. Gentleman anticipates the next section of my speech, which will deal with some of the barriers and problems that affect those who volunteer. He is right to raise the issue and I shall now focus on it. I say a final thank you to those who I spent time with on Sunday and Monday, to the mums and toddlers' clubs, to Nicky who reintroduced me to Play-Doh after many years of absence, as my own children have grown up. I thank all of those people in that community as an example of those who are doing so much.

As the hon. Gentleman has just said, there are barriers to volunteering. I shall touch on them briefly, as time is short. Surprisingly, one of those barriers is disagreement about the value of volunteering, as not everyone believes in the importance of volunteering. The "NCVO's Vision for the Future", which was published in September 2005, said that in many cases volunteers have accepted the role of junior partner when, in fact, they should have been prepared to make their case more strongly. It said:

> "We have a tendency to undervalue ourselves, particularly our value to government. If we genuinely believe that we should have a voice on the biggest issues facing our society then we need to have the courage of our convictions. We need to break through the boundaries that others place around us."

We do not undervalue the sector, and it is important that we ensure that volunteering is not considered an amateur pursuit. People who volunteer should be proud to do so. They deserve our respect, and our debate should highlight that.

Regulation and bureaucracy are more difficult problems. The delicate issue of checks by the Criminal Records Bureau gives rise to a clash of principles, as no one would wish volunteers with access to some of the most personal aspects of people's lives to misuse that confidence. People who rely on the services of volunteers should be sure about them, and a cloud of suspicion should not hang over them. CRB checks provide clearance, but the bureaucracy involved is sometimes overbearing. Many volunteering organisations do not know when or why they need to check volunteers, or when they do not need to do so.

There are different levels of CRB checks, and it is not always certain which level is necessary. My wife is not an untypical example: she has three separate CRB clearances—two at a high level, and one at a lower level. She chairs the Bedford branch of Home Start—an excellent scheme that assists vulnerable families nationwide—as well as working in the local church and at a school with children. A total of £100 has been spent on obtaining those clearances. That expenditure is multiplied for volunteers throughout the country, but it could be used for other purposes. At least two of the checks on my wife were unnecessary, and there should be a platform of check on which to build if someone needs to move from a lower-level clearance to a higher-level one. The cost and the obscure nature of the checks are a barrier to volunteers

and voluntary groups. They are a barrier, too, to developing projects that involve contact with vulnerable groups.

That problem, among others, was picked up by the Better Regulation Task Force in its report of November 2005, "Better Regulations for Civil Society— Making Life Easier for Those Who Help Others". Its seventh recommendation dealt specifically with the CRB checks, and I should be grateful if Ministers told us, either in response to my opening contribution or at the end of the debate, whether we can expect an explanation for the slow progress in responding to those recommendations. I have been in touch with the Better Regulation Commission, which is disappointed by the time it has taken to receive a response. We all appreciate that the Home Office is under pressure, but it would be helpful to reform CRB checks and implement the recommendations of the taskforce, so we would appreciate a progress report.

Mr. Graham Stuart (Beverley and Holderness) (Con): My hon. Friend's remarks on the CRB checks are timely, as a few days ago I received a letter from a constituent who recently was subject to seven separate checks. That is not unusual, as many volunteers volunteer for many organisations, so any steps that can be taken to ensure that that needless duplication is ended would be welcome.

Alistair Burt: My hon. Friend is quite right. I cannot foresee any objections to his proposal—it is simply a matter of streamlining the system and making sure that each individual has a single reference number so that checks are carried through from one voluntary role to another. If they need to move up a level, they should be able to do so. The problem that my hon. Friend highlighted has been experienced by other people, so we must deal with it.

Closely related to issues opened up by the problem of CRB checks is the general culture of risk aversion, which now affects many organisations working with the public. In an excellent speech last year, Justin Davis Smith, the deputy chief executive of Volunteering England, addressed the problem directly. He said that

"we must avoid the temptation to overstate the case, but the warning signs are there...a volunteer movement without risk is a contradiction in terms and one not worth having."

Volunteering England surveyed various organisations about the issue of whether compensation culture was a myth or reality. Nine in 10 voluntary organisations believed that the UK had developed a compensation culture.

"Not surprisingly,"

Justin Davis Smith continues,

"given this belief in the shift towards a compensation culture, a majority of organisations—some two thirds—felt that issues of risk in relation to volunteering had become more of a problem in recent years."

One result is the difficulty in recruiting volunteers. One in five organisations reported to Volunteering England that volunteers had stopped volunteering for them because of risk and liability fears.

The good news is that many organisations are coming to terms with this change in culture and want to fight back and put in place preventive strategies that allow them to continue to operate, despite the sense of risk. Politicians of all parties should work closely with them to do whatever we can to remove whatever fears are unreasonable. Risk management policies and strategies may seem tedious, but they can be reassuring and effective. Organisations share good practice among themselves, and Volunteering England's own risk project funded by the Home Office is looking to develop a set of tools to help volunteer-involving agencies to develop their risk management policies. We collectively need to ensure that no more than is reasonable is demanded of organisations in the voluntary sector.

A less high profile issue but one that is just as real is the increased responsibility being attached to trustees and governors. Not too long ago, those were honorary positions often held by retired professionals who cast a benevolent eye over governance and financial matters—but no longer. Being held liable for significant financial sums or being embroiled in quite serious employment difficulties has made those jobs much more difficult and, for some, not worth the candle. We must make it easier for people to volunteer for such positions. It might be right to ask whether it is truly necessary to demand exactly the same rigorous standards in every organisation as might be expected from a major plc or an Enron.

Other problems that colleagues may wish to address when they get a chance to speak include the problem of recruiting people who are older, making sure there is no age discrimination, watching out for disability discrimination, and making sure that the pattern of funding is compatible with the work of voluntary organisations. All too many complain of the short-term funding problem. I was speaking to a charity for the homeless this morning and was told that it was involved in 47 local contracts with 16 different authorities, of which only one contract lasted for longer than a year. It is not possible to work that way. We are trying to work in a different way in the public sector, and I hope that that will extend more to voluntary bodies.

We need to make sure that everyone from all sections of society can contribute. It is true that those from a higher social class—a higher financial background—tend to be more involved in volunteering than others. Looking for ways to make sure that we break down the barriers and that people can afford to give time and effort to voluntary organisations is extremely important. We must continue to do that.

Finally, looking ahead, on 29 March Baroness Julia Neuberger launched the Commission on the Future of Volunteering. Following on from the success of volunteers year last year and the Russell Commission, over the next 12 months the commission will examine a range of issues, some of which I have touched on, to try and ensure that volunteering has a secure base for the future.

Baroness Neuberger recognises, as do many others, that volunteering has never seemed as important as it does today, and is keen that the heightened interest of political parties should not result in party or Government takeover of voluntary activity. I can assure her from the Conservative Benches that there is no intention or aim of that happening. We recognise, as

[Alistair Burt]

I am sure does the Minister, that volunteers offer a valuable non-partisan service which he appreciates in government, and which we will equally appreciate when we sit on the Government Benches.

One of the key areas that we will be looking at is how we encourage young people into more voluntary activity. There is already quite a high level of participation, but as the Eden project shows, we want to encourage more. Growing people into voluntary organisations in their own areas is very valuable. I pay particular tribute to the Biggleswade sea cadets, of which I happen to be president. I have seen them being exceptionally active in the local community, and so many of those who have been in the sea cadets go on to give their time back to the local area and to the sea cadets and other voluntary organisations. The benefit to a small market town can only be imagined. When that is spread across the whole country, one sees how valuable the work can be.

We all have our stories about the value of carers and volunteers. We have seen them in every circumstance. We have seen them working abroad to teach, relieve pain and suffering or protect the environment. We have seen them at home, from joyful participation in local events in their communities to sitting down with hurt and miserable children with the direst of backgrounds, but who suddenly have hope and aspiration as a result of a kind word and skilled advice. From all of us in this place, to all of them, wherever they are, you have our hearty thanks.

5.34 pm

The Parliamentary Secretary, Cabinet Office (Edward Miliband): It is a pleasure to follow the hon. Member for North-East Bedfordshire (Alistair Burt). He spoke as someone who cares passionately about carers and volunteering, and he will no doubt make an important contribution to the Neuberger commission, the results of which we look forward to.

I have been in my job as Minister with responsibility for the third sector in the Cabinet Office for a month or so, and I am delighted to have this opportunity to set out the Government's approach and future plans. We have good reason to be optimistic about the ethic of volunteering in this country. Next year, the new Office of the Third Sector will be investing £65 million a year directly in the infrastructure of volunteering programmes. Millennium Volunteers saw a transformation of youth volunteering in this country, engaging almost a quarter of a million young people. Today 20.4 million men and women in our country volunteer regularly, up from 18.4 million in 2001, a rise in both formal and informal volunteering.

We need to go further. We have just launched V, the independent body that will build on the work of the Millennium Volunteers and is tasked with recruiting a million more youth volunteers. For carers too, there is more to do. There are more resources and better legislation, and the Under-Secretary of State for Health, my hon. Friend the Member for Bury, South (Mr. Lewis), who has responsibility for social care, will have more to say about that when he replies to the debate.

For my part, I want to focus on the Government's approach to volunteering, which is based on three principles. The first is that volunteering, including mentoring, is the bedrock of our society. The second is that the Government have an enabling role to play, investing in organisations with the expertise to make the best use of resources and breaking down barriers to volunteering, and I will deal with some of the points that the hon. Gentleman raised on that. The third—this is important—is that volunteering should be seen as complementary to state action, not a substitute for it.

I will deal first with the role that volunteering and mentoring play in our society. Almost 50 years ago, William Beveridge published a report—not his most famous—entitled "Voluntary Action" on the role of the voluntary sector in society. One phrase in it seems particularly apt as we meet in this House today. Voluntary action, he wrote, expressed

"the driving power of social conscience".

I spent the first day of volunteers week last Thursday visiting and volunteering at different organisations, and for me they showed that driving power in action. They included the Whitechapel mission, serving breakfast to the homeless; Live magazine in Brixton, which is produced for and by some of the most disadvantaged young people in south London; the British Trust for Conservation Volunteers, with its 140,000 volunteers across the UK, which is improving public spaces all round Britain; and Sixty Plus, in Kensington and Chelsea, which brings together young people and older citizens.

The Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Wolverhampton, South-East (Mr. McFadden), volunteered for the excellent senior citizens' link line project in Bilston in his constituency, to which I pay tribute today, and the Minister for the Cabinet Office, my right hon. Friend the Member for North-West Durham (Hilary Armstrong), visited a women's aid project and volunteered there this morning.

What united the volunteers in those diverse organisations was both the individual fulfilment that people got out of their volunteering and the difference that they were making to their communities, as those to whom I spoke confirmed. As the hon. Gentleman and others have said, we see that all around the country, from the millions of volunteer sports coaches, to the hundreds of thousands of school governors, to the many thousands of volunteers who campaign for the causes in which they believe.

The Government, of course, do not create volunteers, and it is important to remember that, but they do have an enabling role, which takes me to the second principle of our approach. That is partly seen in the enabling role of the Government investing in our volunteering infrastructure, and I want to talk about our future plans in that regard.

Today, 47 per cent. of young people volunteer at least once a year. In the ways that they contribute—my hon. Friend the Member for Bedford (Patrick Hall) made this point—they are a living contradiction to the stereotype of yobbishness with which too many young people are branded today. It is the responsibility of the media—which we often like to criticise—but also of

politicians, to represent a balanced picture of young people. We want many more young people to have the chance to volunteer—1 million more young people over five years. We know that volunteering enables young people to develop new skills outside school and broaden their horizons. By working with the third sector, public services and the private sector, our aim is to transform the number of young people who get involved in volunteering in their communities.

Mr. David Burrowes (Enfield, Southgate) (Con): Will the Minister visit Enfield, where there is a shining example of young people engaging in volunteering? Ofsted has lauded youth action volunteering in Enfield as a unique and valuable scheme, which sends 600 people to 230 placements each year. Those people all do 15 hours a week working in a variety of areas, not least the Leonard Cheshire home, which I visited this morning.

Edward Miliband: I am in the early phase of being a Minister, which means that I accept all invitations. I am therefore delighted to accept the hon. Gentleman's invitation and look forward to visiting Enfield. That said, I fear that another invitation is approaching.

Mr. Charles Walker (Broxbourne) (Con): I have a two-for-one offer for the Minister, because my seat is next to that of my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes). Will the Minister join me in recognising that every pound given to voluntary and charitable organisations generates huge value—sometimes 10 or 20 times the value of the donation?

Edward Miliband: I agree with the hon. Gentleman and will look kindly on his invitation. Gift aid has improved the situation on tax relief, and the sum provided by the taxpayer has increased from £200 million to £600 million. We all know about the huge impact of volunteering, and I shall discuss that matter later.

V is a new, independent organisation, and it embodies the Government's enabling role. It will be led by young people through the youth advisory board, V20; it will be shaped by the needs of young people; and it will fund thousands of full-time youth volunteering opportunities, as well as many thousands more part-time opportunities. The Government have committed up to £100 million over three years to fund increases in youth volunteering through V, and I am pleased to say that 26 companies have already pledged their commitment to the project, contributing a total of more than £10 million.

We want more young people to have the chance to volunteer.

David Lepper (Brighton, Pavilion) (Lab/Co-op): Before the Minister leaves the question of young people and volunteering, does he agree that it is important to consider those young people who have caring responsibilities thrust upon them, such as caring for ailing parents or for younger brothers and sisters? Will he pay tribute to the work of Brighton and Hove carers centre in supporting the needs of young carers in the Brighton and Hove area? Will he join me in hoping that my hon. Friend the Under-Secretary will discuss the needs of young carers in his response to the debate?

Edward Miliband: I am happy to pay tribute to the organisation in my hon. Friend's constituency. Young carers are very important and the issue is particularly challenging. I know that my hon. Friend the Under-Secretary will want to discuss that issue at the conclusion of the debate.

Ms Dari Taylor (Stockton, South) (Lab): Does my hon. Friend acknowledge that the matter involves more than young people? In my constituency, there are special constables who are 40-plus. There are also people, some of whom are 50-plus or 60-plus, who work in a voluntary capacity on cardiac risk for the young and who provide enormous quantities of money and equipment for hospitals. We are discussing young people, but many ancients work very hard in the voluntary sector.

Edward Miliband: My hon. Friend has anticipated my remarks, because I was about to discuss older volunteers. Yesterday, I was fortunate enough to attend the Help the Aged and the Volunteering Initiative in the Third Age conference, where two older volunteers talked about their amazing work. We look forward to the VITA report in the autumn, which will address what more we can do to promote the role of older volunteers. I agree with my hon. Friend that older volunteers play an important role.

Mr. Jeremy Hunt (South-West Surrey) (Con): Before the Minister moves on to talk about older people's volunteering, may I invite him to my constituency to visit the Bourne children and youth initiative and the Farnham youth project? I assure him of a very warm welcome should he find the time to visit those very worthwhile projects in an area of the country that has not traditionally been a stronghold for his party.

Mr. Deputy Speaker (Sir Michael Lord): Order. Before the Minister responds, may I say to the House that interventions are becoming invitations and, to some extent, mini-speeches? I understand that all hon. Members want to contribute to the debate, but others are waiting to make speeches later and the clock is ticking. I know that the Minister has to make a full response, but if everybody else could make their speeches a little shorter than they had planned, more Members could speak.

Edward Miliband: Perhaps I should take further invitations in writing rather than in person during the debate.

Bob Spink *rose—*

Edward Miliband: Of course I give way to the hon. Gentleman, who is much concerned with the charity sector.

Bob Spink: The Minister will be aware that voluntary organisations often hold fundraising events such as garden parties. Will he clarify whether those are exempt from the provisions of the Licensing Act 2005, provided that alcohol is not sold and the money raised is for the good cause, not for profit? Is he aware that some local council licensing departments are making a perverse interpretation of this law, and will he encourage local councils to adopt a helpful attitude instead of discouraging such events?

Edward Miliband: I am grateful to the hon. Gentleman, who gives me the chance to say that a committee under Sir Les Elton is considering the whole issue of the implementation of the Licensing Act, particularly as it affects village halls and other venues.

There are different rules and procedures for those that serve alcohol as against those that do not, and it is very important that they are implemented properly. I take the hon. Gentleman's point and would be happy to talk further with him.

As I said, we are working with VITA, but it is also important to give volunteering opportunities to those who are excluded and under-represented in terms of those opportunities, including disabled people, black and ethnic minorities and other socially excluded groups. I can announce today that we are allocating £3 million for a new partnership between the Media Trust and organisations representing disabled, black and ethnic minority and socially excluded groups to try to open up volunteering opportunities for them.

The Government's role is not only about improving the volunteering infrastructure, but about removing barriers to volunteering. The new Office of the Third Sector, based in the Cabinet Office, offers an opportunity for greater co-ordination within Government of the effort to break down those barriers, three of which have been cited in particular as preventing volunteering. First, there is the deterrent effect of potential legal action for incidents involving volunteers. Several hon. Members raised that issue. Tomorrow, the Compensation Bill receives its Second Reading in the House. It represents an important response to concerns that have been raised, including in the private Member's Bill introduced in 2004 by the hon. Member for Canterbury (Mr. Brazier). Part 1 of the Compensation Bill makes it clear that when considering a claim of negligence, courts will be able to consider the wider social value of the activity. That will help to ensure that voluntary organisations are not discouraged from taking on volunteers by the threat of legal action. It has been widely welcomed by many organisations that use volunteers. For example, the Scout Association has said that it welcomes the proposals.

Secondly, there is the operation of the Criminal Records Bureau, which was mentioned by the hon. Member for North-East Bedfordshire and by the hon. Member for Beverley and Holderness (Mr. Stuart), who is no longer in his place. Every year, about 500,000 checks on volunteers are processed by the CRB free of charge as a result of a decision made by this Government. That is a considerably higher number of applications than was expected. There have been concerns about delays in processing, but I am pleased to say that the situation has improved, with 93 per cent. of standard checks completed within two weeks and 88 per cent. of enhanced checks completed within four weeks. Of course, we recognise that there is scope for further improvement in this area, and we will continue to consult the sector and work with the CRB to bring about improvements. We are working on several matters, but I believe that the situation has improved.

Thirdly, concerns have been raised, including in the Russell report, about the benefit rules being a possible deterrent to volunteering. On examination, it turned out that many of those anxieties related to the implementation of the rules rather than the rules themselves. For example, those on jobseeker's allowance can volunteer provided that they continue to look for work and can start a job within a week. That is why the Government have launched an updated guide to volunteering while on benefits. The task is now to ensure that it is implemented locally in jobcentres.

A final part of the enabling role of Government is to build an ethos of volunteering—the sense that we all have a responsibility to put something back into our society. That must start in schools, and that is why the Government have already piloted the active citizens in schools programme and are determined to do more to embed volunteering in the citizenship curriculum. We are also working with the private sector, through Business in the Community, and with the public sector to open up more volunteering opportunities and persuade more people to volunteer.

The third principle of the Government's approach is that the role of the third sector in general, and volunteers in particular, must be seen as a supplement to and not a substitute for Government funding of public services. The relationship of state and the third sector has always been difficult for our society—we should be honest about that—and, indeed, for any major advanced industrial society that has a welfare state. The third sector can reach out to the disadvantaged, it is close to the communities that it serves and it has a deserved reputation for innovation. As we have already heard in the debate, the role of volunteers reflects the reality that there will always be ways in which Government provision and services can be supplemented by the engagement of volunteers. However, volunteering must not be seen as, and cannot be a cut-price alternative to Government. That is true of the third sector generally.

Before the second world war, the patchwork nature of the welfare state may have encouraged a spirit of charity and voluntary action, but Labour Members do not romanticise that era, for it was a time when services were frail and failed many people. For Labour Members, the significant increases in expenditure on public services—and the resultant improvements—are consistent with the increase in volunteering. Both contribute to a more just society.

Today's debate is important because I hope that it might enable us to declare a happy consensus on the need for partnership between the state and the voluntary sector. That would be welcome. It would mark a major change from the position of the Conservative party in the 1980s, when the choice between state and volunteer was perceived as a zero sum game—more state provision meant crowding out the volunteer; less state provision was desirable because it would increase voluntary action.

Adam Afriyie (Windsor) (Con): Does the Parliamentary Secretary share my concern that today, many volunteers give much of their time to hospitals throughout the country serving tea, providing artwork and performing many other noble tasks? I was stunned by his party political point because my example shows the substitution of public expenditure for volunteer labour. Will he do something about that?

Edward Miliband: There has always been a tradition in our public services of people giving their time

voluntarily. However, voluntary activity cannot be a substitute for the core part of the work that public services do.

I welcome the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) to the debate. He has taken a great interest in the voluntary sector and social justice. I feel some anxiety when reading some of the speeches that he has given on the issue and I hope that he will have the chance to speak in the debate. Last November, around the time when he was appointed to his new role, he made a speech in which he said:

"As big charity gets ever closer to big government, it increasingly mirrors its thinking and behaviour".

I am worried and I believe that there is concern in the voluntary sector that that represents a 1980s view of faith in smaller government and belief that voluntary action should fill the gap.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): The speech to which the Parliamentary Secretary refers dealt with the relationship between larger charities and the smaller voluntary groups. He should go back to his office and examine carefully what happens with some of the bigger charities. Approximately 5 per cent. dominate charitable giving to such an extent that many smaller groups cannot get money. At the same time, they dominate the relationship with big government, often dictating the pressure on it. Genuine voluntary effort in the community groups often gets crowded out by that combination of big government and big charity.

Edward Miliband: I have the utmost respect for the right hon. Gentleman, who is a much more senior Member of the House than I am. However, in the last part of his intervention, he again referred to crowding out by big government. He and I have a very honest disagreement—not about ends, because I completely respect the ends towards which he is working, but about means. I do not think that the role of the Government necessarily crowds out the work of voluntary sector groups. However, when we are considering ways in which the voluntary sector can carry out more public service delivery, big charities will inevitably be involved.

Mr. Duncan Smith: I really must take up this issue with the hon. Gentleman. I visit a lot of small community groups around the country, pretty much throughout the year now, as part of my work with the Centre for Social Justice. One of the abiding features of what the people working in those groups tell me time and again is that they do not want to access local or national Government money because when they do, they feel that their activities get taken over by the Government and they fall into the pattern of being "check-listed" by civil servants. They absolutely fear the hand of the Government. I did not make that up. The hon. Gentleman should come with me on some of those visits, and I will show him people in Glasgow, Manchester and Sheffield who all work hard and all say the same thing: that they fear big government because it tends to take them over. Those are not my words, but theirs.

Edward Miliband: Of course, the right hon. Gentleman is right. In a way, that is what I was talking about when I referred to barriers. The Government's relationship with the voluntary sector needs to be conducted with a light touch, and we need to strike the proper balance between accountability and the flexibility to spend resources. I am afraid that the right hon. Gentleman and I simply have a philosophical disagreement on this issue.

In the months and years ahead we will scrutinise the Conservatives' proposals and intentions, and I hope that there can be consensus on this question. The relationship between state and voluntary activity is an important issue for our country, but it is not an easy one. There might be disagreements, but I hope that we can reach consensus.

I believe that it is right to celebrate the work of volunteers. In small ways and large, they are making a huge difference to our country. Forty years ago this month, the American politician Robert Kennedy said in a speech to young people in South Africa that the biggest danger facing our society was the sense of futility, and the belief that

"there is nothing one man or one woman can do against the enormous array of the world's ills."

Every year, millions of British volunteers are the living answer to the danger of futility. They are active citizens changing our country for the better. They have a Government on their side, and I salute their work today.

5.57 pm

Mr. David Heath (Somerton and Frome) (LD): I very much welcome the debate and the tone in which the hon. Member for North-East Bedfordshire (Alistair Burt) opened it. I suspected from the start that this would be one of the most consensual debates of the year, and, so far, that has been borne out by the words of the hon. Gentleman and of the Minister. I think that this is the first time that I have had the opportunity to welcome the Parliamentary Secretary, Cabinet Office, the hon. Member for Doncaster, North (Edward Miliband) to his new responsibilities, after he was so cruelly robbed of that opportunity during the course of the Legislative and Regulatory Reform Bill. I congratulate him, and warmly welcome him. I also thank him for what he has said today. If he makes a habit of quoting that great Liberal, William Beveridge, in his speeches, he will maintain a welcome from these Benches.

Although the contributions to the debate will probably follow more or less the same lines—albeit with some areas of tension, such as the one that was explored in the latter stages of the Minister's speech—we need to recognise that the warm feeling that comes from congratulating the voluntary sector from the Chamber is insufficient to its needs. To use the time-honoured phrase, fine words butter no parsnips. The requirement is not only to feel well disposed towards the voluntary sector, but to help it to do its essential job and to recognise some of the barriers that stand in its way.

We have already heard about the huge range of activities across the country that are covered by the voluntary sector. Those activities are all done for the

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greater public good. The citizens advice bureaux, for instance, do a marvellous job in many of our communities. Those who work with elderly people are doing work that would otherwise not be done, because it would not be done by the statutory sector. There are also the special constables, who were mentioned by the hon. Member for Stockton, South (Ms Taylor).

Those who work in the artistic and cultural heritage sectors are important to the life of our communities, not only adding to but maintaining that which we have. The industrial heritage sector in particular is often unsung. In that sector, people devote their lives to maintaining things that give instruction and pleasure to people in our local communities.

We should not forget those in local government, who are often forgotten in their role as volunteers. In fact, local government is made up of volunteers, particularly at parish council level. Many parish councillors take on considerable responsibilities in return for few thanks and little reward, and I am grateful for the work that they do. Those who volunteer to work for political parties certainly do not often receive thanks publicly, but they are volunteers none the less. Many of them give their time because of their commitment to a principle. They are prepared to do that day after day, week after week and year after year, and we should say thank you to them. We may feel that a number of them are mistaken in their political beliefs, but they are all doing what they do because they believe it to be for the common good.

School governors, who have been mentioned today, take on an extraordinarily responsible task nowadays, which is probably far beyond what they thought they were taking on in the first instance. I am worried by some of the responsibilities that now fall on their shoulders.

We should also take account of youth work, in its widest context. I am glad that the hon. Member for North-East Bedfordshire mentioned his sea cadets, because I think we should pay special regard to the inestimable value of the work of the cadet force with young people. It does not merely provide them with the experiences that it is traditionally so good at providing. Earlier today, my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) told me that at the weekend he had presented awards for community service to a number of cadets who had been not climbing mountains, sailing ships or flying planes, but helping the elderly as part of their training. That strikes me as an extremely valuable contribution.

There are those who raise funds for all sorts of purposes: organisations such as rotary clubs and, in my part of the world, carnival associations. Carnivals are not, in fact, a Notting Hill phenomenon; they are a Somerset phenomenon. We have the largest and best carnivals in the country, although they are not known to a great many people. The work of carnival associations continues throughout the year. They produce the floats for carnivals such as the Bridgwater carnival, which is attended by a quarter of a million people. Such carnivals raise a phenomenal amount of money for good causes.

We would not have a sports structure without the voluntary sector—without the coaches, the groundsmen and the honorary secretaries, treasurers, presidents and chairmen of the sports clubs in our constituencies. Those who work for the environment and conservation give up their time to make their communities that little bit better. But it is pointless to highlight particular organisations or individuals, because the list is endless.

The Minister may be relieved to hear that I am not going to invite him to my constituency—not because I would not be delighted to see him there, and not because I do not have a huge array of local organisations that I think would be worthy of his attention, but simply because I recognise that he has new responsibilities in his Department. Let me say how glad I am that responsibility for voluntary work has been removed from the maw of the Home Office and its tottering empire and given to the Cabinet Office, where I hope more attention will be paid to it.

Last, but certainly not least, are carers. No doubt attention will be paid to them later. They are, by definition, volunteers. They probably do not think of themselves as such but rather as people who provide care either because of an obligation or out of love for the individual on whom they are bestowing that care. However, they are part of the voluntary sector. What does the sector provide? It adds value to statutory activities and fills the gaps that the statutory providers will never fill. It also strengthens communities, supports families and reduces crime.

I want to highlight the effect of the sector on rural areas. We often think of urban volunteers as providing services, but that activity is often even more important in rural areas because of the lack of statutory provision. If the statutory bodies and local authorities do not provide various functions, it is left to the volunteers to fill those gaps. I applaud the point made about the Licensing Act 2005 and its effect on village hall committees. Village halls are often key components of voluntary activity in local areas.

Volunteering is done for a mixture of motives. Altruism is one. Care and love for individuals is another. The feeling that one has skills that are unused and can be put to better use for the community is a third. The fourth, and not to be forgotten, motive is fun. It is fun to do a lot of the activities, and people engage in voluntary activities for that purpose.

Ms Dari Taylor: Will the hon. Gentleman make it clear, or join me in saying, that volunteers do many things that the state in no way, shape of form gets involved in? Alan Wade, a farmer in my constituency, is putting together eight very large lorry loads of clothes and medical equipment to go to Chernobyl. No one else is going to do that. He is valiant—a superb man. There are many Alan Wades in Great Britain, and we should celebrate them again and again.

Mr. Heath: I share the hon. Lady's sentiments. The voluntary sector provides things that the state cannot. The key point, which was made by the Minister, is the need for complementarity—one adds to the other, not replaces the other. However, I say in parenthesis that I share some of the concerns expressed by the right hon. Member for Chingford and Woodford Green (Mr.

Duncan Smith) about the Government taking what is effectively an agency approach to the voluntary sector, which changes the relationship between the voluntary sector and the community it serves. Sometimes that relationship is disturbed. We need to act with extreme care.

Alistair Burt *rose—*

Mr. Heath: I shall give way to the hon. Gentleman but I am conscious that other hon. Members wish to speak so I will not take any more interventions.

Alistair Burt: The Minister referred to the Conservatives being stuck in a particular pattern of thinking. As I listened to him, I was worried that he had a particular pattern of thought as well, which is about the superiority of public service delivery. If he retains that view and does not see that there are flaws in public service delivery that voluntary agencies sometimes highlight, he is missing something, which betrays a pattern of thought that he needs to change.

Mr. Heath: I thought that the hon. Gentleman was suggesting that I held that view. I emphatically do not. However, I now understand that he was referring to the Minister. That debate can be resolved during the course of the evening.

The hon. Member for North-East Bedfordshire is equally right to point out the barriers. We should be concentrating on those. It is not enough simply to applaud what is done, but to say how we can enable that to happen in a better and more effective way. There are some aspects of voluntary work in which people are prevented from doing their best, sometimes by a lack of facilities, such as sports fields, and the lack of investment in local communities that provides the wherewithal for people to offer their services effectively. Sometimes it happens because of bureaucracy. The Criminal Records Bureau is still a live issue for many people. I welcome what the Minister said about improvement, but I recognise, because I have come across it in my constituency—all hon. Members must find the same thing—that the inevitable checks have a depressing effect on the preparedness of people to volunteer.

The checks and balances that we put in place must be proportionate. Of course we must protect the young and the vulnerable, but we need to do so in a way that is consonant with people still providing the levels of support that they themselves can offer. That also applies to the area of risk aversion, which has been mentioned. The Compensation Bill goes some way toward dealing with that.

However, the problem is often not the so-called compensation culture—I have never been convinced that such a culture exists—or litigation being carried through into court; rather, it is the interpretation by organisations of their liability through litigation that prevents them from doing things that they would otherwise do. A huge educative process is needed in order to tell organisations, "Yes, you can expose people to appropriate risk in carrying out outdoor activities in particular. That is not a wrong thing to do—it strengthens people and their prospects for the future—provided that you take reasonable precautions and measures to ensure that they do not come to harm."

It worries me that support for the voluntary sector, particularly from local government, is always vulnerable. By definition, it occurs in marginal areas of statutory duties, which means that when times are hard in local government, such support is cut. That principle even extends to social services and support for carers in many parts of the country, which is in any case a patchwork of provision and is now under real threat.

The key issue, however, is the financial consequences, and here I shall concentrate on carers. For many, the restrictions on the carer's allowance are a real difficulty. An example is the 35-hour restriction, which rules out many people. Moreover, when people become statutory pensioners, they lose the carer's allowance. I understand the financial consequences of taking a different view on this issue; nevertheless, that restriction represents a horror story for many elderly carers, particularly those who are caring for their even more elderly parents. People can earn up to a limit of £84 a week, which is not very much, before they start to lose their carer's allowance. Those who are at school, university or college for more than 21 hours a week do not qualify for carer's allowance. These are all restrictions on people who are desperate to support their loved ones in their homes, and who, in doing so, are saving the state vast sums of money. In addition, such caring is to the advantage of the individual being cared for.

The hon. Member for Brighton, Pavilion (David Lepper) was right to draw attention to child carers, who are the forgotten carers. I hope that schools and colleges become much more aware of this issue, spot the stress experienced by young people who are caring for a parent or an older sibling in the home, and make arrangements to support them through their schooling, so that their education does not suffer, and to support them socially by acting as mentors and helping them deal with the problems that inevitably lie in their way.

We have a pension reform programme, which recognises the difficulties faced by carers, but does not propose to do anything about them during the lifetime of those who are currently carers. That is an issue of huge concern.

Mrs. Siân C. James (Swansea, East) (Lab): Will the hon. Gentleman give way?

Mr. Heath: We have very limited time and other Members will not get a chance to speak if I give way.

Finally, it should be made easier for businesses to release people to allow them to take part in voluntary activity, and it should be in their interests to do so. That brings me to a specific question that I would like the Minister to respond to, if he can. There is a concern about the definition of carers in clause 12 of the Work and Families Bill. The Minister will be aware that although this is to be settled by secondary legislation, the intimation is that the definition of carers will be restricted to those with a familial connection with the person being cared for. That is alarming many people in the sector, who realise that carers can comprise a much larger group. This definition is too narrow and restrictive, and even if it is appropriate in the context of

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the Bill, its use outside that context and in other aspects of the Government's programme would be counter-productive.

Because of the lack of time, I feel that I should shorten my remarks at this point. To some extent, it is a platitude to express a debt of gratitude to carers and volunteers in this country, but it is necessary to do so. We owe them an enormous amount. In cash terms, too, the state owes them an enormous amount for their work. That makes it all the more necessary to reduce the barriers in their way and to promote and encourage their work, which has not always been the case. I am encouraged by the Minister's views, but I now want action taken to reduce the barriers and really encourage those people.

6.15 pm

Dr. Hywel Francis (Aberavon) (Lab): I wish to declare a number of relevant interests, as a former carer, as vice-president of Carers UK, as chair of the all-party carers group and as the sponsor of the Carers (Equal Opportunities) Act 2004. I begin by congratulating the official Opposition on proposing the debate. I particularly welcome the positive comments made by all three speakers so far. This debate is a measure of the progress made in the country and across the House in advancing the cause of carers and volunteers. It is commendable that those issues have moved much higher up on all our political agendas.

The official Opposition threw down an intriguing gauntlet by linking volunteering with caring. I am sure that no one would suggest that carers carry out their work as volunteers, as I believe that they undertake their responsibilities out of love for family members. However, many carers are volunteers above the call of duty when they work in carers' organisations. We have already heard about many such excellent organisations and the carers who work in them.

In my own county borough of Neath Port Talbot, there are more than 20,000 carers—the highest proportion in any county borough in the UK. Serving those areas are some admirable carers' organisations, too numerous to mention, but I will refer to as many as I can in the limited time available—the epilepsy support group, Cancer Challenge, the Special Needs Activity Club, Age Concern and, perhaps most intriguingly of all, a new carers action movement, chaired by my friend, Mr. Ray Thomas, who with his wife Margaret has been a carer for 40 years. Alongside that, he has now formed his own carers action movement. Another interesting initiative involves former carers coming together to support new carers in the upper Afan valley.

The Government—my Government—have done a great deal to enhance the lives of carers from the launch of the national carers strategy in 1999 and the introduction of the carers special grant to more recent recognition of the right of carers to request flexible working in the Work and Families Bill and, even more recently, in respect of the right to decent pensions for carers, particularly women, in the new White Paper on pensions.

This debate affords Members the opportunity to raise some important policy issues relating to the link between caring and volunteering. Young carers provide one example. In my county borough, there are 600 such carers under the age of 16. How can both the Welsh Assembly Government and the Government in Westminster help those young carers to become volunteers, beyond their own caring responsibilities and their school work? I hope that Education Ministers will deal with that when the Education and Inspections Bill returns to the House.

Beyond the Bill, I believe that young carers could benefit more if family support were provided by the expansion of such remarkable schemes as the Winged Fellowship Trust and the Shared Care Network. More respite care of that kind is essential for all carers, but particularly for young carers. Additional funds and awards to such admirable bodies as Crossroads and the Princess Royal Trust for Carers and local authorities would greatly assist young and older carers. All that could be part of the implementation of the Russell Commission recommendations on volunteering.

As carers' rights become more central to public policy in all Departments, would it not be appropriate to appoint a carers' champion—a specific Minister, with cross-cutting departmental responsibilities to enhance and advance the rights of all carers? It would be admirable, in advance of next week's carers week, if we were to hear today some kind of commitment from the Government to create such a position.

In conclusion, I warmly welcome the comment made by my hon. Friend the Minister when he said that there is much more to be done for carers. The debate is worth while in recognising and valuing the indispensable role of carers and volunteers and the collective commitment of hon. Members on both sides of the House to achieve more respect, more recompense and more respite care for carers. I congratulate the official Opposition on their initiative, and I urge the Government to endorse the spirit behind it.

6.21 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I did not intend to speak and I hope that I can keep my words fairly limited. I congratulate my hon. and good Friend the Member for North-East Bedfordshire (Alistair Burt) on securing the debate and on his opening remarks, and I want to try to keep mine in the spirit of non-partisan-style politics. Although I will not quite follow the Minister down that road, I want to make a couple of points. Ever the politician, I do not want to miss the opportunity to respond to a couple of quick points that he made.

One of the biggest problems that I see from the work that I do with the Centre for Social Justice relates to the big difference between the concept of charity and that of volunteering. The reality for many people who volunteer to do important work in the community, such as getting kids off drugs, helping pensioners who have difficulty getting out or sorting out problems in the aftermath of family breakdown—I am sure that all hon. Members will have seen such things every day in their work—is that they find that there is a growing divide between their activities and those of the bigger charities, most of whose work is done by paid people,

who earn a salary and come to work much as many other people do. Worthy as that may be, there is a big disparity in their access to money and that of many small community groups.

Some national charities sit on very large reserves of money, while still collecting donations. In some cases, as much as half their national requirements are held in reserves worth millions of pounds. Many of the groups that I talk to live from hand to mouth. They struggle every day; they literally go out with the begging bowl. Sometimes, visiting them as a politician is one of the ways of getting them publicity, so that people donate some money to them. Let us never underestimate the worth of that publicity to those groups.

In a sense, there is in part a divided world. Small groups doing all the work find it more difficult to provide real access to the welfare society. They often find themselves crowded out by the activities of the national charities, whose dominance in fundraising squeezes out other charities. People who have already committed money to the bigger charities find it difficult to give money to the small community groups. Some of those things need to be thought through. The national charities need to rethink their relationship on giving with the smaller communities groups, and the Government need to do so, too.

I want to speak about a couple of problems, the first of which is the relationship with the Government. A number of issues have been raised and the Minister has made some observations—I congratulate him on trying to deal with some of these things—but many Government agencies find it very difficult to deal with small community groups and charities. He is right: he and the agencies like working with the bigger charities. It is always easier to work with big organisations that are well-organised and have marketing directors, chiefs of staff and all those other things. They can talk almost on even terms. Small community groups—I call them the awkward squad—often involve people who are challenging opinions and attitudes, sometimes doing things that others are not sure are right, and they can be more difficult to deal with.

I remember visiting Connexions in my area and asking what it was doing as part of its brief to support some of the smaller community groups and charities. Most of its work seemed to be supporting the local government work in the area, because that was so much easier. The staff were scared stiff of committing to small community groups because they were worried about what might happen if they failed or went wrong, or problems occurred. Therefore, the lion's share of the money that the Government had intended to go to some of the small community groups ended up going to projects set up by the local council. I asked the staff about one specific project and they said that they had had no take-up from local sports groups, but they could not understand why. I asked what requirements they laid on such groups, and it turned out that they had to have a full personnel check and full liability insurance before their bids could be assessed. I threw up my hands and asked how many of those one man and a dog operations that ran two football teams on a Sunday could afford liability insurance before they could make a bid for funds.

I am not blaming the staff, because they were good people trying hard to find a solution, but it had not occurred to them that people were working hand to mouth and struggling to run football teams through pure voluntary work. Everybody involved was giving up time and often money.

The attitude of the Government and civil servants to such issues is ingrained. They like dealing with organisations that are sizeable, orderly, working well and structured. They find it really difficult to work with small groups. I urge the Minister to think outside the box and find ways to deal with those groups, which are doing wonderful work in our community and include some of the most inspirational people I have ever met. Such organisations are more like small businesses, with all the same awkwardness and peculiarities, and they fail at the same rate—but they can also inspire and grow at the same rate. Unless we get our thinking around the fact that those social entrepreneurs are every bit as important to us as economic entrepreneurs, we will not begin to realise why so much in our society is challenging and broken down.

I do not wish to labour the point about big charities, but we need to rethink the situation when so many big charities collect vast amounts of money—and many do very good work with it—and sit on vast reserves. I visited a charity which received some publicity as a result. Someone who had grown up in Gallowgate and gone on to great things in London read about the charity—it is run by Jim Doherty and is a local community charity that helps people get off drugs—and offered it £10,000 a year. That is a lot of money for such a group, but larger charities can have £50 million or more in reserve. Just a tiny proportion of that would go so far towards helping others out. The same goes for the Government, because small amounts of money can make a massive difference.

We have talked a lot about how much volunteering saves the nation and delivers services. What we have not mentioned is that volunteering benefits the individuals who do it. It makes them better people, and that improves our society. It is an immeasurable element, but the less volunteers work in our society, the less we are as a nation. Therefore, encouraging people to volunteer is arguably every bit as important as the most encouraging work we do in economics.

6.29 pm

Lynda Waltho (Stourbridge) (Lab): I support the main thrust of the motion, especially where it talks of the care and dedication of carers, but we need to be clear about the definition of carers. They can be relatives, friends or neighbours who look after someone who cannot manage without help because of sickness, age or disability. Carers look after people of all ages and can be of all ages themselves. They can be male or female, although they are more often women. Parents who care for a child with a long-term illness or disability are also carers. Some carers look after someone for a few hours a week; others do so for 24 hours a day, every day. Many carers care in their own homes, while others support friends living nearby or miles away.

My constituency is located in the Dudley area, where there are 35,000 carers, of whom 7,500 provide more than 50 hours a week. In addition, there are 900 young

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carers between the ages of five and 17. That caring support is given willingly, but it must never be taken for granted.

It has been said that carers need society's support as well as its thanks, and that support has led to a great deal being achieved by the combined efforts of organisations campaigning on carers' behalf. Those achievements should also be considered alongside the raft of progressive policy initiatives introduced by this Labour Government.

This Government are the first to recognise the needs of carers as well as the needs of those who are cared for, and I have seen the effects of their progressive policies on the lives of carers in Dudley. Those carers are also assisted by a dedicated and well organised network that is most ably co-ordinated by a great lady named Christine Rowley.

In addition, we in Dudley are fortunate to have a dedicated helpline that gives carers the opportunity to talk to other carers. That excellent service is staffed by volunteer carers, whose experience ensures that they understand what callers are going through. The aim is to provide a listening ear, carer to carer, and the service is invaluable to many people in my constituency.

As well as the advice line, carers have access to a vast amount of information on financial matters, health, respite care and employment issues. That access to information is vital, and it is a matter that comes up again and again when I talk to carers in my constituency. They want to be recognised for the care that they provide: they make a strong plea that they should not be called informal carers but that they should be considered to be the real professionals.

I want to highlight the vital area of training opportunities for carers. In Dudley, we have established the care link scheme, which is aimed at people who want to find work in health and social care. Its dedicated team gives full support to job seekers, providing them with the skills needed for a satisfying role in the care industry. The scheme is also open to anyone between the ages of 24 and 59, and full support is given throughout.

Carers can also work for the City and Guilds learning for living certificate, a personal development and learning qualification for unpaid carers. The expert patients programme helping people with long-term illnesses has been welcomed by local carers, and a new programme, "looking after me", has been developed specifically for carers who themselves have long-term illnesses. Tutors are just finishing their training, and the first course will be offered shortly.

Dudley is well served by a service called Crossroads—named after the much loved soap opera based in a midlands motel—that provides caring for carers. The service was praised in 2005 by the Commission for Social Care Inspection for the work that it does in providing sitting services to help carers take a break. It is fully funded from Dudley council's carer's grant, and is backed by the Big Lottery Fund.

All of the carers grant is still allocated to carers in Dudley. The money is directed specifically at carers who want to use it to enable them take a break. Flexibility is the key, and some 200 carers will benefit from the funding next year.

I also want, however, to draw attention to the needs of parents of children with disabilities. Those of us who are parents of able-bodied children generally expect our responsibilities to decrease over time, but that is not so for the parents of children with disabilities. Their caring responsibilities generally increase as their children get older and less help is provided by the support services.

In that connection, I want to pay particular tribute to the Orchard partnership, based in Stourbridge. That unique and vital service for vulnerable children with disabilities and their families was set up by a group of parents co-ordinated—and, as is often of the case, chivvied and coerced—by one parent in particular. That parent is Madeleine Cowley, who is now the chairman of the organisation—a volunteer, of course.

Many children now survive illnesses that they would not have survived even 10 years ago, and the Orchard partnership was set up to address their needs and those of their carers. It helps them to have the same quality of life that other children enjoy. I have paid several visits to the Orchard: I have watched its Saturday club run drama workshops, met parent and carer support groups and seen children and carers benefit from short breaks. There is also a special youth forum that is focused on raising the profile of the issues facing young disabled people and their families during the vital period of transition to adult life. The parent-led committee continues to support the services offered by the Orchard partnership and all the services benefit from the contribution of volunteer support workers. All the volunteers are a valuable asset and really enhance the services provided to the children and their families. The Orchard provides a toy library and I was proud to become patron of that last year, at the launch of the story sacks. That is a great initiative that allows parents to use puppets when they are telling stories to their children. I do not quite know who enjoyed that more—me or the children—but it is certainly a brilliant initiative.

On a more serious note, I draw the Minister's attention to the problem that such services face when funding streams approach their end. Lengthy waits are often endured before hearing about confirmation of continued funding for future development. Perhaps he can offer some hope of stability or ring-fencing of funding for such projects in the future.

To sum up my contribution to today's debate, I will paraphrase my right hon. Friend the Prime Minister: a lot done, a lot more to do. I am proud to have been part of a Government who recognise that caring can affect both the health and the financial status of carers and their families, that access to employment opportunities helps to maintain financial security and self-confidence, that training and education enables people to return to work when they want to or to work flexibly according to their needs, and that access to leisure services gives carers time to themselves to recharge their batteries. It is vital that that is where we target this support. Carers are entitled to the same benefits as anybody else. Put simply: they have earned them. Some ask, "Can we afford to support carers?" We should answer, "Can we afford not to?"

6.36 pm

Mr. Richard Benyon (Newbury) (Con): I have scythed through my speech and will get through it in seconds. I just want to touch on some of the points that have been raised and add a few of my own. In west Berkshire, I am lucky to have an excellent volunteer centre, which is run by its director, Garry Poulson. He and I talk regularly about what encourages people to volunteer and what makes the voluntary sector tick. He keeps interesting statistics showing who walks through his door and the different areas of volunteering that he guides them towards. It is fascinating to see the number of young people who are volunteering, the gender difference and the type of activities that people wish to go towards.

My hon. Friend the Member for North-East Bedfordshire (Alistair Burt) touched on the important subject of what prevents people from volunteering. I will touch on that in the few minutes that I have left. As the vice-chairman of our local citizens advice bureau, I completely take the point made by the hon. Member for Somerton and Frome (Mr. Heath). I have spent hours discussing governance issues such as the accounts, the reserves policy, and whether we should be incorporated. All those sort of things sap one's enthusiasm for volunteering. We are interested in what the organisation does and not necessarily how the mechanics of administrating it work. We have to look seriously at the pressure that we put on volunteers in terms of the administration of voluntary bodies—whether we are talking about the Criminal Records Bureau, the fear of litigation, the cost of insurance, compliance with the Disability Discrimination Act 1995, or all the financial regulations that are involved.

There is a wonderful book by Robert Putnam called "Bowling Alone", which looks at the problems of American society—many of which are reflected in this country, as well. He identifies one of the key factors—it was touched on by my hon. Friend the Member for North-East Bedfordshire—that limits people's availability to volunteer: time. Professor Putnam has calculated that every 10 minutes of commuting cuts all forms of social engagement by 10 per cent. That is 10 per cent. fewer family suppers and 10 per cent. fewer local club meetings and other community activities. So, the knock-on effect of the successful battle that we fought in west Berkshire to protect our rail service was to increase to a small degree, or at least sustain, the amount of volunteering. Professor Putnam makes the poignant point that people who want to volunteer get home from work exhausted and it is easier to sit down and watch "Friends" than go out to find and interact with real ones.

Can Government make more people volunteer? Of course, in a direct sense, the answer is almost universally no. However, they can incentivise and make it easier for people to volunteer. I want to point to one key example in my constituency: Vodafone. Vodafone has not had a very good press in recent days, but it continues to be a force for good in west Berkshire. There is scarcely a voluntary body that it does not help financially and, matching that, it encourages employees to participate in environmental working parties and community reading projects. It creates a virtuous circle of a diminution in sickness and increase in productivity. I thus urge the Government to examine the incentives that they can give to companies.

In conclusion, I ask the Government to accept that it is crucial to understand the difference between the voluntary sector and the not-for-profit charitable sector. The latter is an arm's length deliverer of Government services, with a huge call on financial resources, while the other is a wonderfully anarchic network of social and emotional interaction. As my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) said, the voluntary sector should be allowed to exercise its will—sometimes in the wrong direction, but always with enormous enthusiasm and in the direction of ultimate right—within the framework of the Government's plans for the sector.

6.40 pm

Tim Loughton (East Worthing and Shoreham) (Con): We have had an excellent and brief debate, during which we have heard good and succinct—in most cases, I am glad to say—contributions from hon. Members on both sides of the House. I welcome the Parliamentary Secretary, Cabinet Office, the hon. Member for Doncaster, North (Edward Miliband), to his post. I welcomed many of the comments that he made in his maiden speech from the Dispatch Box, especially when he talked about the Government's enabling role and said that the work of volunteers should be complementary to state action, not a substitute for it. However, some of his other language betrayed the perception among many in this country that volunteers and carers are too often used as cheap labour, or that we have volunteering and caring on the cheap.

As my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) rightly said, with his great expertise in the area through the Centre for Social Justice, too many volunteers are discouraged by the fear of the heavy hand of big government and the box ticking and regulation that goes with that. Additionally, too many small volunteer groups are crowded out by a higher tier of the bigger charities, which seem to be perhaps too close to the Government in many cases.

There are also worries about the complementarity of funding. The national lottery has not been mentioned today, but there is a real feeling that many of the things that are funded by the various national lottery funds should be paid for with mainstream funding for the health service or education. This week, I was at the annual general meeting of the Friends of Worthing hospital, of which I am vice-president. Half the money that we raised in the past year was spent on equipping bathrooms in the local hospital. That is not complementary funding, but core funding, and there is thus a worry about the way in which volunteers' time and effort are used.

We have had a good debate on a subject that is important to everyone inside and outside the House. My hon. Friend the Member for North-East Bedfordshire (Alistair Burt) should be rightly congratulated on moving the motion without a bead of sweat on his brow after completing the mile in six minutes 22 seconds—I am afraid that he was way ahead of me.

[Tim Loughton]

The timing of our debate on this worthy subject is good, given that we had volunteers week last week and it will be carers week next week. Hon. Members on both sides of the House will have been involved in all sorts of projects. I have been asked to point out that Conservative Welsh Assembly Members have recently visited hospices, the ChildLine operations in Wales, projects promoting Welsh produce and superb projects operating with some of the least privileged and most at-risk children in the United Kingdom—there is a plug for Wales.

I declare an interest in that I have been a national trustee of Community Service Volunteers since 2001. The body has operated for more than 40 years as the largest volunteer organisation in the country and is under the excellent leadership of Dame Elisabeth Hoodless. The body is responsible for make a difference day, with which I am sure most people are familiar. I am sure that hon. Members have participated on the day by working in charity shops, on environmental projects and with social workers or NHS hospitals. This year, 100,000 volunteers contributed to make a difference day.

For the past five years, as the shadow children's Minister, I have been to the young carers festival in Southampton. Some youngsters do the most remarkable jobs in enormously stressful situations. They need to be congratulated, but also helped. However, I shall concentrate on corporate volunteering, and on young carers in particular. I will not go into all the figures about the number of people who volunteer and why they are motivated. It should be noted that 45 per cent. of people who volunteer have a disability. Of people who volunteer, 44 per cent. are from the black and minority ethnic communities, while 38 per cent. of those who volunteer are without formal qualifications. It is an inclusive activity. Volunteering is a great leveller and a great satisfier for people who involve themselves in it.

There is corporate social responsibility. Recently, we had the Edith Kahn memorial lecture, during which Jeff Schwartz , the chief executive of Timberland, made an enormously inspiring speech about how volunteering has worked in his corporation and in other companies in America. Every employee of Timberland automatically receives 40 hours of paid time to do volunteering work. That is from the chief executive right down to the person working on the front desk. That time is shown on their pay slip every month—how much time they have used and how much time they have still got. Everyone is encouraged—it is not compulsory—to take up volunteering.

On one day last year, across eight different countries, Timberland alone contributed 50,000 hours of human service for volunteering. Other companies in the states had similar big programmes. Hallmark has recently hired a senior leader to be involved in market-based solutions to social challenges. We have heard from my hon. Friend the Member for Newbury (Mr. Benyon) about the work that Vodafone does. Many of our big companies do a great deal of work in this area, but we need to do a lot more. Jeff Schwartz said:

"Corporate citizenship must be more demanding than merely complying with all relevant laws."

He had a vision that commerce and justice are not just antithetical notions. His definition of citizenship allowed a business run for profit to demand that sustainable returns were generated from shareholders, and also that business should be actively implicated in the strengthening of the civic square. He talked about inviting the engine of commerce to fit into the chassis of civic society. There is great complementarity, and it is a rich vein of volunteering, along with help and persistence for the advancement of all that we should be doing in this country. How do we go about it? We need to encourage more corporate schemes. We need to encourage more people to become involved individually. We need to make it easier and more convenient for people to become involved.

I move on briefly to young carers. One in eight people in England is a carer. Three in five carers look after someone with a disability. There are 855,000 carers who provide more than 50 hours of caring per week. The 2001 census estimated that there were just 17,000 young carers. The real estimates from the Princess Royal Trust for Carers suggest that the total is nearer 100,000. People are doing remarkable work in looking after, in most cases, relatives with serious physical and mental disabilities.

Sixty five per cent. of UK carers believe that their career prospects have been affected. Seventy four per cent. of carers are currently in paid employment and use their annual leave for caring. As the hon. Member for Stourbridge (Lynda Waltho) mentioned, the effect on carers' health is considerable and we need to do more about that. Any projects that are designed for carers caring for carers should be applauded. Young carers come to Parliament, as they did recently with the all-party children's group. They face a problem with their school careers. In most instances, there is not an understanding linked teacher in a school who can appreciate the particular needs of a young carer.

A young carer may need access to a phone at work because mum or dad, for whom they are caring, needs to have a visit or needs to be checked on at various times during the day. Young carers do not have time to grow up. They do not have the opportunity to spend time with their friends and to participate in a normal social life that any normal teenager would hope and expect to enjoy. They chose—often they did not have any choice—to look after their parents. We should be in the business of making that job easier, not in the business of putting obstacles in their way.

There is so much that we can do and I have so little time to set things out. Certainly, we should have a linked person in each school. Ofsted should have a role in examining young carer strategies in schools. Best practice should be disseminated more widely to make the role of young carers easier, and the Minister could make a start by attending the young carers weekend later this month, where he will learn that impressive work is under way.

Finally, the strength of volunteering is its independence, the harnessing of people's good will, freely given, and the diversity of their interests and involvement. We must appreciate volunteers and carers more. We must make their jobs easier, not put obstacles and bureaucracy in their way, including Criminal Records Bureau checks, which are necessary but must be balanced. Government

Departments should do more to promote volunteering, and they should sign up to a code of practice on volunteering. We should streamline funding, as hon. Members have said, as there is too much paperwork for voluntary organisations, which constantly have to reapply for funds.

There should be a level playing field for partnerships with volunteer organisations, and we must acknowledge young carers and do much more for them. We should offer assistance in schools, and make genuine provision for respite care. Hon. Members have had a good opportunity to plug voluntary organisations in their constituencies, and the whole House has had good opportunity to thank the millions of volunteers and carers up and down the country who do an invaluable job, day in, day out, that would otherwise cost the Government an enormous amount. It is time, as the hon. Member for Somerton and Frome (Mr. Heath) said, to butter parsnips and do more than offer warm words. Hon. Members should look beyond the House and acknowledge the contribution of volunteers and carers, as well as the serious problems that they face, and produce a timetable for action.

6.51 pm

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): Everyone would agree we have had an excellent debate in which right hon. and hon. Members have rightly paid tribute to the many unsung heroes who make us proud of our constituencies and of our country.

In a world of perpetual change, the selfless dedication of volunteers and carers is a beacon of light that keeps alive the timeless values of compassion, solidarity and service. Those individuals shatter the cynicism of people who portray today's society as one in which violence, antisocial behaviour and abuse are rife. Carers enable older and disabled people, as well as people with long-term chronic conditions, to remain at home with the dignity, autonomy and security that the rest of us take for granted. Whether it is the adult daughter or son caring 24 hours a day, seven days a week, 365 days a year for an ageing parent, or the friend who makes daily visits to an adult with a learning disability, carers are in the front line in ensuring that all our citizens have the quality of life that we demand in a civilised and fair society.

It is right to recognise that carers have their own practical and emotional needs, distinct from those of the people for whom they care, although that recognition is long overdue. We must strive to ensure that statutory and voluntary sector providers treat carers as equal and valued partners in the care and support offered to vulnerable people in all our communities. Volunteers are the living, breathing embodiment of a healthy civic society. Whether working under the auspices of a voluntary organisation, or simply making their own personal contribution, they are frequently at the heart of their communities. This month in my constituency, the Radcliffe carnival took place only because of the voluntary commitment of Ray and Hilda Veivers and Colin Jones. Next week's Prestwich carnival has been made possible by David Curtis and his Sunshine Team of volunteers. Every day in every community, volunteers make a difference to the lives of vulnerable people. The much maligned younger generation is often at the forefront of that service. Through Millennium Volunteers, faith groups, schools and universities, young people demonstrate their idealism, responsibility and commitment to helping others, shattering the illusion that the vast majority of young people are engaged in antisocial behaviour—a point made by my hon. Friend the Member for Bedford (Patrick Hall) and the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Doncaster, North (Edward Miliband).

The Government believe that the state alone cannot transform communities. We are committed to an enhanced role for third sector organisations in the development and delivery of high quality public sector services. The restoration of community solidarity and civic pride requires new, authentic partnerships between the state, third sector organisations, the private sector and active citizens. Professionals, volunteers and carers all have a distinct but crucial role to play in ensuring not only that we care for vulnerable people, but that they have a quality of life fitting in a civilised modern society.

I come to some of the excellent contributions made by right hon. and hon. Members. The hon. Member for North-East Bedfordshire (Alistair Burt), as usual, presented his argument in a reasonable and fair way, reflecting great credit on his contribution over many years, first in Bury, before he went, not entirely voluntarily, to North-East Bedfordshire. He rightly highlighted the contribution of sports volunteers. We ought to reflect on the massive contribution that volunteers made to the success of the Commonwealth games, which my home city, Manchester, was so proud to host. As we think about the World cup and our hosting of the Olympics, the careers of many of the successful footballers and athletes will start on Saturday and Sunday mornings, when volunteers enable young people to participate in sport. For many of our sporting heroes, that is how it all began.

The hon. Gentleman mentioned his pride in being Minister with responsibility for disabled people for some time. He did not refer to his time as Minister with responsibility for the Child Support Agency, which I know was a stretching and challenging period for him. He rightly drew attention to the success of the Eden project, which is an excellent example of best practice in terms of involving young people.

In debates such as this, I always say that at the age of 14 I became involved in voluntary work with people with learning disabilities. By the time I reached the age of 16 or 17, I had decided that I wanted to work professionally in the voluntary sector in social care. I do not believe that I would ever have gone into politics or that I would be standing at the Dispatch Box making this speech if I had not been connected at the age of 14 with that voluntary work with those people with learning disabilities, which made me think very differently about the kind of society I wanted to live in and the kind of contribution I wanted to make. That applies to large numbers of young people, who become involved on a voluntary basis and then decide that they want to make a contribution through public service. It is not just a matter of what people give, but of what they get through their own personal development and sense of satisfaction.

My hon. Friend the Member for Brighton, Pavilion (David Lepper) and the hon. Member for East Worthing and Shoreham (Tim Loughton) rightly spoke about young carers and our responsibility to identify their distinct needs, understand the pressures that they face

[Mr. Ivan Lewis]

daily, and recognise that in the education system and the health service we need to be better at identifying those young carers and providing the necessary support.

The hon. Member for Somerton and Frome (Mr. Heath) spoke about the definition of carers under the Department of Trade and Industry flexible working legislation. The Department is consulting on that legislation and will take account of views about such a definition before reaching a final decision. My hon. Friend the Member for Aberavon (Dr. Francis) has made a massive personal contribution in advancing the cause of carers during his period as a Member of the House. That was based on his own experiences. The Carers (Equal Opportunities) Act 2004 will make a tremendous difference to carers' lives.

The right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) made some valid points about the difference between small and large charities, but I do not believe there is any need to attack larger charities. We must build the capacity of smaller charities in local communities. I remember that when I worked in the voluntary sector we had a slogan: "Voluntary does not have to mean amateur". Vulnerable people depend on the activities of charities, so it is important that we do not think that voluntary organisations should not be accountable.

My hon. Friend the Member for Stourbridge (Lynda Waltho) spoke about the contribution of the Orchard partnership in her constituency, which sounds extremely innovative in its work. The hon. Member for Newbury (Mr. Benyon) raised a number of issues relating to work-life balance and family-friendly policies. I am sure he welcomes the Government's contribution in that respect.

As we look ahead to the future, carers and volunteers know that the stakes are high. The Labour party in government is strengthening Britain with social justice as our eternal mission and as an integral part of our national success, whereas the Conservative party views the word "compassionate" purely as a political strategy to win power, not as the expression of common values. It is right that today, from all parts of the House, we pay tribute to the contribution of carers and volunteers.

Question put and agreed to.

Resolved,

That this House takes note of the immense contribution to society made by those honoured during the recent Volunteers Week and forthcoming Carers Week; recognises and values the significant economic and social benefits resulting from the work of volunteers and carers, often performed in difficult circumstances requiring the most selfless qualities; further notes the need to ensure that the fewest possible barriers are placed before those wanting to volunteer and act as carers; believes that encouragement should be given to all, especially the young, to consider volunteering as a contribution to the welfare of a healthy society; and expresses its thanks to all those who act as role models for volunteering and caring.

PETITIONS

Canvey Island (Housing Development)

7 pm

Bob Spink (Castle Point) (Con): There is a serious problem in Castle Point as elsewhere in south Essex relating to the overdevelopment of our communities, and in particular the proliferation of flats, which puts intolerable pressure on our infrastructure, including water supply and treatment, and our roads.

The petition, organised by Mr. and Mrs. Barham, is signed by only the neighbours to the development site, but it is representative of the feelings of the general public across my borough and much further afield.

The petition states:

To the House of Commons.

The Petition of the residents of Canvey Island and others,

Declares that the petitioners oppose the proposed development of ten flats and 14 parking spaces at 243-245 Eastern esplanade Canvey Island, on the grounds that it would cause extra traffic, noise and loss of privacy and would be detrimental to local residents' enjoyment of their homes.

The Petitioners therefore request that the House of Commons call upon the Government to refer the matter to Castle Point Borough Council and urge the Council to reject the application.

And the Petitioners remain, etc.

To lie upon the Table.

Disabled Services (Exmouth)

7.1 pm

Mr. Hugo Swire (East Devon) (Con): My petition follows on rather appropriately from the debate on volunteers and carers and concerns the Liberal Democrat administration at county hall in Devon, which has agreed to become a fully commissioning organisation. There is deep concern in East Devon about the quality of future provision and the time scale of these changes, and my petition is signed by more than 2,000 concerned local people.

The petition states:

The Petition of Jayne Stuart, Sheila Marsden, Trish Dye and Sue Bamsey, staff members of Danby House, Mudbank Lane, Exmouth, Devon, and of service users and stakeholders,

Declares that the petitioners oppose Devon County Council's proposal to cease delivering specialist residential services to people with physical disabilities in Exmouth, Devon.

The Petitioners therefore request that the House of Commons urge the Government to work with Devon County Council to ensure the continuance of current services on the existing Danby House site in conjunction with newly developed respite/holiday accommodation for people with physical disabilities.

And the Petitioners remain, etc.

To lie upon the Table.

Asthma Services

Motion made, and Question proposed, That this House do now adjourn.—*[Huw Irranca-Davies.]*

7.2 pm

Willie Rennie (Dunfermline and West Fife) (LD): I would first like to thank Mr. Speaker for selecting asthma services as the subject for this Adjournment debate. It is a subject close to my heart and I gather, although not from the number of Members present, that it is also a subject in which hundreds of thousands of people throughout the country are interested.

I should like to introduce the background to the debate. World asthma day was on 2 May, and like many other hon. Members I attended a reception given by Asthma UK in this House. The Secretary of State for Health also attended the event and made encouraging noises about the need to improve health care provision for people with long-term conditions.

I am grateful to the Minister of State, Department of Health, the hon. Member for Doncaster, Central (Ms Winterton), for coming here today to expand on the Secretary of State's comments, and I will be sure to leave her ample time to deal with the detail of the Government's thinking.

My hope and intention is that today's debate can be a constructive one in which as many Members as possible are able to feed to the Minister some of their thoughts and concerns about asthma services in the UK. There is much to be commended in the work that the Government have done for people with asthma. If that is not clear later on in my speech, it is only because time is tight and I am keen to flag up gaps in provision and procedures that could be improved. In particular I wish to pass on what people with asthma have said to me, because there is no doubt that they are among the best judges of what does and does not work, and what could be improved.

I have lived with asthma all my life. My sister, Caroline, had undiagnosed asthma for many years, and her quality of life suffered as a consequence—at one point, she ended up in hospital with pneumonia. Through my sister's experience, my shovel-like cough was identified as a symptom of asthma, which was diagnosed at the age of two. My elder son, Alexander, has had two extended visits to hospital in years two and three of his life. My other son, Stephen, who is just two, is showing all the signs of asthma, but he is yet to be diagnosed.

In my previous life, I worked with Asthma UK—at the time, it was known as the National Asthma Campaign—on a number of campaigns, including a campaign on smoking in public places. I am delighted to see that a similar ban to that in Scotland will be introduced in the rest of the country, which will make a big improvement to the quality of life of people with asthma. Other important issues include the administration of medicines in schools and the redesign of asthma services.

I have found ways to manage my asthma and, like many others with the condition, enjoy a number of sports and activities in which I would be unable to participate without proper medication. At this point, I challenge other hon. Members to join me in the Scottish coal-carrying championship, which takes place at the end of June. Competitors are required to carry a 1 cwt bag of coal for 1,000 m along the undulating main street in Kelty, my home village. Given the marathon sittings that hon. Members endure in this House, I imagine that they would find that a stroll in the park.

I consider myself lucky that my asthma is relatively mild and controllable and that I have the wherewithal to pay for repeat prescriptions. I believe that the person should control the asthma rather than the asthma controlling the person. When GPs, nurses and pharmacists ask people with asthma whether their condition is under control, the people often say, "Yes.", but if they are asked whether they can climb stairs without wheezing, whether they can sleep for a whole night without wheezing and whether they can run for the bus, they often say, "No." People accept far too much of their condition, and awareness needs to be raised among people with asthma about the quality of life that they could live.

I have personal experience of the benefits of modern medicines and the value of asthma clinics. When I was in my 20s, I did not control my asthma well, and when I went to the asthma clinic, the nurse told me that I would die if I continued not to control it. That information was dramatic, and it shook me up. The nurse explained that if I did not manage my asthma, the blue inhaler would not work and my lungs would collapse during my next asthma attack. I took that information to heart and have controlled my asthma much better—the modern medicines are fantastic. Nurses and pharmacists play as an important part as GPs, and they are skilled health professionals who should be encouraged to do even more. They are in the front line and face people with asthma all the time, and we should encourage them to do more to provoke people to reassess whether their condition is acceptable.

Asthma is a disease of the lungs in which the airways are unusually sensitive to a wide range of triggers, including house dust mites, cold air, viral infections—in my case, it is usually colds—or cut grass. Common triggers also include tobacco smoke and animal fur—interestingly, people who live with a cat or dog in their early years tend not to suffer from animal sensitisation in later years, so not all animals are bad for people with asthma. The airways react to those triggers and become inflamed, resulting in symptoms of tightness and wheeziness in the chest. People suffering severe attacks find it nearly impossible to breathe and require rapid medication. Approximately 1,400 people die every year from asthma, and 90 per cent. of those deaths are preventable, which is a huge percentage that needs to be tackled.

There are about 5.2 million people with asthma in the UK, which is one of the highest rates in the world. It affects one in eight children and one in 13 adults. An estimated 8 million people in the UK have been diagnosed with asthma at some stage in their lives—an average of one in seven of the population. There are now three to four times more adult people with asthma in the UK and six times more children with the condition than 25 years ago. There is a big debate as to why that is the case. Asthma is a serious problem encountered by a large proportion of the population. There is currently no cure for it. Some people say that

[Willie Rennie]

the problem largely disappears when they enter adulthood; many, however, live with it for life. It is a condition that they manage through their medication and lifestyle adaptations.

At the end of January this year, the Government published their White Paper on health care outside hospitals, entitled, "Our health, our care, our say", which came out of the consultation exercise "Your health, your care, your say". There is much to applaud in that White Paper and much for which people with asthma have been calling for many years. In particular, I welcome the recognition that better community-based care can reduce hospital admissions and thus costs. I will, however, press the Minister to take that logic further in relation to prescription charges.

Several specific proposals will have come as welcome news for people with asthma. First, there are the plans to develop so-called information prescriptions and personal care plans for those with long-term conditions. They constitute an important recognition that people can be the best judges of their own needs. I hope that the Minister can confirm that information prescriptions will be just one part of a larger drive towards self-management of long-term medical conditions. I am sure that she will know that my colleagues have long espoused the value of self-management for the estimated 17.5 million people in Britain living with chronic conditions.

The potential benefits of such an approach are considerable. For example, a person aware of the nature of their condition and empowered to control it should be less likely to require regular emergency treatment, thereby reducing the burden on stretched NHS resources. Asthma UK estimates that for every £1.60 spent on personal asthma action plans, £7 is saved on NHS care. Many people with asthma resent the feeling of powerlessness that comes with the uncertainty about when attacks might occur. A successful self-management programme should improve a person's mental health and self-esteem as well as promoting their long-term physical well-being. Self-management programmes could be integrated with greater use of voluntary sector organisations such as Asthma UK. There is no doubt that people with asthma looking to develop self-management programmes would benefit from the expert advice that voluntary sector organisations can offer and from the chance to talk to other people with asthma within that context.

Will the Minister expand on how the Government see self-management programmes developing? In particular, may I encourage her to make a commitment to place a clear duty on local health commissioners to commission self-management packages for people with asthma involving patient groups in the design, delivery and evaluation? I hope that she will consult her colleagues in the Scottish Executive, who are funding a pilot project for personal health plans using asthma as the test condition. I am sure that lessons can be learned from each other's experience. The White Paper recognises that health professionals have not always been given sufficient incentives to manage long-term conditions. I have heard many GPs and consultants say that asthma is sorted, but when one hears people with asthma tell stories about what they have to put up with, it is clear that that is certainly not so.

As I said, about 1,400 people die from asthma each year and about 90 per cent. of those deaths are preventable. It is worth taking a minute to consider how those deaths could have been avoided.

First, it is important that people who are admitted to hospital with severe asthma attacks are seen by respiratory specialists. One in five people with asthma say that they do not get to see an asthma specialist when their asthma becomes hard to control. There must be adequate provision of asthma specialists across the board, from GPs and nurses with specific asthma training to respiratory specialists for emergency admissions and long-term support.

Secondly, the Government must be willing to fund properly research into the causes, treatment, cure and prevention of asthma. Asthma UK already puts more funding into asthma research than the Government. A recent report by the UK clinical research collaborative found that respiratory diseases received disproportionately low funding, considering the number of people affected. Indeed, respiratory disease is now the most common illness responsible for emergency admissions to hospitals and kills more people than coronary heart disease.

Above all, the Government must be committed to keeping people with asthma out of hospital by improving their day-to-day support. Nearly 200 people are admitted to hospital every day with emergency asthma attacks at a cost of nearly £80 million. As many as 75 per cent. of hospital admissions are probably preventable with proper long-term care and support.

On 20 March, the Secretary of State called for a 30 per cent. reduction in hospital admissions. She estimated that that would save the NHS more than £400 million a year. The Government's health White Paper commits them to refocusing the quality and outcomes framework of the GP contract and changing the payment by result system to encourage greater concentration on managing long-term conditions. I welcome that and I hope that the Minister can expand on what it might mean for people with asthma who too often feel deprived of specialist advice on the day-to-day management of their condition.

The role of the voluntary sector is vital. I hope hon. Members will not object if I focus on the services provided by Asthma UK as it is the example with which I am most familiar. That is not intended as a slight on the many other charities and support groups that provide excellent services for people with asthma, but I wish to highlight the role of Asthma UK because it has been developing the concept of self-management for some time. The Government could learn much from its example and establish a useful partnership with Asthma UK on the issue.

Asthma UK provides an advice line, which is staffed by specialist nurses, who can offer advice on medication and effective self-management. It has also helped thousands of people develop personal asthma action plans or care plans, which already deliver genuine benefits in reducing symptoms and improving quality of life. However, research by Asthma UK suggests that only 24 per cent. of people with asthma have care plans. I know that the Minister will want to

explain how the Government intend to extend such plans so that people with asthma have access to them.

The Minister may be interested to hear about Asthma UK's control test—a 60-second, five-point questionnaire that helps people to understand how their asthma is controlled, with a simple score out of 25. I tried it today and I am pleased to say that I scored 23 out of 25, which is not too bad. I encourage hon. Members to take part in the census because it is a good way in which to assess how well one's asthma is being controlled.

I hope that the Minister will join me in applauding a joint collaboration between Asthma UK, the British Heart Foundation and Diabetes UK, which have worked with primary care trusts, the Department of Health, the Healthcare Commission and the National Institute for Health and Clinical Excellence to develop a so-called "commissioners' toolkit". It is intended to outline examples of good practice in the treatment of long-term conditions such as asthma, heart conditions and diabetes and is to be made available to all commissioners of health care.

The final issue that I would like to raise is, I believe, one of the most important, which ties in closely with the theme that I have sought to develop, namely reducing hospital admissions through encouraging self-management of asthma. It is prescription charges. The current system of exemptions from prescription charges dates from 1968 and makes little sense now, if it ever did. The Minister will remember the 2002 report by Mr. Wanless, entitled, "Securing our Future Health: Taking a Long-Term View". In it, Mr. Wanless stated:

> "The present structure of exemptions from prescription charges is not logical, nor rooted in the principles of the NHS. If related issues are being considered in future, it is recommended that the opportunity should be taken to think about the rationale for the exemption policy."

Members will be familiar with the general arguments for extending exemptions to a greater range of long-term conditions, but I hope that they will forgive me if I reiterate some of the key points. The present system fails the test of fairness. People with diabetes and certain forms of epilepsy are exempt from prescription charges, but people with arthritis, asthma, mental illness and multiple sclerosis are not. Those with an underactive thyroid are exempt, but those with an overactive thyroid are not.

The present system hits the poorest hardest. The Government's 2000 NHS plan states:

> "New charges increase the proportion of funding from the unhealthy, old and poor compared with the healthy, young and wealthy. In particular, high charges risk worsening access to healthcare by the poor."

People with incomes barely above the income support level have to meet the full cost of prescriptions, providing them with two disincentives: a disincentive to work and a disincentive to pay for necessary prescriptions. The knock-on effects of this problem are precisely those that we all wish to avoid. Prescription charges discourage people with asthma from taking medication to control their condition, and encourage them to think of treatment as something only to be taken in an emergency. This increases emergency hospital admissions, thus increasing costs to the NHS. It may also lead to a number of preventable deaths every year.

I am pleased to report that the Scottish Executive are undertaking a review of prescription charges. They have recognised the innate unfairness in the system, and the extensive review will include a full literature review, consultation and debate. I hope that the Government will read the review documentation and have discussions with the Scottish Executive about their emerging conclusions.

I do not expect the Minister to make new policy in this Chamber at this time. I would, however, welcome her personal view on how the system of exemptions for prescription charges might develop in the future. As she knows, my party committed itself at the last election to an independent review to suggest reforms to the system of exemptions. I would be grateful if she could tell me whether she sees merit in this suggestion. I would also be grateful to hear the views of others on this matter. It is my view that free prescriptions for people with asthma would do much to help them to control their condition and live normal lives, and I would welcome a range of views on the issue.

I would now like to give the Minister a chance to give a full response, and I hope that she will make specific reference to the important issues that I have raised about people with asthma.

7.22 pm

The Minister of State, Department of Health (Ms Rosie Winterton): I congratulate the hon. Member for Dunfermline and West Fife (Willie Rennie) on securing this important debate today. I saw by the way in which he set out his personal experiences how strongly he feels about this issue. I would also like to join him in paying tribute to the outstanding contribution of bodies such as Asthma UK, and I shall say more about their work later.

As the hon. Gentleman graphically described, there are approximately 5 million people whose lives are blighted by asthma to a greater or lesser degree. The big challenge is to find ways for people to manage their condition through medication and lifestyle adaptation. Again, the hon. Gentleman described his personal experience in that regard. Our aim for patients is certainly to move away from care that is reactive, unplanned and episodic, and to put in place an approach that is centred on early detection, disease management and promoting independence. That will involve offering a personalised care plan and improving care in primary and community-based services, particularly for the most vulnerable people. Such an approach will not only improve personal health outcomes for people with long-term conditions; it will also reduce avoidable hospital visits. The hon. Gentleman touched on that issue as well, and I hope that he will welcome our commitment to trying to reduce emergency bed days by 5 per cent. by 2008.

This whole programme of work, which is called "Supporting People with Long-term Conditions", was launched in 2005. It set out a new NHS and social care model specifically designed to help local NHS and social care organisations to improve care for people with long-term conditions.

From the outset, self-care has been a vital component of that model. We want to help NHS organisations to develop a local self-care strategy,

[Ms Rosie Winterton]

which means working with local agencies, the community, the voluntary sector and—as the hon. Gentleman said—the people themselves and their carers. As the hon. Gentleman also said, part of that involves information prescription. I am happy to reassure him that information prescription is an important part of our approach to self-management.

I am glad that the hon. Gentleman welcomes the White Paper. The theme of community-based services and supported self-care for people with long-term conditions and their families, especially those with asthma, emerged strongly in our consultation. Here again joined-up thinking and working is vital, and not just between health and social care partners. As we said in the White Paper, local strategic partnerships will be responsible for the delivery of services and for ensuring that they are genuinely integrated and, crucially, focused on the needs of individuals.

The hon. Gentleman mentioned the work of the Scottish Executive. We shall, of course, want to hear and learn from our colleagues in Scotland, and elsewhere for that matter, but I am sure that the hon. Gentleman will be interested to know that the PRODIGY system that is used in GP surgeries in England generates personalised asthma action plans based on guidelines produced by the British Thoracic Society and the Scottish Intercollegiate Guidelines Network.

Willie Rennie: Will the Minister give way?

Ms Winterton: I will give way, but because the hon. Gentleman has not left me much time, I may not be able to deal with all the points that he raised if I do.

Willie Rennie: As I think the Minister will admit, self-care is not about simply letting people loose or letting them free. It probably requires harder work to arrange for them to be included in self-management plans. Self-management plans are not simply about printed forms; they are about agreements and partnerships.

Ms Winterton: That is absolutely true. The expert patient programme, for instance, has proved to be a very good way of helping people to manage their conditions and learn about them. I realise that it is not always easy, but the benefits are enormous.

It has been the policy of successive Governments that those who can afford to make a small contribution to the costs of medicines should do so. I assure the hon. Gentleman that the existing list of medical conditions that give exemption from prescription charges has been reviewed on a number of occasions, but no clear-cut case for extending it has emerged. There is no consensus on additional conditions that might be included, or on how distinctions could be drawn between one condition and another or between a mild form of a condition and a severe one. It is a difficult issue, and it has been considered, but I am sorry to tell the hon. Gentleman that we currently have no plans to extend that particular list. What we have been doing is giving priority to helping those who have difficulty in paying charges. Nearly 90 per cent. of prescriptions are already issued free of charge because of the extensive exemption and charge remission arrangements.

The hon. Gentleman described the vital role of the voluntary sector, and I entirely agree with what he said. He spoke of the work done by Asthma UK in raising awareness of the condition, and mentioned the reception attended by the Secretary of State on world asthma day. That constituted a vital contribution to the development of national policy.

The hon. Gentleman referred to the commissioners' toolkit that Asthma UK has been working on with my Department. It will be extremely useful in ensuring that there are good services at a local level for people with asthma. The Minister of State, Department of Health, my hon. Friend the Member for Don Valley (Caroline Flint), who is responsible for public health, has discussed smoking policies with Asthma UK, and I know that she found that very useful.

Asthma UK has done a lot of work at a local level. There is a project in West Sussex that provides swimming lessons for children with asthma, and a project in Hackney is training 80 people in self-management and in how to live healthy lifestyles. Those are exactly the kind of approaches that the hon. Gentleman set out.

Last July, my hon. Friend the Minister for Immigration, Citizenship and Nationality, in his former role as Minister with responsibility for care services, announced the Third Sector Commissioning Task Force. Its programme is to identify barriers to achieving that strong relationship between the voluntary and public sectors. We want to promote that relationship, but we must ensure that we look out for barriers and see what we can do to assist in removing them.

In terms of asthma specialists, we have more doctors, nurses and other health care professionals than ever before within the NHS. It is from that expanded work force that specialists of all kinds will be drawn.

The hon. Gentleman also asked about research. The agency through which we carry out research is the Medical Research Council. We consider the ways in which we can contribute to increasing research in all areas.

I hope that I have given an indication of how the Government have put the concerns of those living with long-term conditions at the heart of our reform agenda. Diseases such as asthma present a massive challenge to the health and social care system. It is a challenge that will need to be met by services that benefit not only from the increased funding in the system, but from the reforms to service delivery. By focusing on the needs of patients, we empower them to take control of their own health and care.

Question put and agreed to.

Adjourned accordingly at twenty-eight minutes to Eight o'clock.

House of Commons

Thursday 8 June 2006

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRADE AND INDUSTRY

The Secretary of State was asked—

Postal Services

1. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What recent discussions he has had with ministerial colleagues on the future of the Royal Mail and Post Office in Scotland. [75718]

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): Good morning, Mr. Speaker. DTI Ministers and officials have regular discussions with other Government Department colleagues on matters relating to Royal Mail and the Post Office network.

The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Brent, North (Barry Gardiner), who was previously Under-Secretary at the DTI with responsibility for postal services, met Ross Finnie, Minister for Environment and Rural Development at the Scottish Executive, on 6 March to discuss a range of issues relating to post offices.

Mr. Carmichael: I thank the Minister for that answer. Will he and his ministerial colleagues encourage the chief executive of Postcomm to engage better with communities on the future of Royal Mail and the Post Office? I recently wrote to her inviting her to attend a function in my constituency to discuss the future of postal services, and she told me that she felt that she could learn all that she needed to know by holding seminars in Edinburgh, Perth and Dundee. We in the Isles have some difficulty with that attitude, because there is genuine concern about the issue and people want to engage in the debate. We need better responses from Postcomm than that.

Jim Fitzpatrick: I hear what the hon. Gentleman says and I know that he will have a seminar in Orkney in due course. My understanding is that the head of the rural network in Scotland for Post Office Ltd will attend the Orkney seminar, and that it will also be represented at the Shetland event. The Department is keen to do what it can to maintain a sustainable network. We have committed £2 billion to Post Office Ltd, including £750 million up to 2008 to support the rural network in particular. We will be very interested in the outcome of his seminar.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): The Minister may not know that the post office in Irvine in my constituency, which serves some 30,000 people, is to be franchised. One of my reservations about that proposal is that the franchise will include licensed premises. Many elderly people in the area are opposed to that concept and fear the whole idea. It is also almost bizarre that staff have only recently undergone a training programme to help to widen the scope of the business of the Crown post office, which will now be of no use whatsoever.

Jim Fitzpatrick: I can understand my hon. Friend's concern, although I have to confess that I did not know about that initiative until he mentioned it to me earlier. The Post Office has to look at modern ways of working, and franchising works in other parts of the country. Having conducted a £25 million pilot to determine modern ways of providing services, we will examine closely anything that has a positive effect on the sustainability of the service. I am happy to hear more from my hon. Friend on the issue. If he drops me a line, I will look further into the initiative that he mentions.

Mr. Mike Weir (Angus) (SNP): Does the Minister understand the fear in rural areas of Scotland when Adam Crozier, the chief executive of Royal Mail, talks about a "radical transformation" of the network as a result of the collapse in Government work, such as benefits payments? In the recent deal between the Government and the Royal Mail, it was made clear that

"the level of any support after 2008 will depend on decisions on the future of the post office network".

Who will take decisions on the future of the post office network? Will it be Royal Mail or the Government, depending on the amount of money that they put in?

Jim Fitzpatrick: I hear what the hon. Gentleman says about the lack of Government support, and I hope that I have rebutted that by demonstrating the £750 million that we have committed to the rural network in particular. It is not the Government's fault that people are not choosing to use the post office. Habits are changing and the internet is available: there are many reasons why people are not using the post offices—*[Interruption.]* Some 1,200 post offices have fewer than 60 customer visits a week and 800 have fewer than 20. The issue of sustainability has to be addressed, and I will be happy to engage with the hon. Gentleman in due course in respect of his local post offices.

Energy Review

2. **Mr. Andrew Mackay** (Bracknell) (Con): When he will announce the findings of the energy review. [75719]

3. **Peter Luff** (Mid-Worcestershire) (Con): If he will make a statement on the progress of the energy review. [75720]

The Secretary of State for Trade and Industry (Mr. Alistair Darling): The Government published a consultation document on 23 January this year inviting responses on energy policy issues. We expect to report to the House before the summer recess.

Mr. Mackay: The Secretary of State is aware that energy supplies were very tight last winter and are likely to be even tighter over the next couple of years. What is he doing to ensure that the lights stay on next winter?

Mr. Darling: The right hon. Gentleman is right: energy supplies were tight last winter, and they are likely to be tight again this winter. We expect a pipeline bringing gas from Norway to come online, and that will help, as will an expansion of the capacity to bring gas across from Belgium. We will also have the Rough storage facility back, but there is no doubt that we will have to take various steps over the next few months to ensure that we can get through the coming winter. That is all the more reason why we should take realistic action to ensure that we safeguard the security of our energy supplies, this winter and in the years to come.

Peter Luff: We urgently need investment in new generating capacity, but the single most important issue that the review must resolve is the development of a long-term mechanism for the pricing allocation of carbon. The current emissions trading scheme is welcome, but it does not give investors the confidence that they need to make very large investments. How confident is the Secretary of State that it will be possible to negotiate a mechanism that will apply for, say, 20 years? If that cannot be done internationally, what freedom of manoeuvre does he have domestically to develop a system that will bring forward that investment?

Mr. Darling: Again, the hon. Gentleman is right. The industry must have certainty, as many investment decisions will have to be taken over the next few years and the price of carbon will be one of the elements determining those decisions. As the House would expect, the Government have been actively engaged with our European partners. I attended a meeting in Brussels on Friday, at which we discussed the ETS and emphasised the need to fix a carbon price over a long period. That is very important, as the industry needs that certainty before it takes the decisions that we need it to take in respect of the provision of power supply in the future.

Miss Anne Begg (Aberdeen, South) (Lab): In all the discussions about the energy review, will my right hon. Friend assure me that he will not get bogged down in the nuclear debate? The oil and gas industry still has a long-term future: Cogent, the sector skills council, has an oil and gas training arm called OPITO that is encouraging young people to go into the industry to fill existing skills shortages and gaps. It is seeking to convince them that the industry has a future and that they will still have jobs in 20, 30 or 40 years.

Mr. Darling: My hon. Friend is right that nuclear is only one element of our energy supply. It makes up 19 per cent. of our provision, and we need to consider the totality. I have said on many occasions—and I repeated the point when I was last in Aberdeen—that a lot of oil and gas remains in the North sea and that there is a lot of work there. The industry employs many people, and provides many highly skilled and good jobs. I certainly agree that we ought to be encouraging people, in the north-east of Scotland and across the whole country, to consider a career in the oil and gas industry. It has a very good future, and it is an industry that we want to encourage.

Helen Goodman (Bishop Auckland) (Lab): Obviously, one part of the energy review will consider measures to reduce demand. In an important speech earlier this week, my right hon. Friend floated the idea of changing the role of electricity producers to suppliers of total services. How quickly might that happen, and what impact will it have on reducing demand?

Mr. Darling: My hon. Friend is right that we must reduce the demand for energy. A central question in the energy review is how we as a nation can reduce the amount of energy that we consume, and a successful resolution of that question could mean that we would not need as many new power stations as might otherwise be the case. Earlier this week, I set out my belief that we need to consider how we can incentivise energy supply companies to deliver ways in which demand might be reduced—such as through the use of insulation, smart metering or other technology, for example. That approach is radically different from the way in which companies at present are incentivised to sell as much heat and light as they can, albeit in a way that causes prices to be driven down. The process will therefore take some time, but the industry is willing to discuss it and it will be a central part of the review when we report in a few weeks.

Mr. Tobias Ellwood (Bournemouth, East) (Con): In his reply to my right hon. Friend the Member for Bracknell (Mr. Mackay), the Secretary of State talked about gas distribution but failed to cover the price rises that were the real problem for people last winter. To a large extent, those rises were caused by the continued absence of the common gas market that Britain was supposed to pursue during our EU presidency. Will the right hon. Gentleman indicate whether we are going to go down that road, and whether it will be included in the energy review?

Mr. Darling: The right hon. Member for Bracknell asked me about distribution, which is why I answered the question as I did. The hon. Member for Bournemouth, East (Mr. Ellwood) is right that there is considerable concern about recent price rises. During the course of our presidency, we asked the Competition Commissioner to do everything possible to ensure a far more open and transparent market. The hon. Gentleman will doubtless have seen that over the past few weeks the Competition Commissioner has served notice that she will enforce the current rules and regulations. Recently, there have been raids on some electricity companies in different parts of Europe and I hope that, right across Europe, people are getting the message that if we believe in a genuine open market, everyone has to play by the rules so that we can see exactly what the prices are and exactly how much gas there is. That is essential if we are to bring down prices and we fully support everything that the Competition Commissioner is doing.

Colin Challen (Morley and Rothwell) (Lab): Will the energy review have anything to say about providing more information to energy consumers? If we buy a tin of beans and can see how many calories are in it and every other food product has similar labelling, why cannot we see from our fuel bills how much CO_2 we are emitting as a result of our consumption?

Mr. Darling: I agree that we should provide far more information on our fuel bills—not just about how much CO_2 is emitted. It would also be useful to make comparisons so that consumers can see how much electricity or gas they consumed this quarter as opposed to the previous quarter. Smart metering would mean that people could see exactly how much electricity they were consuming and how much they were paying for it at any time. A range of measures can be adopted to help reduce the demand for energy, which has to be a good thing.

Mr. Alan Duncan (Rutland and Melton) (Con): Only last week, I visited three intensive gas users in Yorkshire and found that the price that they have to pay for their gas is far higher than they would pay for the same gas in France or Germany. The punitive and unfair premium on their costs is destroying some UK companies and is undermining UK competitiveness. Further to what my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) asked a few moments ago, when does the Secretary of State believe that the EU will have resolved its illiberal and selfish practices, which are currently protecting its own companies and severely disadvantaging ours?

Mr. Darling: As I said to the hon. Member for Bournemouth, East (Mr. Ellwood) a few moments ago, the Competition Commissioner is taking action. One problem is that, historically, companies in this country have bought electricity on a short-term basis whereas many of our European competitors have entered into long-term contracts. As I have said, it is important that markets operate openly, and part of the reason the price is so high is the uncertainty in the market, which needs to be resolved as quickly as possible.

Mr. Duncan: One of the main ways of resolving the exposure that intensive gas users face is to see just such an increase in long-term pricing contracts, but Ministers have been foolish enough in the past to recommend that companies forsake such contracts and buy on the spot market instead, which is rather like the Chancellor selling our gold. What prospect does the Secretary of State see for the creation of new and better contracts that can alleviate the volatility that industrial users of gas face in Britain today?

Mr. Darling: It is not for the Government to tell energy consumers how they should conduct their business; it is for companies to use their own business judgment. It might be useful to remind the House, if hon. Members are not already aware of it, that we set up a joint forum between Government and business to discuss some of these issues, but the main thing is to ensure that the energy market actually works.

Mr. Dennis Skinner (Bolsover) (Lab): We heard on the radio this morning that there are large supplies of North sea oil and gas, and large supplies of coal sweeping out to the North sea and eastern England and large supplies in Scotland and Wales. The key to ensuring that we have more coal as part of the energy review is not to rely on foreign sources, but to ensure that we keep the continuity of the mining industry. That is vital if we are to exploit the reserves that still remain.

Mr. Darling: My hon. Friend is right that coal is a very important part of the energy mix in this country at the moment. Coal provides a significant degree of our security and supply. I can assure my hon. Friend that coal will be one of many aspects that will be covered in the energy review.

Mr. Edward Davey (Kingston and Surbiton) (LD): Will the Secretary of State confirm that the Chancellor's latest estimate of the cost of nuclear decommissioning is about £90 billion—almost double the Government's estimate fewer than 12 months ago? When he announces whether the Government are to opt for nuclear power, how confident is he that estimates of future decommissioning will be accurate in any shape or form?

Mr. Darling: We must do our best to ensure that whatever estimates we have are as accurate as possible. Of course, we have the question of waste to deal with now, no matter what we decide in relation to the future. That is something on which we will get the advice of the energy review that is due to report in the summer. The hon. Gentleman is right: nuclear waste is one aspect that needs to be looked at. Nuclear has provided us with a base load supply of electricity. It represents about 19 per cent. of electricity generation at the moment. If we do not do anything, that will go down to 6 or 7 per cent. in the next 20 years or so, so it needs to be considered. We cannot simply turn our back on it, as I think—I may be wrong on this—the Liberal Democrats believe we should.

Mr. Denis MacShane (Rotherham) (Lab): In theory, open markets are meant to reduce prices, but according to the Heren report—the international report on electricity prices for the steel industry—the price for the UK steel industry is £52.58 per megawatt hour for this year compared with €52.70 for the same megawatt hour for the same period in Germany. In other words, British steel makers have to pay the same price in pounds as their German competitors pay in euros. Will the Secretary of State write to me so that I can pass his letter to steel makers in Rotherham and explain why British electricity for industry is so expensive?

Mr. Darling: I will certainly write to my right hon. Friend. For the past eight or nine years, British industry has benefited from lower electricity prices. In the past year or so, prices have gone up dramatically for the reasons that we have discussed in the past five or 10 minutes. There is no doubt that some of the uncertainty generated by the lack of transparency in European markets has added an extra element to that price. We will continue the work that we started last year, and additional capacity should be available to us.

We will continue to support the European Commissioner in her efforts to achieve a more open and transparent market. All those things will help.

The other thing that we have to get right is the long-term solution. There are no easy solutions, but I hope that when we report to the House in July, we will have a constructive engagement with all parties in the House to achieve a long-term solution to this problem.

Ministerial Meetings

4. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): When he last met the Chancellor of the Exchequer to discuss UK trade with major developing nations. [75721]

The Secretary of State for Trade and Industry (Mr. Alistair Darling): I am in regular contact with my right hon. Friend the Chancellor of the Exchequer on a range of issues. UK trade with major developing nations is an important way to lift millions out of poverty.

Mr. Crabb: I thank the Secretary of State for that reply. As he knows, in this year's Budget speech the Chancellor announced plans for expanding trade with major developing countries and specifically to set new targets for expanding trade with countries such as China and India. When are those targets likely to appear, and who is responsible for setting them? As he knows, there is significant concern in the export community that the UK has not been capturing anything like a large enough share of the huge increase in international trade that countries such as India have seen in recent years.

Mr. Darling: The targets will be announced in due course. The hon. Gentleman makes a fair point. We need to do more to encourage trade between British companies and China and India and Chinese and Indian companies trading here. We should not overlook the fact that there has been considerable success in the past, but we need to do a lot more. They are important markets to this country, and we want to do everything we can to encourage that trade. My right hon. Friend the Chancellor put in place various ways in which we can encourage that trade and explore things that we can perhaps do better than we have done in the past.

Ann McKechin (Glasgow, North) (Lab): I recently took part in discussions through the parliamentary network of the Royal Bank of Scotland with parliamentarians from both the Asian subcontinent and Africa. They expressed their anger and frustration at the EU position in the current World Trade Organisation negotiations on agriculture. Given the Chancellor's warnings yesterday about the dangers of protectionism, does my right hon. Friend agree that if it is right to liberalise agriculture markets, we should not make it conditional on concessions from developing countries at the WTO talks?

Mr. Darling: As my hon. Friend is aware, we believe that we need radically to reform the system of agriculture support in Europe. However, negotiations are taking place at the moment and they have to conclude, to be realistic, by the end of July. It is clear that there are three main problems: the perception of the EU offer; support for United States agriculture; and access to manufactured goods and other services in countries such as Brazil and India. Movement will be required from everyone if we are to reach an agreement. The prize of getting that agreement in the current round is extremely great and we want to encourage it, but if negotiation is to work all parties must show sufficient flexibility, and they need to do it soon.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The Secretary of State will be aware that the trade deficit with China has increased by more than 500 per cent. since 1997 and stands at a staggering almost £10 billion. When I asked how many trade deals the Prime Minister had signed in the last eight years, the reply was:

"The European Commission has competence for EU trade policy and conducts all trade negotiations on behalf of...EU member states."—[*Official Report*, 15 May 2006; Vol. 446, c689W.]

So when did the Secretary of State last meet his friend Commissioner Mandelson? What was the outcome of those discussions, and what will he do about this disastrous and deteriorating situation?

Mr. Darling: As I said a few moments ago, we want to increase our trade with China. We are well aware of the situation and will do everything that we can. We also want to encourage the Commission to do what it can to increase trade and I am confident that the position will improve in years to come.

Company Directors' Responsibilities

5. **Lorely Burt** (Solihull) (LD): What steps he expects company directors to take to ensure they have sufficient regard to the interests of employees and the impact of the company's operations on the community and the environment. [75722]

The Secretary of State for Trade and Industry (Mr. Alistair Darling): The Company Law Reform Bill, which we debated two days ago, will ensure that company directors must have regard to the effect of their company's operations on the community and the environment in promoting the success of the company for the benefit of its members.

Lorely Burt (Solihull) (LD): I am genuinely seeking guidance. Clause 158 of the Bill states that directors have a duty

"to promote the success of the company for the benefit of the members",

but that in doing so they should have regard to other matters. How far should the company have such regard when there could be conflict for shareholders? For example, Tesco, South Africa, Shell—

Mr. Speaker: Order. I am sure that the Secretary of State can manage an answer.

Mr. Darling: The hon. Lady makes a good case to be a member of the Committee that will scrutinise the Bill's 950 clauses. The Minister for Industry and the Regions, my right hon. Friend the Member for Barking (Margaret Hodge), is in Europe today, sadly—[HON. MEMBERS: "Sadly?"] Well, I think she is happy to be in Europe, but sadly she is not in the Chamber. However, she will be keen to engage with the hon. Lady on her question. We discussed the matter at length a couple of days ago when we said that we believe it important that company directors should have regard to a variety of things, including environmental and social concerns, but at the end of the day they have to use their best judgment to come to a view about what is best for their company. Their loyalty has to be to the company and its members; it cannot be divided, as I said the other day.

Most people, including, I think, our party, welcome what we have done. I am sorry that the Conservatives are already showing signs of trying to undermine that. Despite what they say, the amendments they are tabling appear to be removing that environmental commitment.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): Does the Secretary of State agree that principles such as those of fair trade and sustainable development can best be pursued in a spirit of partnership, making use of the principles of enlightened shareholder value set out in the legislation? Will my right hon. Friend encourage campaigners, whether on environmental or trade issues, to take advantage of that opportunity and be part of the consensus, which is good for business, good for the environment and good for people?

Mr. Darling: I strongly agree with my right hon. Friend. As I said on Tuesday, the Government have struck a sensible balance, making clear what directors are supposed to do. Members would do well to remember that in another place many people opposed the Bill and would dearly like us to return it in a way that would allow them to get back into it. It is obvious that no matter what the Conservative leader says about the environment, his Front-Bench Trade and Industry team are tabling amendments to remove the environmental commitment—[*Interruption.*] One can go only on the amendments that have been tabled so far. Perhaps there will be another change of heart, so I look forward to hearing the Conservatives' renewed commitment if that is the case.

UK Trade (India)

6. **Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): If he will make a statement on UK trade with India. [75723]

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): Bilateral trade and investment with India continues to grow. In 2005 exports to India rose by just over 25 per cent., making the UK the second biggest exporter to India in the European Union. The UK remains the preferred investment location for Indian headquarter operations in Europe.

Dr. Kumar: May I praise the Government for making a tremendous effort to try to strengthen our relationship with India as India emerges as a world power? [HON. MEMBERS: "Yes."] What progress has been made since the last joint declaration between India and ourselves in 2004, which was signed by our Prime Minister and the Indian Prime Minister, Manmohan Singh, regarding trade issues?

Jim Fitzpatrick: It is obviously clear that the whole House agrees with my hon. Friend's kind words about the Government's record. His supplementary question was about developments since the joint prime ministerial meeting. That meeting reinforced or began initiatives, such as the second conference in January this year of the joint economic and trade committee. The United Kingdom trade and investment group has the second largest staff complement in India, compared with other countries around the world, with 72 staff and a £9 million commitment. There is an inward investment summit due in London this year in the autumn—again for both Prime Ministers.

Miss Julie Kirkbride (Bromsgrove) (Con): Is the Minister aware that the area with probably the highest positive trade balance with India is the British higher education sector, which now faces increasing competition from other countries that would like to attract Indian students? What further measures does he think we should take to get more young people from India to study in the United Kingdom in the hope that one day, when they set up their own successful businesses, they might want to trade with the United Kingdom?

Jim Fitzpatrick: The hon. Lady makes a fair point. The Government committed £10 million extra to bursaries as a result of the prime ministerial meetings to which my hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar) referred a moment ago. As well as a variety of other measures, a high-level trade group was set up to look at where we can further develop relations with India and the Indian Government, including in education. I look forward to progress, as she obviously does.

Mr. Lindsay Hoyle (Chorley) (Lab): I wonder whether my hon. Friend is aware that one of the biggest exports to India is scrap metal, which I do not think should count. We ought to be seeing more manufactured goods. What can he do to ensure not only that British companies have a bigger presence in India, but that there is a good open market for finished British products?

Jim Fitzpatrick: I hear what my hon. Friend says. Clearly, we are committed to developing trade and economic contact with India. I know that the Trade and Industry Committee initiated its own inquiry in November last year and it is due to report next week. We are looking forward to that report and its recommendations, because obviously it will give us some directions on how the Committee thinks we should make further progress.

Manufacturing Industry

7. **Dr. John Pugh** (Southport) (LD): What assessment he has made of the impact of venture capital firms on employment in UK manufacturing industry. [75724]

The Minister for Energy (Malcolm Wicks): Modern manufacturing is critically dependent on investment for successful performance, growth and employment generation. Venture capital plays a key role in providing that investment.

Dr. Pugh: I thank the Minister for that response, but does he realise that venture capital firms are closing genuinely profitably factories in this country, such as the Chewits factory in my constituency, simply to relocate production to eastern Europe and maximise their returns? Does the Minister regard that as undesirable, or inevitable, or as representing a clash of interests between the manufacturing industry and the City?

Malcolm Wicks: I am aware of the sad news about Chewits, which could lead to the loss of 130 jobs in September. I am happy to discuss that matter, in terms of advice to those workers, with the hon. Gentleman if that would be helpful. However, the good news is that Southport has a buoyant labour market. Its claimant unemployment rate was just 1.9 per cent in April. That is well below the national average and the national average is historically low. However, as I said, I offer to discuss these particular matters with him.

Rob Marris (Wolverhampton, South-West) (Lab): May I caution my hon. Friend against putting too many of his eggs in the venture capitalist basket? He and his Department should continue to support manufacturing in the heartlands such as my area in the west midlands. All hon. Members will be aware of the difficulties that we have had with Rover and Peugeot. Will he tell me what steps the Government are taking to change the mood music on manufacturing? Manufacturing has not been as high on the Government's list of priorities as it should have been in the last few years. It is now starting to come up. Will he tell me what further steps might be taken, such as a manufacturing summit, to show that the Government care and wish to increase investment?

Malcolm Wicks: Of course we are aware that there has been a long-term decline in manufacturing industry throughout much of the European Union, yet manufacturing remains a vital part of the British economy and, in many respects, is still buoyant. Indeed, I note that for the three months ending in April 2006, there were more than 50,000 unfilled vacancies in manufacturing industry. My hon. Friend is right to say that, as well as the further development of the service sector, manufacturing is vital to the economy.

David Simpson (Upper Bann) (DUP): Can the Minister tell us which regions of the United Kingdom have had the largest number of job losses in the manufacturing sector?

Malcolm Wicks: Yes, I can give the hon. Gentleman that information, but it is detailed, so I will not attempt to do so off the top of my head. I will be happy to write to him. Obviously, the overall picture is of the move back to full employment, with 2 million more jobs created since the spring of 1997—I pick out 1997 almost at random—but that nevertheless hides regional variations. I will be happy to supply the information, which is published, to the hon. Gentleman.

Sir Nicholas Winterton (Macclesfield) (Con): May I warmly support the views expressed by the hon. Member for Wolverhampton, South-West (Rob Marris)? While venture capital firms can play a valuable part in the provision of investment for manufacturing, they too often dilute the ownership of a firm. The cost of venture capital is too high, because manufacturing industry needs long-term investment. What can the Government do to encourage long-term investment in manufacturing, which is the only way in which we will guarantee a manufacturing base in this country in the long term?

Malcolm Wicks: The best way is with the healthy and buoyant macro-economic environment that the Government and the Chancellor have provided, with low interest rates and inflation. Surely providing that is the role of the Government and the best thing that they can do, rather than making too many interventions and over-regulating. We are committed to manufacturing industry, which is a buoyant part of the British economy. Venture capital has a role to play, but that role is relatively small when put alongside other forms of investment. We share the view that is being expressed in the House about the importance of manufacturing industry. Our judgment is that the best way to stimulate and encourage the industry is through prudent—to coin a word—macro-economic management.

Postal Services

8. **Mr. Philip Hollobone** (Kettering) (Con): If he will make a statement on the future of rural post offices in Northamptonshire. [75725]

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): The Government are committed to supporting the rural post office network, as I briefly explained a few moments ago. That includes support for branches in Northamptonshire, with annual social network payments of £150 million for the next two years. The Government will set out future proposals for the network in due course and after consultation.

Mr. Hollobone: Following the Government's savage assault on the sub-post office network in urban centres, is it not the case that, in the next five years, every rural sub-post office in Northamptonshire will face the threat of closure due to the end of the Government's support mechanism for rural post offices and the abolition of the Post Office card account?

Jim Fitzpatrick: The Government invested £210 million in the urban reinvention programme to do all that they could to ensure that a sustainable post office network was maintained in the cities. We will do all that we can to do the same for rural areas. I cited earlier some of the figures that make life commercially difficult for the Post Office. However, we spent £500 million on the Horizon

project, which modernised computer systems for all post offices so that new products could be provided. The Post Office is now the UK's No. 1 provider of foreign exchange and the largest individual provider of travel insurance. It launched its new instant saver account in March 2006. The Post Office is doing all that it can to ensure that it provides business as well as possible.

Mr. Peter Bone (Wellingborough) (Con): Why has the policy failed so horribly in Northamptonshire, and especially in Rushden, where Avenue road, Bedford road, London road and Newton road post offices, which served the main town of Rushden, have closed? Clearly the Government's policy has failed.

Jim Fitzpatrick: We do not believe that we have failed in our policy. The target for the urban network was to make sure that 95 per cent. of people were within a mile of a post office, but the figure is actually 99 per cent. We will look at the rural network in due course. The hon. Gentleman knows that, because of changing habits, the rural network is losing £3 million a week. We cannot force people to use rural post offices, but we will do all that we can to make sure that we maintain a sustainable network.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Minister says that the customers have walked away. The Government forced them away. They made it very difficult for people to get card accounts, but now that people have finally struggled over all the hurdles to get one, the Government are moving the goalposts and taking the accounts away. The Government are playing their part in taking business away from rural post offices.

Jim Fitzpatrick: I hear what the hon. Gentleman says. I said in a response to the hon. Member for Orkney and Shetland (Mr. Carmichael) that the Government are doing what we can and will look to maintain the most sustainable network possible. The Department for Work and Pensions is in discussions with the Post Office about the future of the card account, which is due to close in 2010. I mentioned the £500 million Horizon project. We also have a £150 million subsidy for the next two years. The Government are clearly committed to doing what we can to maintain a sustainable post office network.

Corporate Social Responsibility

9. **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): What steps his Department is taking to promote and implement the Organisation for Economic Co-operation and Development guidelines for multinational enterprises as part of the Government's corporate social responsibility policy. [75726]

The Minister for Energy (Malcolm Wicks): The UK national contact point—terrible jargon which refers to an individual official in the Department of Trade and Industry—works with business and non-governmental organisations to raise awareness of the OECD guidelines for multinational enterprises and to promote their use by companies in developing their own codes of conduct. The Government will shortly publish their response to a stakeholder consultation on possible improvements to the national contact point's promotion and implementation of the guidelines.

Mark Lazarowicz: The Minister for Industry and the Regions, who replied to Tuesday's debate on company law reform, referred specifically to the guidelines as an important means of addressing concerns about international corporate social responsibility. What steps will the Government be taking to ensure that the guidelines are given teeth, both at the UK level and, perhaps more importantly, at a European and wider international level?

Malcolm Wicks: As I said, we will shortly publish our response. We gave more time for the consultation because the working group established under the aegis of the all-party group asked us for more time to submit further comments. I am not sure that we have received them yet. We are anxious to tackle these issues and to publish our response as soon as we can.

Mr. John Redwood (Wokingham) (Con): Has the Minister seen the excellent corporate social responsibility report of Tesco, showing how these guidelines are being applied to cut the carbon imprint, improve energy efficiency and undertake socially responsible actions with employees and in purchasing? When will his Department catch up with the best practice of companies such as Tesco, which seem to me to be streets ahead of many Departments?

Malcolm Wicks: It is true that, although carbon dioxide emissions from some sectors, including the energy sector and intensive energy users, are reducing, they are still increasing in the service sector, whether that is the superstore or the governmental system. When I visited the excellent Tesco branch in Thornton Heath, I was impressed that one staff official had responsibility for energy efficiency. That is a practice that we should adopt. Should Government do more? Yes, we should, and we are looking at that in the energy review.

Mr. Jonathan Djanogly (Huntingdon) (Con): The Conservative party welcomes the OECD guidelines and, on the basis that corporate social responsibility should be set in the context of wider corporate governance, we also welcome the lead that the OECD has given with its continental corporate governance panels. But the question remains: why do the Government give so little time to promoting corporate social responsibility, particularly, as my right hon. Friend the Member for Wokingham (Mr. Redwood) pointed out, given the excellent, world-beating corporate responsibility practices that we find in so many British companies?

Malcolm Wicks: There will be joy in the heart of the OECD that the Conservatives support its work. That is welcome. I reject the notion that the Government do not pay due regard to corporate social responsibility. We pursue essentially a voluntary approach. We recognise that corporate social responsibility has many dimensions. There are the international ones that we

are examining now. There are also the charitable efforts of many companies and how they treat customers and their employees. This is an issue to which we are committed as a Government.

Nuclear Decommissioning

10. **Mr. Edward Vaizey** (Wantage) (Con): What assessment he has made of the potential impact of the restructuring of the UK Atomic Energy Authority on the safety of nuclear decommissioning; and if he will make a statement. [75727]

The Minister for Energy (Malcolm Wicks): I am aware of the hon. Gentleman's constituency interest in this matter. UKAEA needs to restructure to enable the Nuclear Decommissioning Authority to carry out its remit, under the Energy Act 2004, to complete the decommissioning of the sites for which it is responsible. We recognise that any changes on a nuclear site have the potential to affect safety and, for that reason, they are subject to scrutiny by the safety and environmental regulators. With that scrutiny, we are confident that the authority and the NDA will manage the forthcoming change in a way that will not adversely affect safety, and that the restructuring of the authority will not impact on its high standards of safety.

Mr. Vaizey: I have no problem in principle with the restructuring, but can the Minister help me with an inquiry that has been raised anonymously with me by a constituent, who makes the point that up to 300 senior managers will be part of the restructuring, and if the restructuring happens in that way and if the UKAEA does not win a contract, those senior managers will be removed from the site, which will compromise safety? My constituent contrasted that with the restructuring of the Atomic Weapons Establishment, which apparently involved only 40 or 50 senior managers. Is the Minister aware of that concern, and would he like to comment on it?

Malcolm Wicks: I was not aware of that. I do not receive the anonymous letters that the hon. Gentleman gets. I will examine the matter. If the hon. Gentleman writes to me and includes his signature so that I know from whom the letter is coming, I will take the matter up seriously with the authority, with which I have regular meetings. There is important work to be done, not least in nuclear decommissioning. While the process is resource-intensive, it needs to be as cost-effective as possible.

Dr. Brian Iddon (Bolton, South-East) (Lab): Does my hon. Friend agree that the key to safe decommissioning of nuclear plants is the supply of the specially trained staff who are necessary? Does he recognise that there is a shortage of such staff and will he therefore welcome the emergence of the Dalton institute at Manchester university?

Malcolm Wicks: I not only welcome it, but I had the privilege of visiting Manchester university only a few weeks ago. It is clearly a centre of excellence when it comes to nuclear energy and other aspects of energy. We discussed renewables there as well. It is a centre of excellence not only across the United Kingdom but internationally. It is a resource that we value and cherish.

Government Assistance (York)

12. **Hugh Bayley** (City of York) (Lab): What assistance the Government have given to York as a science city. [75729]

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): The Government, through the Learning and Skills Council and the regional development agency, Yorkshire Forward, together with additional European funding and resources from the city of York council, have helped to provide just over £3 million to the city of York for investment. A further £2.63 million of Government funding has been allocated through Yorkshire Forward from its "Northern Way" project to support the development of York as a science city.

Hugh Bayley: The growth of science has turned round the York economy. When the Conservatives were in power, unemployment in York was twice the national average. It is now well below the national average. York is not only a science city for the local community, but a science leader throughout Yorkshire and the Humber and, indeed, the north of England. Will the Government's commitment to York and funding for science in York be a long-term commitment?

Jim Fitzpatrick: My hon. Friend clearly outlines the success of science city York since 1998 and the ability of the city council and the university of York, with the private sector, to harness the world-class potential of business clusters in bioscience, health care, IT and digital creative industries. It is a model that the Government want to support. Three science cities were mentioned in the 2004 pre-Budget report and the 2005 Budget mentioned three more. I am sure that regional development agencies, as a result of the comprehensive spending review in 2007, will be looking to see what the Government intend to do then.

Miss Anne McIntosh (Vale of York) (Con): While we all applaud York science city and the contribution that it has made to the local economy in North Yorkshire, does the Minister share my concern about the erosion of the green belt as the science city and York university intrude ever further into the remaining green belt in York?

Jim Fitzpatrick: The protection of the green belt against the development of the university and York science city is something that the regional development agency, the city council and the authorities take very seriously. Those decisions are not taken lightly, and I am sure that everything has been done to protect the green belt. The Government's record on green belt protection since 1997 is exemplary.

Summer Time

13. **Mr. David Kidney** (Stafford) (Lab): What recent representations he has received (a) in support of and (b) against the adoption of single/double summer time. [75730]

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): In the past 12 months, the Department has received 73 representations on the question of adopting single or double summer time throughout the year. The representations reflect the strong divergence of opinion on the issue, which suggests that the present situation is a satisfactory compromise between those who prefer lighter mornings and those who prefer lighter evenings.

Mr. Kidney: Do those representations disclose the fact that lighter evenings would cut deaths on roads, reduce industrial accidents and provide a massive boost for the tourism industry in the United Kingdom? If the Department cannot bring itself to agree to change the clocks permanently, will it look at the trial in the 1960s and Lord Tanlaw's Bill in the House of Lords, which I have taken up in the Commons?

Jim Fitzpatrick: I recognise my hon. Friend's strong support for that change. I heard what he said about road traffic accident statistics, but I must point out that there has been a significant reduction since 1998 in such accidents in the UK. The experiment on British standard time between 1968 and 1971 was adopted to test public support, but after a vote in Parliament the experiment was abandoned. A 1989 Green Paper floated the issue, but it was not pursued, and a debate in 1996 on a private Member's Bill failed to secure significant support, so I do not think that the issue is making progress.

WOMEN AND EQUALITY

The Minister for Women and Equality was asked—

Gender Equality

19. **Andrew Gwynne** (Denton and Reddish) (Lab): What policies to reduce gender inequality in the workplace the Government will promote at the Council of Europe's ministerial conference on gender equality. [75710]

The Minister for Women (Ruth Kelly): My hon. Friend the Minister for Women and Equality will attend the conference later today, and will promote our implementation of the women and work commission's recommendations tackling job segregation and the gender pay gap, as well as the measures that we have taken to deliver a better work-life balance.

Andrew Gwynne: I welcome that answer and I welcome my right hon. Friend to her new post. She will be aware that a substantial number of women in my constituency of Denton and Reddish balance family life with part-time jobs, but they are often low-paid, low-skilled jobs, with many women working far below their skill level. What have the Government done to promote greater opportunities for women to undertake quality part-time jobs? The problem makes a significant contribution to the pay gap and is a waste of skills.

Ruth Kelly: I thank my hon. Friend for his kind comments. He is right to draw attention to the issue. Indeed, the facts show that women who work part-time earn almost a third less than women who work full-time, which is largely because, on their return to work after looking after children or elderly relatives, they are forced to choose lower-paid occupations in which their skills are not properly utilised. The Government, through, for example, the right to request flexible working and the provision of child care places, have made a huge contribution to turning that around. It is something that was taken up by the women and work commission, which has made practical proposals to which we will respond in the next few months.

Mr. Stewart Jackson (Peterborough) (Con): Will the Minister give any special coaching or hands-on mentoring to her right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) about inequality and diversity in the workplace?

Mr. Speaker: Order. I will not tolerate personal attacks, or the use of the Minister to do so.

Human Trafficking

20. **Ann McKechin** (Glasgow, North) (Lab): What recent discussions she has had with other EU Governments on alerting girls and women to the dangers of trafficking. [75711]

The Minister for Women and Equality (Meg Munn): During our EU presidency last year, the UK initiated the development of an EU action plan on human trafficking, which was adopted in December 2005. The action plan addresses the areas of prevention, investigation and prosecution of trafficking offences, as well as provision of support and care for victims.

Ann McKechin: Does my hon. Friend agree that, as many of those young girls and women end up in prostitution in all parts of the United Kingdom, as well as in other parts of the European Union, we need to do much more to inform the men who use those services of the horrendous conditions that those women suffer and the state of virtual slavery under which they are held, very often with criminal force by criminal gangs? We must make sure that men are aware that, when they use those services, they are helping to perpetuate criminal gangs and slavery throughout Europe.

Meg Munn: I thank my hon. Friend for her question. She rightly highlights the fact that, wherever there is prostitution, there is also human trafficking. If there were no demand, women would not be trafficked into the United Kingdom. The inter-ministerial group that looks into prostitution and human trafficking takes the issue extremely seriously and we will be taking forward more initiatives. I welcome my hon. Friend raising the subject and hope that other hon. Members will take the opportunity to make people in their constituencies aware of what is happening in that regard.

Lorely Burt (Solihull) (LD): Given that the Minister says that the Government are keen to remedy the dreadful problem of human trafficking, can she explain why they have not signed the Council of Europe convention on action against trafficking in human beings?

Meg Munn: I welcome the hon. Lady to her responsibilities on these matters. The Government agree with all the aims of the convention. The reason that we have not signed is that we have concerns about automatic reflection periods, which are the subject of the next question. We are concerned that they might act as further pull factors in relation to asylum and immigration. However, we have held a consultation on a UK action plan and, as part of the response to that, the matter is under active consideration.

Ms Sally Keeble (Northampton, North) (Lab): May I praise the outstanding work being done by Home Office staff, especially at Gatwick and Heathrow, with trafficked children and women? Having interviewed quite a number of trafficked children myself, may I ask my hon. Friend to ensure that there are proper protocols in place in social services and education departments and schools throughout the country, so that trafficked children can be identified, dealt with appropriately and provided with the right support?

Meg Munn: I thank my hon. Friend for that question and praise her for her work in that regard. She raises enormously important issues. We are becoming aware of even greater numbers of children being trafficked than we had previously known about. There are multi-agency protocols in place to deal with the matter, but I will take it back to the inter-ministerial working group to ensure that we do that even more effectively.

Human Trafficking

21. **Mary Creagh** (Wakefield) (Lab): What assessment she has made of the merits of granting automatic reflection periods and residence permits to victims of trafficking. [75712]

The Minister for Women and Equality (Meg Munn): The UK currently assesses cases on individual needs. However, in our response to the recent consultation paper on a proposed UK action plan on human trafficking, we will be further considering the merits of granting automatic reflection periods and residence permits.

Mary Creagh: My hon. Friend is aware that the Human Rights Committee is investigating the trafficking into the UK of women and girls for domestic and sexual exploitation. These women suffer multiple rapes over long periods of time and should be treated as victims rather than criminals by the authorities. Many of them exhibit the physical and psychological characteristics of post-traumatic stress disorder. Can my hon. Friend use her influence to ensure that a reflection period is granted to those women so that they are protected by the laws of this country and can help to bring to justice the criminal gangs that bring them here?

Meg Munn: I thank my hon. Friend for that question and welcome the inquiry that the Joint Committee on Human Rights is conducting into this important matter. I reassure her that we do grant periods of reflection and that every help and support is offered to the women, both to help them deal with their experiences and to bring the criminals to justice.

Mr. Peter Bone (Wellingborough) (Con): In Northamptonshire, we have a serious problem with sex slaves. The one thing that the police would like the Government to do is to grant automatic reflection periods, as that is their biggest problem. I urge the Minister to be bold and to sign the Council of Europe convention.

Meg Munn: I thank the hon. Gentleman for his continued interest in this important matter, which we are considering in relation to the consultation that we had on the UK action plan. However, there are competing issues. I am interested to hear that his local police are raising reflection periods as a problem, because they are granted—it is just that they are not automatic. I will be happy to have further discussions with him outside the Chamber.

Home Working

22. **Ms Diana R. Johnson** (Kingston upon Hull, North) (Lab): What steps the Government are taking to encourage companies to allow women to work from home. [75713]

The Minister for Women (Ruth Kelly): The Government encourage all types of flexible working by providing guidance, promoting the benefits, and sharing best practice. Employers are already required to consider seriously requests to work flexibly, including home working for mothers of young children.

Ms Johnson: I add my congratulations to my right hon. Friend on her new position.

This week, I spoke to women entrepreneurs at the Hull business expo. Does my right hon. Friend agree that encouraging more women to take up businesses for themselves would allow them maximum flexibility in the place where they choose to work—from home or from an office?

Ruth Kelly: I do. That is an option that should be seriously encouraged when women are looking for opportunities in wanting to go back to work having spent some time at home. If we could encourage women entrepreneurs so that the rate of female entrepreneurship increases to that of male entrepreneurship, there would be 500,000 new businesses, which would make a major contribution to economic growth and productivity.

Mrs. Eleanor Laing (Epping Forest) (Con): I welcome the Minister to her new post. I am confident that she will show commitment to every aspect of the equality agenda. I am pleased by what she says about encouraging home working, which is an important part of flexibility in employment. However, does she agree that, in discussing these matters, we must consider not only women with small children but women with wider caring responsibilities for elderly, disabled or ill people, as well as—we are talking about equality here—men with family and caring responsibilities?

Ruth Kelly: I agree with the hon. Lady and thank her for her kind words. She knows of my commitment to this agenda; I am certainly committed to all aspects of

it. I draw her attention to the fact that, since we brought in the right to request flexible working in 2002, the number of fathers taking up that right has increased threefold. She is right that we have to extend that in stages to a greater range of the population. That has been considered during the passage of the Work and Families Bill, which is progressing through its stages in this House. From 2007, the right will extend to carers—a good next step that will be widely welcomed up and down the country.

Business of the House

11.32 pm

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the business for the coming weeks?

The Leader of the House of Commons (Mr. Jack Straw): The business for next week will be as follows:

MONDAY 12 JUNE—Second Reading of the Fraud Bill *[Lords]*.

TUESDAY 13 JUNE—Consideration of Lords amendments to the Work and Families Bill, followed by consideration of Lords amendments to the Electoral Administration Bill.

WEDNESDAY 14 JUNE—A debate on European Affairs on a motion for the Adjournment of the House.

THURSDAY 15 JUNE—Second Reading of the Commissioner for Older People (Wales) Bill [*Lords*].

FRIDAY 16 JUNE—Private Members' Bills.

The provisional business for the following week will be:

MONDAY 19 JUNE—Second Reading of the Safeguarding Vulnerable Groups Bill [*Lords*].

TUESDAY 20 JUNE—Remaining stages of the Children and Adoption Bill [*Lords*].

WEDNESDAY 21 JUNE—Opposition Day [17th Allotted Day]. There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 22 JUNE—A debate on defence policy on a motion for the Adjournment of the House.

FRIDAY 23 JUNE—The House will not be sitting.

Mrs. May: I thank the Leader of the House for giving us the business for the next two weeks.

I am sure that the right hon. Gentleman was interested to see yesterday's Council of Europe report on rendition. The Prime Minister did not answer questions on it yesterday. When will the Government respond to it?

This morning it was announced that the police had been given more time in which to detain the suspected terrorists who were arrested in the Forest Gate raid last Friday. They can detain them for up to 14 days, although under the Terrorism Act 2006 the period for which suspects can be detained without charge was extended to 28 days. I think that Members will be surprised to hear that the period of detention in this case is only 14 days. When the Act was passed, the Prime Minister and the Home Secretary were adamant that an extension was needed. Indeed, on 9 November last year the Prime Minister said

"This is an occasion when it is important that we do what is responsible, right and necessary to protect this country's security."—[*Official Report*, 9 November 2005; Vol. 439, c. 299.]

However, under section 39 of the Act the Secretary of State must make an order to implement a particular section. That has not yet been done to implement the extended period of 28 days' detention. The Home Office has not got around to it yet.

Is it not true that by the Government's own standards, the incompetence of the Home Office is putting the lives of British citizens at risk? Will the Home Secretary make a statement explaining this further lapse by the Home Office?

We are, however, becoming rather used to the way in which the Government say one thing and mean another. The Home Secretary said that he had 100 days in which to sort out the Home Office; the civil servant responsible says that it will take two years. Ministers say that there are no job cuts in the NHS; yesterday we heard of work force reductions. And this morning we heard that despite the hosepipe ban, a hosepipe can be used in the gardens of No.10 because it is actually a bowser with a dowser.

Yesterday's statement by the Secretary of State for Health revealed that the NHS deficit had doubled over the past year. Jobs will be lost, not just those of administrators but those of doctors and nurses. Dr. Paul Miller, chairman of the British Medical Association's consultants' committee, has said that there has been

"shocking incompetence... from the top".

He says

"Care is suffering, jobs are disappearing, patients and staff are paying the price."

He also says that the Government should stop reorganising the NHS,

"stop interfering... in... local planning of services"

and

"let staff get on with the jobs".

Yesterday, in her statement to the House, the Secretary of State for Health said that primary care trusts that stayed within budget or made a surplus would have to give money to those that were in deficit. That means that they will have to

"postpone some of the improvements that they were planning to make for their patients."—[*Official Report*, 7 June 2006; Vol. 447, c. 254.]

If a trust is in deficit, services will suffer. If a trust is in balance or surplus, services will suffer. How is that the "best year ever" for the NHS?

Back in 1997, the Labour party told us that it had 24 hours in which to save the NHS. Will the Secretary of State for Health now come to the House and tell us how long the NHS will have left if someone does not sort out the problems caused by the Government?

On 16 March, the Secretary of State for Work and Pensions dismissed the finding of the parliamentary ombudsman in her report "Trusting in the pensions promise" that the Government had been guilty of maladministration. The Government have said that it would cost too much to accept the ombudsman's findings: £15 billion, to be precise. It has now been revealed that that was a gross overestimate of the cost. Yesterday it also became clear that the Government's proposals for pensions reform would mean that about 1.5 million pensioners who had built up nest eggs for retirement would lose £450 a year. May we have a statement from the Secretary of State clarifying the Government's position on both issues, and explaining how the Government have let down Britain's pensioners?

The Leader of the House has made it known that he would like to be Deputy Prime Minister.

Mr. Denis MacShane (Rotherham) (Lab): So would I!

Mrs. May: Ah, we have had another job bid from the right hon. Gentleman.

The Leader of the House has also said that he thinks the Prime Minister should step down "well before" the next election. Of course, the Prime Minister did promise that he would serve a full term. That means either that the Prime Minister is not going to fulfil his promise to the British people, or that the Leader of the House is clearly a Brownite now. Which is it?

Mr. Straw: I will deal with the right hon. Lady's first question, about the Council of Europe and rendition, in a second.

The right hon. Lady asked about the order to be made under section 39 of the Terrorism Act. She said that if the order was not made shortly, lives would be at risk. I suggest that the right hon. Lady needs to be extremely careful about implying that lives would be at risk in this case; that comes close to pre-judging cases currently before the courts. She really needs to think about what she has been saying.

Secondly, the right hon. Lady knows very well that, under Home Secretaries of both main parties, there is always some time between the passage of an Act and the laying of orders under it. I do not remember that the Conservative Opposition, either here or in the other place, were helpful in getting the legislation in question through. If anybody is to blame for the delays, it is the Conservative Opposition—here and in the other place.

On the national health service, the right hon. Lady asked whether we were right to say—on 30 April 1997, I think—that there were only 24 hours to save the national health service. Yes, we were, because there is no question but that, if the Conservatives had got back into power in 1997, the inexorable decline of the health service—which had happened year by year by year, in my constituency and in hers—would have continued. We have more than doubled funding in real terms.

Mr. Graham Stuart (Beverley and Holderness) (Con): By sacking nurses.

Mr. Straw: The hon. Gentleman may say that we have done that, but what we have actually done, including in his constituency, is increase the number of nurses by 85,000—by a third—and we have increased their salaries by a quarter in real terms. There has been an improvement in health care in every single constituency in the country, based on spending that we voted for and the Conservatives voted against. There has been a dramatic improvement in the number of both doctors and nurses in the right hon. Lady's own constituency; she knows that. Indeed, just four years ago, 113 people in her area were waiting for in-patient treatment for more than nine months, and in addition, 311 were waiting for in-patient treatment for more than six months. Today, the figure in respect of both periods is zero—thanks to Labour's spending and no thanks to the position of the Conservatives.

On the pensions debate, about which the right hon. Lady asked, my right hon. Friend the Secretary of State for Work and Pensions made an excellent statement just over a week ago, and there will be parliamentary questions to the Department for Work and Pensions next Monday. We have also promised—and there will be—a full debate on the pensions White Paper, when all the issues that she wishes to raise can be raised.

Mr. Graham Stuart: When?

Mr. Straw: Very shortly. *[Interruption.]* Before the summer.

The right hon. Lady asked about the Council of Europe, a body that the Conservative party sometimes wishes us to withdraw from, so that we can withdraw from all our international obligations under it, but I put that point to one side. She also claimed that my right hon. Friends the Prime Minister and the Foreign Secretary, and, by implication, I, have not answered any questions in respect of rendition. She knows that to be totally incorrect. My right hon. Friend the Prime Minister said that we have said everything we needed to say on that, and indeed we have. She knows very well that nobody could have provided more information to the House, either orally or in writing, about the issue of rendition—about the fact that there were four cases of requests for rendition, all of which occurred when I was Home Secretary, before 2001, and under the Clinton Administration. Two were granted, two were refused and there have been no cases since 2001. I have given undertakings to the House, and the simple truth is that if people read the report—the disreputable report—by Mr. Marty of the Council of Europe, they will see that he makes no substantive allegations. I hope that the right hon. Lady does not join that bandwagon.

I announced that there will be a full-day's debate on 14 June to discuss the prospects for the European Council. I hope very much that the right hon. Lady and the shadow Foreign Secretary will use that opportunity to deal with what *The Daily Telegraph* described this morning as David Cameron's broken pledge on Conservatives in Europe. First, we heard yesterday from the shadow Foreign Secretary that a clear pledge, debated endlessly in this House before the election—*[Interruption.]* They do not like it. The clear pledge, debated endlessly in this House before the election, to withdraw from the common fisheries policy has been torn up, and the clearest pledge to remove the Conservative party from the European People's party and to join a barmy army of obscure right-wing politicians will also be broken.

Mr. Speaker: May I remind the House that we are discussing the business for next week?

Ms Sally Keeble (Northampton, North) (Lab): Last autumn, oxygen was used to help revive a 14-year-old boy who had been restrained at a secure training centre. That followed an incident in which a 14-year-old boy died after being restrained at the same secure training centre. Does my right hon. Friend understand the fury that some of us feel about the inability to raise the issue and to have it properly debated on the Floor of the House because of the continuing delay in reconvening the inquest? Will he ensure that a statement be made or a debate held on the Floor on this very important matter—one boy has died, and another has required oxygen—to set out what happened and what is being done to end those practices, which are causing such damage to young people?

Mr. Straw: I certainly understand the deep concern of my hon. Friend on the issue; I am sure that it is shared across the House. She will know that there are always difficulties in raising matters in this House when court

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proceedings are pending. That said, I take full note of what she has said today and will, along with appropriate ministerial colleagues, do my very best to ensure that she and the families concerned are provided with as much information as possible, and an explanation, in advance of the inquest.

Mr. David Heath (Somerton and Frome) (LD): I thank the Leader of the House for his prompt response following the last business questions on the issue of the Bichard inquiry; that was in marked contrast to the performance of the Home Office.

The Greater London authority inquiry into 7/7 threw up yet another unfulfilled recommendation of a major public inquiry. May we have a debate on the way in which we keep track of these matters and on how we ensure that when serious inquiries into disasters are held, the recommendations made are adhered to and implemented at the earliest possible opportunity?

Following the welcome news of the apparent demise of al-Zarqawi in Iraq today, no one would be naive enough to think that that spells an end to the violence in Iraq. This is the tenth time at business questions that I have asked for a proper debate on the foreign affairs aspects of Iraq. When he was Foreign Secretary, the Leader of the House indicated that he would have welcomed such an opportunity. The time is right for such a debate; will he ensure that we have one before the summer recess?

I also noted the fact that we are to have a debate on Europe on Wednesday 14 June. Given that some parties do still have friends and influence in Europe, will the Leader of the House suggest to the Minister for Europe—his predecessor—that he comes to the House on that day to spell out the Government's position on putting an end to the absurd charade of moving the European Parliament to Strasbourg permanently, with all the costs to the British taxpayer that that entails. It is time we put an end to this nonsense once and for all, and this country should be setting a lead in the matter.

Lastly, may we have a debate on fixed-term contracts? I noted the attempt by the Leader of the House to enliven the Prime Minister's monthly press conference today, and the Secretary of State for Health's offer in her statement yesterday to be fully accountable for future failures in the health service. If we had fixed-term contracts for Cabinet Ministers, we could have targets, appraisals and tests for value for money. We could see whether premises were being used. Most importantly, we could ensure that people did not outstay their welcome in Cabinet posts.

Mr. Straw: The hon. Gentleman's first question was in respect of the inquiry into the 7 and 21 July terrorist outrages last summer. Full account is always taken of inquiry reports and there was a meeting recently of the Cabinet Committee on international terrorism, which looked carefully at the conclusions of the GLA inquiry and discussed many of its findings. That will continue, because it is in everybody's interests that we learn the lessons from what happened last 7 July, and indeed on 21 July.

On the issue of the death of al-Zarqawi, let me say that my right hon. Friend the Prime Minister has described it—on this occasion, I happen to think that it is entirely appropriate that it should be so described—as good news, because that man was an evil butcher who was killing Iraqis, as well as coalition forces, in large numbers. Nothing was going to stop him, I am afraid, until he was stopped in this way. I may say that I hope that we can put on record our admiration for all those in the Iraqi forces and the coalition forces, as well as others, who were responsible for his apprehension.

I understand entirely what the hon. Gentleman says about the case for a full debate on foreign policy. I am alive to that, as is my right hon. Friend the Chief Whip. Our only difficulty is finding the time, alongside many other requests. There is an opportunity to raise those matters in the debate on Europe next Wednesday, because Iraq—*[Interruption.]* Well, he makes a sedentary gesture—a polite but critical sedentary gesture, indicating that he does not entirely accept what I am saying. I have to say to him that before the European Council will be Iraq, Iran and the middle east, so there is every reason for him to use that opportunity, along with his right hon. and hon. Friends, to debate those matters next week.

The hon. Gentleman raised the issue of Strasbourg as the seat of the European Parliament. That arrangement is now friendless, except for those in the host country. I am sad to say that, as my right hon. Friend the Member for Rotherham (Mr. MacShane) has just reminded me, that was one of a number of errors made by the Major Government in 1992, because they set that arrangement in concrete. We all have to deal with that.

The hon. Gentleman also asked about fixed-term contracts. I do not think that there is a case for them, and I would put this request way below, for example, a request for a debate on the tax system. I hope very much that the Liberal Democrats will use their next Opposition day for a debate on it, because what is clear from the announcements being made today is that they are ditching higher rates for the rich for higher taxation for everyone.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): My right hon. Friend might have noticed the launch of the Commission for Global Road Safety report at the QE2 building this morning: eight nations are backing a call to take seriously the fact that 1.2 million people die every year on the roads, mainly in the developing world.

Many of us in the developed world have brought down the number of people killed and badly injured on the roads, but in the developing world that is one of the most common causes of death and serious injury. Will my right hon. Friend urge an early debate on that matter and its global implications? We cannot talk about global sustainability when we exclude what is probably the fifth largest killer in the developed world. Will our Government adopt a higher profile by pursuing the aim of bringing this dreadful, useless loss of human life to an end?

Mr. Straw: I commend my hon. Friend's interest in that matter and in the conference. Many of us will have

heard our friend and former colleague Lord Robertson speaking about the issue on the BBC "Today" programme this morning.

The campaign is absolutely right to highlight that issue. I can think of a country not in the developing world, but in Asia, with the same population as the UK and lower road usage, but with deaths on the road running at nearly 25,000, compared with 3,000 in this country. It is a major epidemic across the world, of both deaths and serious injuries. I know that my right hon. Friends the Secretaries of State for International Development and for Transport take seriously the need for us to evangelise in other countries on our experience of bringing down road deaths and injuries.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): First, I associate myself with the paean of praise from the Leader of the House to the Iraqi Government over the death of that monster al-Zarqawi. I know that everyone else would join us in that.

No one beats me in supporting the forces in their determination to seek out those who would support terrorist acts in the UK, but a number of people in the Islamic community are now quite concerned that there is a deep game going on among the extremists to try to discredit those who are supportive of the British authorities in their search for such information. The raid in Forest Gate, just down the road from my constituency, and the continuing search, with nothing yet found, for those weapons was matched on Wednesday—48 hours ago—by a raid in Dewsbury and the arrest or, rather, lifting of an individual.

I understand that in the same street in Dewsbury and in the same house—the house of Sheikh Yacoub Munshi—on Saturday 3 June, the director of the Defence Academy, Lieutenant-General Kiszely, visited that family. That man's grandson was lifted on Wednesday and taken by the police, supposedly in connection with the arrests in Canada. I think that the police are now weakening their position over him, and he may be released.

My concern is simply this: we have a delicate situation, and I am not criticising the police, but I wonder to what degree the various Departments are talking to each other, such that a senior general, for good reasons, visits a family to support those who have been supportive, only to find that same family subsequently targeted. I urge the Leader of the House to ask the Home Secretary to come to the House to make a statement.

Mr. Straw: I take seriously what the right hon. Gentleman has just said, and of course I understand the delicacy of that matter, not least with my constituency background, but I say to hon. Members that there is a dilemma facing not just the intelligence services and the police but every Member of the House: do the agencies and the police act on credible intelligence, knowing, of course, because that is the nature of intelligence, that it might not be fully accurate, or do they ignore it, knowing that it might well be accurate? If they ignored it, and a terrorist outrage followed, the opprobrium on them would be far greater than in the reverse situation. That is the dilemma facing the police and the intelligence agencies. I believe that they carry out their job phenomenally well, and they deserve our full support.

Mr. Andrew Smith (Oxford, East) (Lab): What consideration has my right hon. Friend given to the prospects of any legislation further to deregulate Sunday trading? In view of the extensive opposition on the Labour Benches, and indeed in all parts of the House; the concerns of retailers, large and small, and the opposition of family and Church groups, as well as the Union of Shop, Distributive and Allied Workers, is not this something that the Government would be wise to drop sooner rather than later?

Mr. Straw: I well understand my right hon. Friend's concern, and I recall that in 1991 and 1992 we shared a similar position on the free votes to amend the shops legislation. We take full account of what he and others have said on the issue and I shall ensure that his views are relayed to my right hon. Friend the Secretary of State for Trade and Industry.

Mr. Charles Walker (Broxbourne) (Con): May we have an urgent debate on the consequences of unskilled immigration? While such immigration may benefit the middle and upper-middle classes, because those immigrants tend to work in restaurants or to clean offices and homes, that level of immigration is not so good for the less well off in our society, who end up competing with the newly arrived for scarce resources such as housing, education, health and jobs. That is creating some unnecessary and unwanted friction in our communities—I suspect not just in my community, but in the community of Blackburn, which is represented by the Leader of the House.

Mr. Straw: I am always happy to see these issues debated. Contrary to myth, there is a high degree of control over immigration, especially in respect of low-skilled workers who have no family connections here. The hon. Gentleman knows that, but he would know more if he talked to fruit farmers in Herefordshire, Kent and many other areas, and not just to people in what he describes as more prosperous areas. I could take him to a factory in my constituency that would not be operating without low-skilled workers from eastern Europe, because the owners could not recruit others to do those jobs. That is a reality, and we have to choose between maintaining employment at its current levels with all the protections, including the minimum wage, that we introduced and he voted against—[HON. MEMBERS: "He was not here."] Had he been here, he would have voted against them. He is not denying that. I know that he spoke out against those protections in his leaflets, so the fact that he was not here is, on this occasion, irrelevant. I understand the point that he makes, but I do not agree with it.

Sir Peter Soulsby (Leicester, South) (Lab): Will my right hon. Friend join me in welcoming the announcement this morning by the water services regulator that he intends to fine Severn Trent Water for its appalling level of service to customers? Will my right hon. Friend also speak to my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs about making a statement to make it clear that it is the Government's intention that the fine

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should be paid from the recently announced excessive profits of the company, rather than by the hard-pressed customers who have to suffer the poor service and unique record of leaking pipes, prosecutions for pollution and the fiddling of figures to inflate bills and overcharge customers, recently admitted by the company? It would be much more appropriate for the fine to be paid by those who own the company, not by those who suffer from its appalling service.

Mr. Straw: I certainly get the point that my hon. Friend is not very keen on Severn Trent Water and its record, and I will ensure that his concerns are passed on to my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs.

Mr. Andrew Mackay (Bracknell) (Con): With the Home Secretary telling us that his Department is unfit for purpose, it is hardly surprising that some of us are very cynical about the fact that the order under the Terrorism Act 2000 to extend the period for which terrorist suspects may be detained has not yet been laid. That is a serious matter, and I ask the Leader of the House to insist that the Home Secretary come to the Dispatch Box early next week to tell us when the order will be laid.

Mr. Straw: With respect, I have already dealt with that matter. My right hon. Friend the Home Secretary is aware of the urgency of the matter, but it has been the practice of successive Home Secretaries from both parties to allow time to elapse between the passage of legislation—the Bill in question was delayed by the Conservative party—and the introduction of Orders under it.

Andrew Mackinlay (Thurrock) (Lab): Will my right hon. Friend provide time for a debate on Iran? I am conscious of the fact that we have a debate on Europe next week, but a debate on Iran would cover the International Atomic Energy Agency and the delicate—one might say, grave—situation of that country's nuclear aspirations. Other issues include human rights and the status of those exiled from Iran. It is time that the House took cognisance of the situation in Iran and the fact that the Inter-Parliamentary Union is sending a delegation there, which I am very uncomfortable about.

Mr. Straw: My understanding is that the IPU will send a delegation, but that is a matter for it to decide, taking account of any advice that my right hon. Friend the Foreign Secretary may have to offer. I understand the strong case that my hon. Friend makes for a debate on Iran: I am seeking a debate on foreign policy, which could range more widely. I hope to be able to achieve that before the House rises for the recess, but that depends on accommodating the multifarious requests.

David Simpson (Upper Bann) (DUP): I am sure that the Leader of the House will agree that one of the major obstacles to stability in Northern Ireland is the ongoing situation with paramilitary activity and criminality. In the Northern Ireland Assembly, we have until 24 November to resolve all the issues. Will he consider putting some Government time aside to discuss the whole issue of paramilitary activity in Northern Ireland?

Mr. Straw: I will look into that idea, and discuss it with my right hon. Friend the Secretary of State for Northern Ireland.

Sarah McCarthy-Fry (Portsmouth, North) (Lab): In the past few weeks I have visited two separate debt advice centres in my constituency, and both expressed concern about rising levels of debt among people who have been taken in by television adverts about debt consolidation and other financial products that were inappropriate for their needs and, far from solving their financial worries, actually made them worse. Will my right hon. Friend make time for a debate on the regulation of the advertising of personal credit products?

Mr. Straw: I understand my hon. Friend's great concern about the issue. It would be difficult to find time for a debate on it on the Floor of the House, but it is an ideal candidate for a debate in Westminster Hall or an Adjournment debate. I wish her well in that.

Sir George Young (North-West Hampshire) (Con): Is one of the tasks given to the Leader of the House by the Prime Minister that of resolving the impasse over House of Lords reform? If so, can the right hon. Gentleman make a statement before the House rises for the summer recess, indicating the progress that he has been able to make and how his approach differs from that of his predecessor?

Mr. Straw: That is one of the tasks that I have been asked to undertake, and I am doing so with some relish. The right hon. Gentleman will know that we had an interesting, if unexpected, three-hour debate in early May on the establishment of the Joint Committee on Conventions and the issue of Lords reform, so it has been aired. I am seeking to allow the Joint Committee time to reach its conclusions and I will bring forward an order to extend its deadline. I said that I would do so, and I hope that we can agree that. While that is going on, I will hold informal consultations with the other parties, Cross Benchers and bishops about the formula that would be appropriate. In view of that, I am not sure whether I will be able to make a statement to the House before we rise, but I will think about it.

Mr. MacShane: Can we find time for an early debate on relations between Britain and Germany? We will all be cheering England on to Berlin and victory in the World cup, and we want every English fan there to be an ambassador for Britain. In that context, does my right hon. Friend deplore the fact that the BBC has not yet apologised for Mr. Jeremy Clarkson having thrown up his hand in a Nazi salute, or this statement from a prominent personality, quoted in *The Independent*:

> "If anyone's got a history of making themselves feel at home in other people's countries, it's the Germans."

That was said by the shadow Foreign Secretary, the right hon. Member for Richmond, Yorks (Mr. Hague). With such vile xenophobia expressed against Germany, how can we expect English football fans to behave differently?

Mr. Straw: We are all looking forward to the opening of the World cup and Saturday, including—please

God—success for England, and to the opportunity to excise all the ridiculous parodies of Germany portrayed in the media and by some hon. Members.

Mr. Nigel Evans (Ribble Valley) (Con): I hope that hon. Members who are not English will take the opportunity to sign my early-day motion wishing England success in the World cup—including the Deputy Leader of the House of Commons, the hon. Member for Edinburgh, South (Nigel Griffiths), who is in his place on the Front Bench.

The Leader of the House knows my constituency well, and he knows that the people of Longridge have traditionally looked towards Preston for their health care. Under the primary care changes, they are being asked to look towards Ribble Valley and Hyndburn, which many of them will find inconvenient. The GPs are up in arms about it and a petition on the subject has more than 3,500 signatures. Will the Leader of the House arrange for the Secretary of State for Health to come to the House to explain why she is not listening to the concerns of GPs and local people about health care provision in the area?

Mr. Straw: I welcome the hon. Gentleman's early-day motion, which advises support for England even though he is Welsh. His constituency is next door to mine, and I know it extremely well. It is not remotely Welsh; it is as English as any, and I can think of no other career move open to him. I congratulate him on a minor act of survival. He will know that in his area there are 5,400 more nurses—

Michael Gove (Surrey Heath) (Con): Oh no!

Mr. Straw: The hon. Gentleman says, "Oh, no!" and throws up his hands, but whether he likes it or not, the proper thing to say is, "Oh, yes!" The quality of health care in Ribble Valley, Longridge and elsewhere has increased and will continue to do so.

The hon. Member for Ribble Valley (Mr. Evans) asked a specific question about the PCT boundaries. I assure him that I will take the matter up with my right hon. Friend the Secretary of State for Health and ensure that he is given an answer.

Dr. Brian Iddon (Bolton, South-East) (Lab): I am sure that my right hon. Friend will be interested to hear that there was an extremely well-attended debate yesterday in Westminster Hall on the question of securing peace between Palestinians and Israelis. However, most Back Benchers present were unable to make proper contributions, largely because the three Front-Bench spokesmen took up a third of the time available. Calls have been made already this morning for debates on Iran and Iraq, so should we not have a full debate in Government time on the middle east?

Mr. Straw: First, I shall pursue the issue that my hon. Friend raises about the use of time in Westminster Hall, which I know causes anxiety for many hon. Members, especially in popular debates. The Procedure Committee or the Modernisation Committee may wish to pursue that matter. Secondly, I understand the point that my hon. Friend makes, and I am doing my best in that regard.

Alistair Burt (North-East Bedfordshire) (Con): May I ask the Leader of the House to take a personal interest in a matter about which I gave him notice this morning? For some months, those of us who depend on remote access to the parliamentary intranet from our constituencies have been affected by very poor service. Despite the efforts of our Parliamentary Information and Communications Technology department, the problems have still not been resolved. After five months the key fault, which may be external to the House, has not even been identified. My constituents have been inconvenienced by the amount of time that my office has wasted in dealing with this problem, and I am sure that many other hon. Members could make the same complaint.

Will the right hon. Gentleman inject some urgency into resolving the problem? In a commercial organisation it would have demanded a solution within hours rather than months. And when he answers, please will he not begin by telling me how many nurses there are in North-East Bedfordshire?

Mr. Straw: I shall not start my answer in that way. I am grateful to the hon. Gentleman for the notice that he gave me about a problem that I know has frustrated him and other hon. Members of all parties. I shall follow the matter up personally—and my hon. Friend the Deputy Leader of the House has just volunteered that he too will take a close interest in it. We shall pursue the problem together. Meanwhile, the hon. Gentleman will wish to know that in North-East Bedfordshire, there were 2,975 more nurses, and 659 more doctors.

Mary Creagh (Wakefield) (Lab): Last night the House was locked down for the second time in less than a year—a fact that hon. Members and staff found out about from rumour, anecdote and the rolling news on the BBC and Sky. Will my right hon. Friend discuss security in the House with the relevant officials, and take an urgent look at how we can use new technology, such as e-mail and text and pager messages, to communicate the fact that an incident has happened? Will he also look at the training given to staff? The fire training in the House is excellent, but people need to be trained in evacuation procedures when other emergencies arise. Will he renew the guidance in respect of training and communication in this area?

Mr. Straw: I am sure that the House will take note of the points that my hon. Friend raises, but she will understand that security is a matter for you, Mr. Speaker, and not directly for me. I know that you have taken full account of what happened yesterday, and that you were concerned about it. I also know that the Joint Committee on Security—of which the Treasurer of Her Majesty's Household, my right hon. Friend the Member for Coventry, North-East (Mr. Ainsworth), is Chairman—will have the matter on its agenda at its next meeting.

Pete Wishart (Perth and North Perthshire) (SNP): Does the Leader of the House think it acceptable that forces families who have lost loved ones in Iraq have had to wait as long as three years for inquests to take place? Will he get a Minister from the Department for Constitutional Affairs to come to the House and make a statement about why such an appalling state of affairs has been allowed to happen? Will he ensure that the necessary resources are made available to make sure that it is addressed properly?

Mr. Straw: The delay is not acceptable. Written ministerial statements were delivered earlier this week, both in this House and in the other place, that set out the process being pursued. My right hon. Friend the Secretary of State for Constitutional Affairs and my right hon. Friend the Minister of State in that Department are very concerned about the matter. I am sure that it is no comfort to the bereaved families if I point out that a Bill is before the House that is designed greatly to improve the administration and timeliness of inquests, but I emphasise that the Government understand that the situation is unsatisfactory. I apologise to those relatives for the delay, which has been caused by other factors. We understand their frustration, but I assure the hon. Gentleman that action is being taken to deal with the problem.

Chris Bryant (Rhondda) (Lab): Will my right hon. Friend review the way in which Back Benchers can get business debated, both in Westminster Hall and on the Floor of the House? Will he look in particular at how early-day motions are treated? Hundreds of thousands of copies are printed, and are reprinted day after day. For example, early-day motions take up 200 pages of today's Order Paper, but none ever gets debated on the Floor of the House. Similarly, every day we reprint other pages that are full of motions that will never be debated; the one that I am showing the House now has been printed 220 times. Should we not be more honest about how business from Back Benchers is brought to the Floor of the House?

Mr. Straw: My hon. Friend raises an important question about the balance of time on the Floor of the House. The hon. Member for Macclesfield (Sir Nicholas Winterton) has reminded the House that there was a period when we dealt on the Floor of the House not only with private Members' Bills but with private Members' motions, which were debatable and could be voted on here. The House gave up that facility when Westminster Hall was introduced, and it is for the House to decide whether that was a fair exchange. I shall not express my personal view, save to say that the Modernisation Committee will wish to look at the matter. However, I must also tell my hon. Friend—any party aspiring to be in government has to think about this—that only so much time is available to us. The debates on private Members' motions used to take place on a Friday, so the House used to meet every Friday, not just on some Fridays.

The second consideration that must be borne in mind is that all hon. Members stand for election on manifestos that set out the legislation to be introduced by a prospective Government, and not by private Members. Government legislation, too, takes time, which means that the balance is quite tricky.

Bob Spink (Castle Point) (Con): As we approach the wonderful season of garden parties, fetes and proms provided by communities, schools, churches and volunteers to raise money for good causes, may we have a debate that will allow us to expose the perverse interpretation of the newly implemented Licensing Act 2003 by some councils that want to discourage those good works? The Government need to provide clarity about the application of that Act.

Mr. Straw: The hon. Gentleman represents Canvey Island, which I know well. If he is saying that the fine people who live there are facing difficulties, I shall do my best to sort the matter out with the relevant Ministers. However, I do not recall that Castle Point has a Labour-controlled council. Some other party must be responsible for what is happening there, and I suppose that it could be the one represented by the hon. Members who sit below the Gangway—*[Interruption.]* Oh, is it run by the Conservatives? In that case, the hon. Gentleman needs to talk to his leader.

Mr. Edward Vaizey (Wantage) (Con): There are regular debates in the House on energy policy, but has the Leader of the House had an opportunity to read the excellent report on water resources by a Select Committee in the other place? Is it not time that the House fully debated the water crisis facing the south-east—not least because it could result in a very large hole being dug in my constituency? Is not it time to debate our water strategy?

Mr. Straw: My hon. Friend the Minister for Climate Change and the Environment made a statement about the water shortages some two weeks ago, and I assure the hon. Gentleman that we keep the matter under close review. However, I know his constituency a little and believe that any proposals for reservoirs there are usually resisted quite strongly. There are large reservoirs in my constituency, and I remind the hon. Gentleman that we have to store our water somewhere.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): The unfortunate consequence of an ageing population is that many more people will suffer from dementia. In fact, the number of people being diagnosed with the condition is rapidly increasing. Unfortunately, the National Institute for Health and Clinical Excellence has decided to continue to restrict the use of drugs for Alzheimer's disease in future. May we have a debate on the consequences and the wider health and financial implications of an ageing population?

Mr. Straw: That raises an important issue, but whether there is time for such a debate is another matter. On the issue of drugs to control Alzheimer's and other dementias, I would say that NICE has not yet published its full guidance to the NHS. There is a formal appeals process and stakeholders have until 15 June, next week, to lodge any appeals. We acknowledge the importance of the appraisal and I hope that the hon. Lady does too, but NICE was established to examine precisely this sort of difficult issue, and it has the expertise and independence to enable it to do so.

Mr. John Redwood (Wokingham) (Con): May we have an early debate on management of the likely consequences of climate change, which would allow us to look into the use of desalination plants, such as the one proposed for Beckton, for more water resources and better coastal protection? Otherwise, the welcome for the Olympic games in Britain will be, "Don't shower while you're here. These are the dirty games. There's no water to wash—but be careful in case there's a flood".

Mr. Straw: The Olympic games will be a triumph for the United Kingdom—*[Interruption.]*—and for all the

parties who have supported it over the years on a bipartisan basis. We have had plenty of debates on climate change, but I strongly take note of what the right hon. Gentleman said.

Mr. Alan Reid (Argyll and Bute) (LD): May we have an urgent debate on the effect of VAT regulations on the construction of community swimming pools? I ask that because islanders on Mull have raised enough money to construct a swimming pool, but the project is in danger of collapse because of complications in the VAT regulations. Community recreational projects are supposed to be zero-rated for VAT, but Revenue and Customs is threatening to levy VAT in this case. If the Leader of the House cannot find time for a debate, will he at least draw the Chancellor's attention to that matter? I am sure that the Government would not want this important community project to fail because of VAT complications.

Mr. Straw: As the hon. Gentleman has observed, there are many concessions within the VAT regime to take account of charities and other good works. I shall certainly raise the matter with my right hon. Friend the Chancellor the Exchequer.

Mike Penning (Hemel Hempstead) (Con): On 11 December, just before Christmas last year, the largest explosion that Europe has seen since the second world war took place in my constituency. I praised the Deputy Prime Minister the following day for making a statement before the House. Since then, 4,000 jobs have been put at risk and our water table has been contaminated, but we have received no money from the Government. May we have debate in which some Secretary of State makes it clear who is in charge, as the Deputy Prime Minister has been moved from his position? I do not mean that in any detrimental way, but this is a very serious matter.

Mr. Straw: Of course I understand the profound seriousness of what happened and the importance of the long-term implications, which are too easily forgotten once the problem is no longer in the headlines. My right hon. Friend the Deputy Prime Minister was personally concerned about the matter, and continues to be so. I shall certainly raise it with my right hon. Friends the Secretaries of State for Environment, Food and Rural Affairs, for Trade and Industry and for Communities and Local Government. I will get the hon. Gentleman a response.

Mr. Desmond Swayne (New Forest, West) (Con): A fortnight ago I asked the Leader of the House to place on the Order Paper a motion to enable the European Scrutiny Committee to sit in public. He said that he would think about it, so I would be interested to hear the product of his thoughts.

Mr. Straw: I am still thinking about it—I say that so that the hon. Gentleman knows that that process does not just take place on the odd Thursday. I intend to have an office meeting to attempt to resolve our approach to European scrutiny. As I said to the hon. Gentleman before, I am in favour of the House having greater scrutiny of European matters, as we do not compare favourably in that with the other place. However, we must not embarrass ourselves by setting up systems that subsequently fall into disrepute because of inadequate interest on the part of Members on both sides of the House. That is the problem.

Tony Baldry (Banbury) (Con): I draw the attention of the Leader of the House to early-day motion 2281:

[That this House expresses concern at the Department of Trade and Industry's decision to review advice on the use of mechanical parts in electrical components; notes that the decision to include mechanical parts under the European Directive on Hazardous Substances will in effect place a ban on most decorative lighting; further notes that no other EU member state is extending the ban to mechanical components in decorative lighting; further notes that the ban will not extend to mechanical components imported into the UK including from competitors from Asia; further notes that the lighting industry believes that 200 lighting manufacturers employing over 4,000 people face bankruptcy under the new guidance; and calls on the Government urgently to review the new guidance on mechanical lighting to exclude it from the EU Directive on Hazardous Substances.]

May we have an early debate on Whitehall's obsession with gold-plating EU directives? Two hundred jobs in Banbury are at serious risk because the Department of Trade and Industry is interpreting an EU directive on the regulation of hazardous substances on decorative lighting in a way that no other member state is doing. It is a complete nightmare, as companies have had only three weeks' warning of the change in the regulations. Frankly, it is crazy. This kit is still going to be importable from China and the far east, so the directive is anti-competitive, leading to lost jobs in the UK. It is mad.

Mr. Straw: I have seen early-day motion 2281—but we do not need a debate, because we are as against gold-plating as the hon. Gentleman is. As soon as I became Foreign Secretary, I initiated with other ministerial colleagues a major push against gold-plating. I know that my right hon. Friend the Secretary of State for Trade and Industry is equally opposed to it, and there is also the Better Regulation Executive to provide further scrutiny. I promise the hon. Gentleman that I will pursue the matter personally with my fellow Ministers, and I do not believe that there is a single Minister who wants an outcome different from the one that he would like. I hope that I am right.

Dr. Julian Lewis (New Forest, East) (Con): May we have a statement from the Leader of the House, preferably within the next couple of minutes, on the opportunity afforded by business questions for hon. Members to raise issues on behalf of vulnerable members of society and for the Leader to give non-partisan replies, as he did to the hon. Member for Northampton, North (Ms Keeble) earlier today? That would allow him to revisit the answer he gave me on 25 May when I raised

[Dr. Julian Lewis]

the question of the closure of the emergency walk-in clinic at the Maudsley hospital. He said:

> "I am sure that the arrangements being made in respect of the Maudsley hospital are more than adequate to meet the needs of those patients."—[*Official Report*, 25 May 2006; Vol. 446, c. 1646.]

If that were so, Marjorie Wallace of SANE would not have said that there was

> "nowhere for people to find refuge in crisis and emergency",

and Teresa Priest of Southwark Mind would not have said that it was a matter of "life and death" for people with mental health problems. The situation is very serious, so I would be grateful if he reconsidered his response.

Mr. Straw: I do, where appropriate, try to deal with non-partisan questions in a non-partisan way. I hope that the hon. Gentleman will forgive me if I occasionally find it necessary to mention the increase in the number of doctors and nurses in different constituencies. I understand the hon. Gentleman's concerns and I know of his profound interest in the matter, which I shall continue to pursue with the Health Secretary.

Points of Order

Michael Gove (Surrey Heath) (Con): On a point of order, Mr. Speaker. I ask for your help in your role as protector of Members' rights against the abuse of their privileges by the Executive. It was my understanding that when Ministers and other Members visited another Member's constituency, they wrote to them beforehand to explain the purpose of the visit. Yesterday, the Prime Minister visited Frimley Park hospital in my constituency without giving me any notice of his visit. Earlier this week, the Chancellor of the Exchequer and the Minister with responsibility for veterans visited the constituency of my hon. Friend the Member for Eastbourne (Mr. Waterson), again without giving advance notice. It seems to me an abuse of the House when Ministers visit constituencies for party political and propagandist purposes without giving due notice, thereby denying Members the right to raise issues of pressing concern to their constituents such as the future of Frimley Park hospital and its upper gastro-intestinal unit. As you well know, Mr. Speaker, that is a matter of deep concern to me and to my constituents, and I would have loved to have the chance to ask the Prime Minister why his Department of Health was closing a world-beating centre. I was denied that opportunity by the arrogance of the Executive.

Mr. Speaker: I understand that the hon. Gentleman should have notification when another Member visits his constituency, but that does not give him the right to question any Minister solely because they are in the constituency. I must say, in defence of the departments of both the Chancellor and the Prime Minister, that they are very conscientious about notifying hon. Members. I know that from my own experience, but I will bring the matter to the Prime Minister's attention and see what is happening in his office.

Mr. Philip Hollobone (Kettering) (Con): On a point of order, Mr. Speaker. On the issuance of oral ministerial statements on Opposition days, page 358 of the copy of "Erskine May" in the Library states:

"Prior notice to the Speaker is necessary, but neither his permission nor the leave of the House is required. The Speaker"—

your good self, Sir—

"has, however, indicated that he would prefer it if oral ministerial statements were not made on Opposition days."

In my brief time as a Member of the House, I think that an oral ministerial statement has been made on almost every Opposition day, including yesterday, which held up the very important debate on tax credits. I seek your guidance, Sir.

Mr. Speaker: It is normal for Ministers not to make statements on Supply days, but there are occasions when that is not the case. The hon. Gentleman will know that when a Minister seeks to make a statement I have no power to reject that statement. Of course the House has a dilemma: we must consider the importance of the Supply day, but Opposition Members in particular are very keen for Ministers to come to the House to make statements. So we have that difficulty as well.

Mr. Charles Walker (Broxbourne) (Con): On a point of order, Mr. Speaker. During his response to my question, the Leader of the House invited me to visit his constituency. As I am a new Member, could you advise me how I could go about organising that?

Mr. Speaker: The hon. Gentleman should go to the Travel Office and get a British Rail timetable.

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Speaker. Many hon. Members have been concerned to see the draft Coroners Bill. During business questions, the Leader of the House suggested that it might be before the House currently. It was my understanding that it would soon come before the House, but I do not know whether he can clarify that. I was expecting it early next week.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Further to that point of order, Mr. Speaker. The matter will be before the House in one form, because the Select Committee on Constitutional Affairs will question witnesses on Tuesday on that Bill, having expected it to be available some time ago. We now know that it will not be available until Monday, and we may have to find some way to tell the witnesses whom we want to question what it contains. That is not a satisfactory way to proceed, particularly when the Minister of State, Department for Constitutional Affairs is offering to provide a completely alternative system of scrutiny in which she chooses the witnesses and the people who carry out the scrutiny.

The Leader of the House of Commons (Mr. Jack Straw): Further to that point of order, Mr. Speaker. May I just tell the hon. Member for North-East Hertfordshire (Mr. Heald), who is the Opposition spokesman, and the right hon. Member for Berwick-upon-Tweed (Mr. Beith) that I take note of what they say? I understand that the plan is for the Bill to be introduced very shortly indeed, but I will raise the House's concerns with my right hon. Friend the Secretary of State for Constitutional Affairs and hope that we can find a quick resolution of the matter.

Meanwhile, may I tell the hon. Member for Broxbourne (Mr. Walker), who wants to come to my constituency, that all Tories are welcome in Blackburn, because there are so few whom anyone ever sees?

Orders of the Day

Compensation Bill *[Lords]*

[Relevant documents: The Third Report from the Constitutional Affairs Committee, Session 2005-06, HC 754, on Compensation Culture, and the Government's response thereto, Cm 6784. The Twentieth Report from the Joint Committee on Human Rights, Session 2005-06, Legislative Scrutiny: Tenth Progress Report, HC 1138.]

Order for Second Reading read.

12.33 pm

The Parliamentary Under-Secretary of State for Constitutional Affairs (Bridget Prentice): I beg to move, That the Bill be now read a Second time.

I am pleased that, after much debate and discussion in the other place, the Bill has finally come to the House. It is part of a much wider set of initiatives that we are promoting: we are determined to tackle practices that might stop normal activities, because people either fear litigation or have become risk-averse. We want to stop people being encouraged to bring frivolous or speculative claims for compensation, and the provisions in the Bill will help us to do just that. They will reassure people who are concerned about being sued that, if they adopt reasonable standards and procedures, they will not be found liable.

The Bill will also put in place the legislative framework needed to regulate claims farmers—people who encourage consumers to make claims—too many of whom are cowboys who have abused the system for too long, and we are going to put a stop to it.

Part 1 contains provisions on the law of negligence and statutory duty and on apologies, offers of treatment and other redress. Clause 1 relates to the law of negligence and statutory duty, and some hon. Members have had concerns about the need for that clause. We believe, however, that it is important and that it will have benefits.

The Better Regulation Task Force in its report "Better Routes to Redress" made clear its view that, although a compensation culture does not exist in this country, the perception that it does can have a real and damaging effect on people's behaviour. That can be particularly significant in respect of activities provided by voluntary organisations and others.

Last autumn, Volunteering England found that nearly one in five organisations said that people had stopped volunteering for them because of fears about risk and liability and that nearly a quarter of organisations said that volunteers had been deterred from joining them in the first place by concern about those issues. Those fears might well be out of proportion and based on inaccurate perceptions, but they are very real. So there is a need to provide reassurance to those who are concerned about possible litigation—not only in the voluntary sector, but elsewhere too—and about how the law in this country works. That is what clause 1 will do.

The way in which clause 1 will work is that, in deciding a negligence claim or a claim for breach of a statutory duty that involves a standard of care, the court must consider whether the defendant owed a duty of care to the claimant and, if he did owe such a duty of care, whether that duty was breached, and whether the claimant suffered loss or injury as a result. In considering the second of those factors—whether the duty of care was breached—the court must consider the standard of care, and whether the defendant fell short of that standard.

In this country, the ordinary standard of care used in considering whether negligence is involved is that of reasonable care, and whether the defendant has met that test is a question of fact for the court to decide, having regard to all the circumstances of the case. Clause 1 is therefore concerned only with the approach of the court to assessing that question of fact. It does not concern or change what the standard of care should be, nor whether the defendant owed a duty of care to the claimant.

Mr. David Jones (Clwyd, West) (Con): I hear what the hon. Lady has to say, but does not clause 1 go further than that by requiring the claimant to put together a risk assessment—in other words, to specify what steps should have been taken by the defendant in complying with the duty of care? Does that not go beyond what is required of the defendant at the moment?

Bridget Prentice: No. The hon. Gentleman is putting more into clause 1 than is actually there. Clause 1 provides that, in considering a negligence claim and deciding whether the defendant should have taken certain steps to meet a standard of care either by precaution or otherwise, the court may have regard to whether a requirement to take those steps might prevent an activity that is desirable from taking place or whether it might discourage people from undertaking functions in connection with that activity. That reflects the existing law and the approach that the courts have already taken and the view that they have already expressed, particularly in judgments in the higher courts.

Mr. Andrew Dismore (Hendon) (Lab): Perhaps my hon. Friend might offer a definition of desirable activity as it is a new concept in common law, which, as far as I can see, has not been defined by any previous authority. Her comment that the provision simply restates the existing law, the Tomlinson *v.* Congleton borough council ruling, which is the most recent authority on the issue, makes it quite clear that the sort of exclusion to which she refers does not apply across the board, particularly with an asymmetric relationship—for example, the employee-employer relationship. Will she therefore undertake to table an amendment to correct clause 1, to put right the fact that it does not accurately reflect the law as it stands?

Bridget Prentice: The view that was expressed in the Tomlinson *v.* Congleton ruling, which is the most recent case, as my hon. Friend rightly says, is reflected in clause 1. The clause will have a range of benefits. It will reassure those who are concerned about possible litigation by making clear how the law works and it will help counter the view that people should cease activities for fear of litigation. I know that hon. Members will say that that will bring more cases to court. Any form of legislation brings the opportunity for people to bring a case to court so that the common law is established clearly. We should not be overly concerned in that

respect. Clause 1 and clause 2, which has been added, make it clear that the law is clear, that people know where they stand and that the courts will use common-sense judgments in ensuring that people understand what desirable activities are and where the balance lies between the desirable activity and any precaution that individuals need to take.

David Howarth (Cambridge) (LD): I fully accept that the Government's intention is not to alter the law but to maintain it as announced by the House of Lords in the Tomlinson case. That gives rise to the difficulty that the hon. Member for Hendon (Mr. Dismore) mentioned. Another problem with the way in which the clause is drafted is the phrase "breach of statutory duty." There are statutes that set up standards of care, breaches of which are less than full negligence. An example is the Consumer Protection Act 1987. Is it the Government's intention to change the way in which that Act works by adding this new clause?

Bridget Prentice: There is a straightforward answer to that question. No. It is not our intention to do that.

Paddy Tipping (Sherwood) (Lab): I am grateful to my hon. Friend the Minister for being willing to debate the phrase "desirable activity" at this stage. It may well be an issue to be discussed in Committee. "Desirable activity" implies a notion of public good. I am concerned about public services, say accident and emergency units or ambulance services, in which people may work with difficult clients. Does the phrase imply that their conditions of employment and their access to the civil courts will be less at risk than for people not engaged in activities involving the public good?

Mr. Deputy Speaker (Sir Michael Lord): Order. Before the Minister answers, may I take up the point made by the hon. Member for Sherwood (Paddy Tipping)? I do not wish to hinder the debate today, but I am sure that the Minister and other hon. Members will bear in mind the fact that the Bill involves some complicated matters that are probably best dealt with in Committee. That aside, it is quite in order for the Minister to make her usual observations.

Bridget Prentice: Thank you, Mr. Deputy Speaker. You have rightly led us towards the way in which we should conduct the debate today. I am conscious that many hon. Members want to participate, so I will try to be as brief as I can in responding to my hon. Friend.

My hon. Friend makes an important point about emergency services. We have sought to capture with the term "desirable activity" the well-established concept of taking into account the wider social value of activities. The emergency services are a good example of that. If my hon. Friend will allow me, I will leave the matter there and perhaps we can pursue it in Committee.

Clause 1 will have a range of benefits. It will help counter the view that organisations should stop activities for fear of litigation. It will form a valuable part of the work that we are undertaking to tackle perceptions that lead to risk-averse behaviour. It will improve the system for those with valid claims. It will also ensure that the law is widely known and applied.

I mentioned in response to the intervention by the hon. Member for Hendon (Mr. Dismore) that clause 2 had been added to the Bill. It provides for an apology and an offer of treatment or other redress which shall not of itself amount to an admission of negligence or breach of statutory duty. That clause stemmed from an Opposition amendment, which the Government have been happy to accept. It reflects the approach that has been taken in clause 1 in that it does not change the law but provides reassurance on how it works and encourages the giving of apologies and other offers of treatment and redress. I hope that that is something that the whole House will welcome.

The clause also reflects the approach taken in the NHS Redress Bill, which was debated earlier this week, and should help to reduce the number of cases in which adversarial disputes about liability prevent early rehabilitation in cases involving personal injury. I am sure that hon. Members across the House have had constituents come to them in circumstances in which the length of time and the adversarial nature of proceedings have made matters much worse than they would have been had they been dealt with in a more simple and straightforward fashion.

Simon Hughes (North Southwark and Bermondsey) (LD): In clauses 1 and 2 do the Government seek to codify—to put into written statute—the present law? Do the Government seek to take the law as the courts have defined it and put it into an Act of Parliament? If that is the case, there may be merit in that. The Government have a long-term plan, which many of us support to codify the law so that people have a clear view about what it stands for.

Bridget Prentice: It is not my wish to enter into a debate on the merits of common law and case law versus codification, although the hon. Gentleman is right to say that we have a long-term ambition, as most Governments do, to codify the law properly. What I am trying to say is that clauses 1 and 2 seek to clarify the situation so that people feel comfortable with the activities in which they participate. It does not reduce the protection available to claimants. It will be open to the courts, as now, to decide, for example, whether the terms in which an apology is given amount to an admission of liability in the circumstances of an individual case.

Lembit Öpik (Montgomeryshire) (LD): Will the Minister give way?

Bridget Prentice: I will give way once more on this part of the Bill.

Lembit Öpik: In the context of what the Minister is saying, it is my understanding as a supporter of clauses 1 and 2, as far as they go, that they offer a form of protection to volunteers and volunteer organisations who are losing volunteers because of the perception that she discussed earlier. Is it the Government's intention to make it clear to those voluntary organisations that those clauses will give them some legal protection against vexatious and spurious claims, which are having a practical and measurable effect on volunteering in the United Kingdom?

Bridget Prentice: I have sympathy with the hon. Gentleman's position. I have spoken to voluntary

[Bridget Prentice]

organisations in my constituency, as he and others have done in their constituencies. I do not want to commit the Government to something particular on this, but I hope that I can develop some ideas by the time the Bill becomes law, we hope in or around October, so that perhaps we can send out a clear message to voluntary organisations, schools and, indeed, to the public in general, about what the position is as part of our general encouragement to volunteer and not to be afraid to come forward.

Mr. Julian Brazier (Canterbury) (Con): Will the Minister give way?

Bridget Prentice: One more time, and then I must move on.

Mr. Brazier: I am grateful to the Minister both for giving way and for the helpful meeting a couple of weeks ago. May I suggest that that message also needs to go out to the lower courts. Post-Tomlinson, we are still getting bad cases and if I manage to catch your eye, Mr. Deputy Speaker, I intend to give the details of a particularly bad example of a case that took place while the measure was in another place.

Bridget Prentice: I understand what the hon. Gentleman says. The fact that the Bill is going through Parliament will send a clear message to the lower courts. It will reiterate what has been said in the higher courts about this issue.

Mr. Dismore: Will my hon. Friend give way?

Bridget Prentice: I will take one more intervention.

Mr. Dismore: Does not what my hon. Friend said in response to the previous intervention defeat her own argument? If the purpose of clause 1 is simply to clarify existing law, which of course the Lord Chief Justice told the Constitutional Affairs Committee could not be done in a single sentence, why does she need a great long pamphlet explaining what the law is? Is it not better simply to set out in detail in that pamphlet what the law is for organisations without tinkering by means of clause 1, which will create a whole batch of new defences and litigation?

Bridget Prentice: I disagree with the premise of my hon. Friend's question. From time to time, it is a good thing for Governments to let the public know what the law is and how it applies to them. Indeed, it is a duty of Governments to do so. If there is a way of ensuring that people, whether in organisations or as individuals, are aware of the situation, it might give them time to consider whether they would like to be volunteers in various organisations.

Mr. Dismore *rose—*

Bridget Prentice: I really must move on.

Part 2 of the Bill sets out a scheme to regulate claims management services. Some very reputable claims management companies provide a good service, but consumers are too often exploited by firms that provide a bad service and encourage false claims—[HON. MEMBERS: "Name them".] I cannot name them, but apparently about 500 companies operate in England and Wales. They are not subject to regulation and many of them abuse the system.

Mr. Oliver Heald (North-East Hertfordshire) (Con): As the hon. Lady knows, trade unions are one of the largest groups of claims farmers. They make their money from referrals to solicitors—often at about £500 per referral—and take money from damages in some cases. Many unions do an excellent job, but does she agree that for trade unions to be completely unregulated in this field, while she is saying that the commercial sector should be completely regulated, is nonsense?

Bridget Prentice: The hon. Gentleman anticipates a later part of my speech. If he will allow me, I shall deal with trade unions later.

Judy Mallaber (Amber Valley) (Lab): Does my hon. Friend agree that providing services to the membership of an organisation such as a trade union is completely different from the situation in my area, where there are completely unsolicited mail drops from firms trying to farm as many claims as possible, especially for miners' compensation? That is wholly different from an organisation providing services for its members.

Bridget Prentice: I could not agree more. I am sorry that I did not bring with me an unsolicited letter that I received from a company offering me its services in making a claim, on the basis that I had at some point said that I had had an accident. I find such practices wholly abhorrent and I hope that the Bill will be part of our general scheme to ensure that they do not occur.

Mr. John Redwood (Wokingham) (Con): Will the hon. Lady give way?

Bridget Prentice: I will, but I should like to develop the case for regulating claims management.

Mr. Redwood: I am grateful to the Minister for giving way. Does she yet have in mind a body that would act as regulator or is there to be a new regulator, and can she give us any indication of the cost?

Bridget Prentice: I point out gently to the right hon. Gentleman and to other colleagues that if they allow me to develop my speech I will come to that point.

The practices we want to stamp out fall into three main areas. The first is the encouragement of frivolous claims, by raising false hopes about the compensation available, through high-pressure marketing techniques, such as my hon. Friend the Member for Amber Valley (Judy Mallaber) described. Secondly, consumers are misled about the options for funding their claim; in some cases, companies do not let them know that there is a free alternative and, in others, they sell inappropriate additional services, such as loans to fund insurance premiums. Thirdly, we want to protect consumers against poor-quality advice where claims managers act directly for them.

Citizens Advice frequently has to pick up the pieces when claims farmers leave consumers high and dry. Its 2004 report, "No win, No Fee, No Chance", referred to a woman who had tripped and suffered cuts and bruises. Three years later, she was offered £500 compensation from the company concerned, but on the advice of a claims management company she it turned down and was encouraged to borrow money to pursue the claim. She eventually won £1,200 but that was deducted from her loan, leaving a shortfall of £950, which is still accruing interest. Clearer information about the risks and the likelihood of additional costs that would have to be met from her own pocket might have led to a better outcome.

Which? has recently carried out research into claims management companies dealing with endowment mis-selling and found wide variation in the fees charged and services given. It also found evidence of scaremongering by some claims management companies, which suggested that claims brought by individual consumers themselves would almost certainly fail. The evidence is actually to the contrary.

My Department and the Advertising Standards Authority have recently funded comprehensive market research into the impact of claims advertising, which, among other things, confirmed that people have limited understanding of what is involved. Terms such as "No win, no fee" are often misinterpreted and the need for a third party to be at fault is not always apparent. The research is being presented to the bodies responsible for the various advertising codes, and they are considering whether changes to the codes are necessary.

Mr. Philip Hollobone (Kettering) (Con): National Accident Helpline is based in my constituency and has a strong reputation in the field. The company has pointed out that the definition of financial services or assistance in clause 3(3) is far too broad and could capture such groups as before-the-event insurers, liability insurers and individuals passing on claims to solicitors. The company feels that the Minister should provide more clarity about who the Government actually want to be caught by that mechanism.

Bridget Prentice: We want to capture people who abuse the system and who do not give consumers all the information they need to make a clear and considered decision. Obviously, there will be costs and I shall talk about them later, but we estimate, for example, that the cost of direct regulation could be up to £1 million a year. However, that is not a huge cost in terms of ensuring that consumers get a fair deal. In some cases, people end up with massive debts as a result of bad, or no, advice.

I want to make it absolutely clear that we firmly believe that anyone with a genuine claim should be able to make it quickly and easily, but vulnerable people are being targeted so additional safeguards are needed. We want greater transparency, better quality control and a better service for consumers.

Mr. Kevan Jones (North Durham) (Lab): Does my hon. Friend agree that it is important that claims handlers who sell after-the-event insurance should be caught by the regulation? Companies such as FreeClaim IDC—a scam organisation in the north-east—make most of their money not from the claim that they sell on to solicitors but from the "insurance" policy that they sell to claimants.

Bridget Prentice: I shall not comment on the individual company that my hon. Friend mentions as I do not know the details, but he is right to point out that it is scandalous, and a scam, when people think that their case is being made on the basis of their understanding of no win, no fee, but discover that because they signed up for an insurance premium they are paying back large amounts over a long period to companies that make large profits as a result.

Part 2 provides a proportionate and responsive framework for regulating the industry. Clause 3 defines claims management services and provides an order-making power to target the regulation in specific areas. Companies will need to seek authorisation only if they are providing a regulated claims management service. We intend to provide by order that the regulated services include personal injury, mis-selling of financial products, employment, criminal injury compensation and housing disrepair. The Bill is flexible. It allows new areas to be brought into the regulatory net as problems arise and it will allow areas to be removed from regulation if the problems subside.

Clause 4 allows a range of options for delivering regulation. We want an efficient solution that will be effective for the benefit of consumers. We are entering a period of considerable change in the legal services market. Last month I published a draft Legal Services Bill, which will reform the regulatory structure of legal services. I expect the regulation of claims management services eventually to be integrated into that structure. Another uncertainty is the impact of statutory regulation on claims management companies. I have to tell the House—in a sense this reflects the point raised by the hon. Member for Kettering (Mr. Hollobone)—that that is unpredictable. Recent analysis by Datamonitor predicts that the industry might shrink considerably, because once stringent regulatory standards are applied, false claims will, by their nature, disappear. In the short term, we need a flexible solution that can tackle the worst abuses. A longer-term solution can then be found once the landscape is more certain and we can have a more considered look at it.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Is it not time that we knew what the Government's preferred option is, given that the clause allows the regulator to be an existing organisation, a non-departmental public body or the Secretary of State. When will we know the Government's preferred solution?

Bridget Prentice: I could hardly have handed the right hon. Gentleman the question, but the next line in my speech is: we have considered various options on the best way in which to proceed, including whether there should be a role for the Claims Standards Council. I can confirm that the Department for Constitutional Affairs will initially regulate the industry directly. My right hon. Friend the Secretary of State will be the regulator. The core elements of direct regulation will be: the Secretary of State as regulator, with day-to-day responsibility for regulation delegated to a civil servant with the appropriate skills and experience; a monitoring and compliance function, contracted out to a trading

[Bridget Prentice]

standards unit responsible for supporting the Secretary of State in carrying out authorisation, monitoring, complaints and enforcement; and a non-statutory advisory committee made up of representatives of the financial services and insurance industries, the legal profession, consumer groups and the claims management sector.

Our prime concern is to safeguard consumer interests. To that end, those wishing to provide claims management services will be required to seek authorisation from the regulator. The system will have teeth. As a condition of authorisation, authorised persons will be required to comply with strict rules and any person breaking the rules risks having their authorisation suspended or removed. There will be a clear mechanism for dealing with consumer complaints and authorised persons will need to have indemnity insurance. I hope that that covers the right hon. Gentleman's question.

Mr. Heald: Does the Minister not understand that many of us are extremely disappointed that it is not a well established regulator in the financial field that is taking on the task? The Financial Services Authority or the Office of Fair Trading would be much more preferable, because they are experienced. We are just flying blind with a temporary lash-up solution. It will not be anywhere near enough, given the sort of people who run the claims farmers.

Bridget Prentice: The hon. Gentleman seems to be the only person in the House who does not know that neither the OFT nor the Financial Services Authority wanted to do the job. My right hon. Friend the Secretary of State will do it, with, as I have already pointed out, a senior civil servant and a trading standards organisation to oversee matters. Once the structure in the draft Legal Services Bill is in place, these things will all be part of that regulatory system.

Simon Hughes: I was smiling at the picture of the Lord Chancellor, as he gives up his speakership of the Lords, becoming the regulator with teeth. Following the Minister's helpful answer to my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith), will she just add one more comment about the Government's thoughts on the future? At the beginning, the regulator will be the Secretary of State. Is that intended to be a permanent solution or is it intended that, in time, we will move on and that, for example, one of the regulators that comes out of the draft Legal Services Bill will do the job?

Bridget Prentice: The hon. Gentleman has got things absolutely right. This is intended to be an interim solution. In a sense, the Bill itself is an interim solution before the draft Legal Services Bill, and the structure that it provides, come into place. It is the intention that the regulation would come under the umbrella of the legal services board and the frontline regulators that will be in place.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Will my hon. Friend ensure that the people who are going to be involved in the regulation liaise with the coal health team at the Department of Trade and Industry, because they have got innumerable examples of the scams that are being used? It would be good for the people who will be involved in the regulation to know how those scams work.

Bridget Prentice: My hon. Friend makes an important point. We are all aware of some of the atrocious behaviour that has taken place in some areas on the coal health scheme. I take his point and will make sure that the lessons are learned so that that is not repeated.

The regulation needs to be proportionate. Clause 5 gives the Secretary of State the power to exempt persons or classes of person. Our central focus must be to tackle commercial claims farmers. We therefore intend to exempt solicitors, barristers, legal executives and those who are subject to regulation by the Financial Services Authority. However, those exemptions will apply only to the extent that those concerned are already regulated in the provision of claims management services. A solicitor who offers claims management services through a business separate from his practice would still need to be authorised. That approach will avoid duplication in the regulation of claims management activities, although some organisations may find that they are regulated by more than one regulator for different activities. We have no wish to impose unnecessary burdens on those who provide valuable services on a voluntary basis. Individuals who offer advice voluntarily, such as those working on a voluntary basis in a legal advice centre, are specifically excluded from the scope of the legislation.

Tony Lloyd (Manchester, Central) (Lab): Does my hon. Friend accept that, as with solicitors and voluntary organisations, trade unions provide a vital service to their members and members' families and that, where those trade unions operate properly on a not-for-profit basis, there is a strong case for exemption, as long as there is a form of internal regulation? Will she say how the Government intend to proceed on the concept of the exemption of trade unions where they are not operating as claims farmers, as the Union of Democratic Mineworkers perhaps has done in Nottingham?

Bridget Prentice: Amazingly, my hon. Friend again brings me to my next point. He is quite right about not-for-profit organisations, voluntary organisations and the vast majority of trade unions. We intend, therefore, through secondary legislation, to exempt charitable organisations that provide claims advice and to exempt independent trade unions, where they provide services to their own members and their own members' families.

I know of and agree with the genuine concerns about the activities of a small number of trade unions, particularly in relation to coal health compensation schemes. My right hon. Friend the Secretary of State and I take those concerns seriously. However, few would dispute the high quality of legal services provided by the vast majority of trade unions to their members. The power to exempt by secondary legislation will give us the necessary flexibility to exempt trade unions, but, where appropriate, that can be withdrawn for individual unions where the consumer is losing out.

Mr. Heald: I welcomed the second half of the sentence. Does the Minister not accept that there is concern that trade unions are completely unregulated in this area? If she is saying that solicitors, the majority of whom behave properly, and all other professionals in the area are to be regulated, how can she possibly justify exempting trade unions, especially given the concerns about the way in which some trade unions have behaved? Is that simply because the Labour party is funded by the trade unions and many unions are solvent only because of their claims management activities?

Bridget Prentice: Quite frankly, I will leave the last part of the hon. Gentleman's comments for my hon. Friends to dismiss appropriately.

The exemption will apply to independent trade unions on the certification officer's list. If the hon. Gentleman thinks that such trade unions are not already subject to a form of regulation, he misunderstands some of the legislation that the Conservative Government put in place. Trade unions that are not classified as independent will need to seek authorisation, as will those that provide regulated claims management services to non-members.

The Secretary of State will be able to attach conditions to an exemption. We will draw up a code of practice with the trade union movement that will provide a benchmark by which trade unions' provision of claims management services can be judged. The Secretary of State, as the regulator, will take into account evidence of any breach of that code when considering whether to remove the exemption of trade unions.

Mr. Dismore: I wholeheartedly welcome part 2 of the Bill, unlike part 1. As a former trade union solicitor, I think that the trade union schemes are important, especially owing to the way in which test cases can be financed through unions' legal systems. The last big case that I did before I was elected to the House was against the former Home Secretary, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard). It was supported by a consortium of 11 trade unions and led to the end of attempted reforms to the criminal injuries compensation scheme, which would have cost the victims of criminal injuries a sum in the region of £150 million.

Bridget Prentice: My hon. Friend makes his point well.

I should tell the hon. Member for North-East Hertfordshire (Mr. Heald) that I know from the numerous discussions that I have had with trade unions that they generally do not charge for their services when acting on behalf of their members. We have already condemned the practice of organisations that abuse the system and would thus be caught by the Bill.

The new framework for legal services regulation will provide a suitable opportunity to review the effectiveness of the arrangements. For firms falling within the scope of the regulator, we need to make sure that the regulation can be enforced effectively. The regulator will thus have the power to investigate breaches of the rules and the code of practice. He will be able to require the provision of documents and to obtain a warrant to enter and search premises. The regulator will also be able to impose sanctions, including suspension and withdrawal of authorisation.

Mr. Kevan Jones: Does my hon. Friend agree that the hon. Member for North-East Hertfordshire (Mr. Heald) was actually correct when he said that trade unions are not covered in this area at present? However, they will be covered when the Bill is passed because the vast majority of trade unions, given their high standards, will be able to meet the code of conduct that she is outlining, whereas the rogue elements, such as the UDM and others, will fall foul of it. Does she further agree that trade unions do not charge for their legal services at the moment because, since we have had conditional fee agreements, money that comes to the union, which allows it to fight the test cases, is brought back as a success fee from the other side?

Bridget Prentice: My hon. Friend is absolutely right. Labour Members understand the role of trade unions in looking after the interests of their members, although, in fairness, we should not expect a Conservative spokesman to do so. We will draw up a separate code of practice for trade unions under the exemption through consultation and discussion with the TUC. I am sure that all trade unions that wish to be part of the system and to look after their members' best interests will abide by the code of practice.

Mr. David Hamilton (Midlothian) (Lab): I thank my hon. Friend for giving way, as she has done many times. Will the code of practice reflect the amount of work that is done between trade unions and the voluntary sector—there is a cross-over every single day? I represent a Scottish mining area and, indeed, am a member of the National Union of Mineworkers. In my office, it is common practice to discuss every single day with the voluntary sector and citizens advice bureaux how we can get best practice in the area. That should be recognised in the code.

Bridget Prentice: My hon. Friend makes a good point. It is not surprising that Labour Members know and understand that vulnerable people, whether they are members of trade unions or individuals who go to citizens advice bureaux, need expert legal help. Trade unions, citizens advice bureaux and other organisations are freely available to give such help. We should commend them for doing that, rather than suggesting that they do so for their own profit.

Let me return to the regulation. If people carry on providing claims management services regardless of the regulation, the regulator will be able to apply for an injunction to prevent them from continuing to provide claims management services while he investigates and gathers evidence to proceed with a prosecution. If necessary, he can also request a warrant to enter and search premises. Anyone who is found guilty of the offence could face a term of up to two years' imprisonment, a fine, or both. I think that I can say to the House that the cowboys' days are numbered.

Mr. Hollobone: We would all support the end of cowboy practices in the sector. However, it is important to companies such as the National Accident Helpline, which is in my constituency, that the Bill create as level a playing field as possible. Given the good reputation of trade unions that has been mentioned by Labour Members, should not the burden of proof be the other

[Mr. Hollobone]

way round? Should not the Bill cover everyone? If trade unions and others have a good reputation, they could then prove why they should be exempt.

Bridget Prentice: The very fact that we are having this discussion demonstrates that the trade unions, voluntary organisations, the Law Society and other bodies with different forms of regulation have shown that the exemption is an appropriate way of proceeding. I repeat for the hon. Gentleman's benefit that anyone who is given an exemption, but breaches the code of practice, could be brought back into the regulatory framework. The beauty of the Bill is that it is sufficiently flexible to allow that to happen. The comments of Labour Members show that trade unions are doing excellent work in the vast majority of cases. We can have every confidence that that will continue under the exempted procedure.

The framework provides flexibility to respond to a changing market. It is proportionate and closes the regulatory gap, and it will provide similar regulatory requirements for claims farmers and solicitors. It will also send out a powerful message to those who attempt to evade regulation.

Mr. Nicholas Brown (Newcastle upon Tyne, East and Wallsend) (Lab): I sense that my hon. Friend is drawing her remarks to a close. Before she concludes, can she tell us anything about mesothelioma and the recent case in the House of Lords? As she is aware, there is a substantial desire—certainly among Labour Members—to return the law to where it stood before the recent judgment. Is the Bill a suitable vehicle for doing that, and will the Government bring forward proposals so that the House can vote either to uphold the law as it is at present, or to put it back to what it was before? The House should make the final decision.

Bridget Prentice: My right hon. Friend makes an important point about a tragic, serious case. He knows that the Secretary of State and I have a great deal of sympathy with the concerns that he and others have expressed about the judgment in Barker *v.* Corus and that we are very sympathetic to the claimants. The judgment gives rise to a number of serious and complex issues, and it is important that we get the answer right. I know that several of my hon. Friends have had discussions not only with the Secretary of State but with the Prime Minister himself, and the Prime Minister said yesterday that we are looking carefully at the context of this Bill.

We hope to be in a position to make an announcement shortly. I would be happy if it were possible for something to be done through the Bill, but it may not be the appropriate vehicle—we have people considering the matter carefully. I can assure my right hon. Friend that the Government are committed to doing all that we can to ensure that the victims in these cases are properly looked after. I will ensure that discussions on the issues continue and that we come to a conclusion as swiftly as possible.

Paddy Tipping: I am grateful to the Minister for those helpful points. During her discussion and investigation will she look at another asbestos-related issue—pleural plaque? A large number of cases are currently stayed, awaiting a House of Lords judgment, after 20 years of paying compensation for pleural plaque. This, too, is an issue that deserves attention.

Bridget Prentice: I know of the work that my hon. Friend has done on this matter. He has been assiduous in raising the issue with me and with others. I do not know whether it is appropriate to include that in our discussions on mesothelioma, but I hear what he says and we will certainly consider the matter.

Mr. John Greenway (Ryedale) (Con): The Minister has been extremely generous with her time, and I was reluctant to intervene, except that she has made a very important announcement: the decision that the Department for Constitutional Affairs will regulate the claims management industry. Given what she said about how that will fit with the legal services reforms planned by her Department, will she be a little clearer about the timeframe she envisages for the introduction of the regulatory framework? Given the mood of the House, does she agree that if in the meantime the unregulated claims management industry is to continue, there is a great deal more that the Law Society could and should do, through its code of conduct, to influence its members' choice of who to work with in managing claims?

Bridget Prentice: It is not for me to second-guess the discussions of the business managers in the House about how the Bill will progress, but I think that it is our intention to have the regulations, which hon. Members will want to look at, ready by October. There will then be a transitional period during which applications will be made to the regulator, who will consider them. We hope to have the system fully operating by April 2007. I accept the hon. Gentleman's point about the Law Society, and indeed others who already have a regulatory framework in place. They should now be looking to ensure that they take a more proactive stance on these matters. I should say that the Law Society is already taking a number of firms, particularly those involved in the coal compensation scheme, to its disciplinary tribunal. It is aware that the House takes a firm view on these matters.

Judy Mallaber: Returning to mesothelioma, I had a very sympathetic response from the Prime Minister at Question Time yesterday, and I appreciate the Minister's remarks. I note that the Bill's long title talks about specifying

"certain factors that may be taken into account by a court determining a claim in negligence"

and that Lord Rodgers in his strong dissenting judgment identified precisely the factor that was wrong in the Lords judgment in making liabilities several rather than joint and several, so I would have thought that it was perfectly possible to amend the Bill. Will the Minister let us know sufficiently early how the Government intend to proceed so that Members may decide whether we want to table amendments, if appropriate?

Bridget Prentice: I take my hon. Friend's point. I know that counsel and others are looking at the

decision and, as I said, if there was any way to include the matter in this Bill I would be very happy to do so. However we deal with the issue, what is paramount for the victims of mesothelioma is that we get it right. I will try to make sure that hon. Members have the advice that I am given in sufficient time for them to raise it, if they wish, later in the proceedings on the Bill.

John Mann (Bassetlaw) (Lab): On the timetable, the Government have a unique agreement with a claims handler, Vendside Ltd, signed in January 1999, plus two separate agreements with the UDM. Should the Bill receive its Second Reading, will the Government ensure that action is immediately taken to build consumer rights into the agreement with Vendside, which can be defined in law only as a claims handler? After all, the Government, as a signatory to that agreement, have property rights over it.

Bridget Prentice: My hon. Friend makes a very important point. As someone who advocates the rights of the consumer and says that we need to put the consumer at the heart of legal services, I will certainly look at the issue he raised to ensure that we, too, are compliant with the principle that I have outlined today and on a number of other occasions.

Mr. Dismore: Will the Minister give way?

Bridget Prentice: I will give way one final time.

Mr. Dismore: I am grateful to my hon. Friend; she has been very generous. On mesothelioma, we have heard a shopping list that includes Barker *v.* Corus and pleural plaque. There is a third injustice: the impact of the Crown Proceedings (Armed Forces) Act 1987, which excludes liability claims for those who were exposed to asbestos prior to 1987 but whose symptoms emerged many years later. Will my hon. Friend look at that Act sympathetically to see whether those who were exposed to asbestos many years ago—perhaps during military service or during civilian work for the Army or, as is more likely, the Navy—may be able to bring claims if their symptoms arose after 1987?

Bridget Prentice: We want to look at mesothelioma cases in the round. That is why I have been unable to go as far as I might like today—we must make sure that we get this right. We do not want to discover that we have left loopholes. I take my hon. Friend's point, and I am sure that it will be considered during that discussion.

We have worked constructively with the Opposition in the other place and amendments have been made as a result. We have already published a policy statement that outlines how we intend to use the delegated powers in the Bill, and model rules that will provide an indication of the standards that are likely to be applied to organised persons. Copies of both documents are in the Library. We will be consulting on draft statutory instruments later this month while the Bill is before the House. I will ensure that copies are available to right hon. and hon. Members as soon as possible.

We have undertaken targeted consultation on our proposals to regulate claims management companies and there has been widespread support from key organisations, including Citizens Advice, which has said that it is delighted with the Bill's tough but flexible approach to protecting consumers.

The Secretary of State's consumer panel on legal services reform has had its remit extended to advise on the development of the regulation. The panel was set up originally to ensure that wider reforms of the legal services market were focused on the interests of consumers. It, too, is fully behind the Bill, with the wider agenda of putting the consumer at the centre of the system.

As I have said, there are many reputable claims companies, but there are also cowboys. They need to know that we will not stand for shoddy service and poor advice. Consumers deserve better than that. Through the Bill they will get a better service. I commend the measure to the House.

1.31 pm

Mr. Oliver Heald (North-East Hertfordshire) (Con): We are all grateful to the Minister for setting out the details of the Bill and it aims. It was the subject of considerable scrutiny in the other place, and I pay tribute to Lord Hunt of Wirral, who made some important improvements to it through his constructive approach. I believe that his research team, under Andrew Parker, has done a great deal of work to help with the process.

We welcome the Bill because we recognise the need to tackle the perception of a compensation culture. It is perhaps more a perception than a reality, but it is, none the less, having an important effect, and the problem of risk aversion should not be understated.

It is important that the Government are issuing guidance to public bodies on what constitutes negligence. I disagree with the hon. Member for Hendon (Mr. Dismore)—he and I, as lawyers, understand these concepts. To educate people, particularly those in public bodies who want to run school trips and the like, is a sensible thing to do. The hon. Gentleman may wish to know that the Association of Personal Injury Lawyers—APIL—has advocated such education. I would have thought that the hon. Gentleman supported that.

Mr. Dismore: The hon. Gentleman has misunderstood the point that I was making. I said that we should do as the association advocates, but I said that we do not need clause 1, which gets in the way, because it does not accurately restate what the law is.

Mr. Heald: The hon. Gentleman is right to support me in saying that we need education, but wrong to say that we do not need clause 1. It has a declaratory effect so that people know what the law is, and know that it is set out in statute. I cannot imagine why the hon. Gentleman is trying to nitpick over the wording of the clause when it has been made clear from the outset that its purpose is to declare what the existing law is, and to spread that knowledge more widely. To read the clause as though it is supposed to be a complete codification of the law, or anything of that sort, is a complete mistake.

Mr. Dismore: As the Lord Chief Justice said, we cannot encapsulate the common law in one sentence. I can only assume that the hon. Gentleman has not read the entirety of Lord Hoffmann's judgment on the

[Mr. Dismore]

Tomlinson *v.* Congleton borough council case. Lord Hoffmann makes it clear that discussions on what is now called "desirable activities" should not apply where there is no genuine informed choice, such as in the case of employees. There is no exclusion within clause 1 to reflect the important qualification that Lord Hoffmann applied to it. Therefore, it does not accurately represent the law.

Mr. Heald: The hon. Gentleman is at cross purposes with me on this matter. Is he seriously saying that we should make Lord Hoffmann's speech in the Tomlinson case clause 1? If so, I cannot agree with him. Clause 1 is supposed to be a clear statement of an aspect of the law that needs to be declared so that people can go on school trips, enjoy their scout outings and the like. We do not need to try to second-guess the judges in the way that the hon. Gentleman is suggesting. The idea that a judge is not able to decide on and explain a "desirable activity" is preposterous.

Mr. Beith: Is it the hon. Gentleman's view that clause 1 gives to a volunteer leader or a scout master any legal protection that he does not now enjoy following Tomlinson?

Mr. Heald: It explains to that person exactly what the law is, excluding the common misconceptions that might have been encountered as a result of the perception of a compensation culture, which the right hon. Gentleman's Committee analysed in a helpful way for us all.

Mr. Brazier: As for the Tomlinson case, the plain fact is that the lower courts have not responded in the way that the House of Lords expected. I shall be setting out in some detail later this afternoon a case in a court in Manchester that was heard during the Bill's proceedings in the House of Lords, which illustrates the point.

Mr. Heald: There might be cases that have been decided and have received a good deal of public attention, which should have been appealed and were not. APIL has made that very point. I am interested to see the hon. Member for Hendon (Mr. Dismore) nodding.

Having accepted the point that my hon. Friend the Member for Canterbury (Mr. Brazier) makes—we will all be keen to hear what he has to say because he has led the campaign in the House for a clear statement of the law in statute, and I congratulate him on that—we, like the Government want to see the balance struck correctly. That should ensure that people are properly compensated in genuine cases of negligence. However, we need to discourage a culture in which people are encouraged to pursue trivial or spurious claims in the belief that that will make them a great deal of money, either through awards by the courts or under out-of-court settlements.

We believe some parts of the Bill could benefit from greater clarity. I will table amendments to clause 1. I hope that we can proceed on a basis of consensus to try to produce a Bill that has overwhelming support in the House.

Mr. Greenway: Does my hon. Friend think that some clearer definition of what "desirable activity" means will be helpful or otherwise?

Mr. Heald: My view is that the courts are capable of deciding what is or is not a "desirable activity". The expression comes from the very judgment to which the hon. Member for Hendon referred. The use of certain words in clause 1, including "particular" in several places, needs examining further. I shall table amendments on that point.

Mr. Dismore: Will the hon. Gentleman give way?

Mr. Heald: I think that I have given way sufficiently to the hon. Gentleman.

Lembit Öpik: The hon. Gentleman will be aware that there has been considerable consultation with many voluntary organisations that regard clause 1 as materially beneficial to them. Does he agree that in Committee we need to examine in great detail the question that he has raised, in addition to other questions of definition that have been bouncing around the Chamber? As we all agree with what we are trying to achieve, the crucial question is whether a measurable difference will be made to the organisations for which the Bill has primarily been tabled. I hope that the hon. Gentleman feels that we can find consensus on that.

Mr. Heald: I agree. There is no doubt that we are getting to the point where we need clause 1, which is a clear statement of the law and something around which we can all rally.

Tony Lloyd: The hon. Gentleman has said that he, on behalf of the Opposition, is looking constructively to improve the Bill. In that sense he accepts the general spirit of what the Bill is designed to achieve. We have debated mesothelioma, and it is difficult for people to accept the Barker judgment. What is the Opposition's position—will they support the Bill if an amendment is tabled to reverse that judgment? Do the hon. Gentleman's colleagues in the House of Lords share that position?

Mr. Deputy Speaker: Order. Before the hon. Member for North-East Hertfordshire (Mr. Heald) responds, I should say that we are in danger of reaching a stage where the Bill will not need to go into Committee. I appreciate that this is a detailed matter, but I should be grateful if he were not drawn away from the basic content of the Bill, and did not express a view on what it might include.

Mr. Heald: The Bill tries to deal with the way in which the law of negligence operates, as the hon. Member for Manchester, Central (Tony Lloyd) suggested in the case of mesothelioma. Mesothelioma cases should be dealt with rapidly, preferably out of court because, given the terminal nature of the condition, people with a diagnosis have only a short time—often, only 12 to 18 months—in which to act. A speedy out-of-court scheme is the best way forward. Many victims of mesothelioma cannot make a claim, because they do not know who was their former employer's insurer. I am happy to hold

discussions on Barker with the Minister once she has received legal advice but, in addition, we must try to improve the tracing service so that more people can make a claim. On the question of who pays, it is the people who did wrong in the first place and their insurers who should do so.

I accept that it is important to provide a simple, workable procedure, but one of the problems with Barker is that people have evaded their responsibilities—*[Interruption.]* Well, we must try to find ways of making insurance companies trace their records. Better insurance companies already do so, but we must encourage others to take action, too. We are keen to enter into constructive discussions with the Government on the Barker judgment once they have received advice, but more needs to be done.

Mr. Clapham: Is the hon. Gentleman therefore in favour of a no-fault liability scheme financed by the insurers and administered by Government to deal with mesothelioma?

Mr. Heald: The hon. Gentleman has got the facts wrong. The main liability does not fall on the insurers but on the Government, as claims are made against the Ministry of Defence, schools and so on. There is therefore a case for Government, insurers, and companies that cannot trace previous insurers to come together in a simple scheme. This is an urgent problem, because of the speed with which the condition progresses, but it will be with us for a very long time indeed. Most estimates suggest that mesothelioma cases will peak in 2020, which is a long way away so, for the future, it is important to introduce a simple system that works. I hope that the Government can act as an honest broker, but we should also bear in mind the fact that they have an interest, too. As I said, however, we are prepared to take a constructive approach.

In addition to the Constitutional Affairs Committee, which produced an excellent report, may I thank the Better Regulation Executive, which has served us well by publishing a very good report, "Better Routes to Redress"? That report cited a survey of 212 councils in England and Wales carried out by Zurich Municipal and the Local Government Association, in which 85 per cent. of respondents agreed that the

"introduction of conditional fee arrangements has increased the annual cost to my authority of handling compensation claims".

In addition to the abolition of legal aid for personal injury cases, the growth of claims management companies has fuelled the development of a compensation culture. The Constitutional Affairs Committee concluded that introduction of conditional fee arrangements and a class of unregulated intermediaries acting as claims managers have

"adversely affected the reputation of legal services providers. The increased awareness of the public that it is possible to sue without personal financial risk, when combined with media attention to... unmeritorious claims being brought, has contributed to a widely held opinion that we do indeed have a compensation culture".

My hon. Friend the Member for Canterbury (Mr. Brazier) and other hon. Members have cited many such cases, and I should like to make special mention of the examples provided by the scouts and the Field Studies Council. We have all seen headlines in the newspapers: a teacher won £55,000 after slipping on a chip at school; a boy received £4,000 after falling 1 ft from a tree; and a council tenant who had drunk 10 pints fell in the middle of the night as he tried to change a light bulb. I am sure that the hon. Member for Hendon would say that those are meritorious claims, but they give rise to questions, and they are certainly food and drink to the tabloid newspaper industry.

Mr. Dismore: I am loth to accept tabloids as a guide to what is happening in the law courts, because they rarely reported accurately the cases in which I have been involved. The most famous example is the McDonald's coffee case, which was successful because, despite numerous warnings, McDonald's super-heated its coffee to such a high temperature that the individual who brought the case suffered third-degree burns. Those facts were not reported properly or fully.

Mr. Heald: What people think is important, too. In "The Man Who Shot Liberty Valance", it was said once a fact becomes myth in the west it is the myth that is printed. There is a perception that there is a compensation culture, and we cannot ignore that perception. I do not agree that we should ignore educational leaflets.

David Howarth: The hon. Gentleman began by accepting that in reality there was not such a problem, as the number of claims has fallen. Those of us who have doubts about clause 1 want to know how passing a law will solve a problem that relates to perception, not reality.

Mr. Heald: I know that this is not popular in the Cambridge law faculty, but we can deal with the problem by accepting a clause that declares what the law is and advertising widely what its effect will be. According to the Better Regulation Executive, tort costs in the UK, as the hon. Gentleman said, are low compared with those in other countries. The Law Society, the Country Land and Business Association and others say:

"The fact is, Britain spends less on compensation than almost any other industrialised country...the number of accident claims had remained static and in fact fell last year".

Mr. Brazier: It is not inconsistent on the one hand to accept the fact that there is not a general compensation culture, and on the other, to argue that the attitudes of the lower courts towards sport and adventure training is deeply damaging. In the USA, there are five times as many compensation claims as there are in the UK, but most American states have a provision that protects sport and adventure training from the ordinary standard of negligence in court cases.

Mr. Heald: My hon. Friend makes an important point, and we all look forward to his speech.

Excessive risk aversion and the mistaken perception that it is caused by litigation are serious problems, and the reports that I cited provide various examples.

Jeremy Wright (Rugby and Kenilworth) (Con): My hon. Friend speaks about risk aversion in the context of civil negligence claims. He will know that those of us who worry about clause 1 are concerned that it does not

[Jeremy Wright]

contain any provision affecting criminal prosecution by the Health and Safety Executive. Many of those who are risk averse are worried about the HSE taking criminal action against them. Does my hon. Friend agree that that should be dealt with in clause 1?

Mr. Heald: The matter needs to be reviewed but, given that the Bill deals with the civil aspects of compensation, I am not convinced that clause 1 is the place to do so. My hon. Friend raises an important point, which needs to be fully considered and reviewed. It would be interesting to hear from the Minister, perhaps later, whether the Government intend to do that.

When I was speaking to Norwich Union earlier this week, its representative explained to me that the current common law is clear and well established, and that Norwich Union questions whether new legislation on negligence is necessary. That was also the view of the Constitutional Affairs Committee, but we do not go that far. We believe that there is a case for clause 1, and that it is important to get the wording right. We have some comments to make about that in due course. As my noble Friend Lord Hunt made clear in the other place, the courts will have to build up their case law on the basis of the Bill if it is passed. I agree with the Minister that that is unlikely to create the huge difficulties that some claim.

Clause 2 recognises my noble Friend's wish to support rehabilitation and early settlement of claims. The clause is one of his attempts to establish that if at an early stage an insurance company or an employer makes an apology and offers treatment, remedial works or whatever is necessary, that should not prejudice any later legal action.

My noble Friend achieved an important change in the law that will help to encourage mediation, boost rehabilitation and hopefully prevent cases from coming before the courts except where absolutely necessary. Citizens Advice and the Association of British Insurers are keen that such proposals should be pursued, as am I. We are pleased that in the other place the Under-Secretary of State said that she would not argue further about clause 2. I hope that the Minister will give us an assurance that she does not intend to remove or substantially amend it in this place.

One aspect that we intend to pursue is personal responsibility. It is an important issue and we shall press the Government to define the responsibilities of individuals and to consider whether in certain circumstances that might provide a defence of individual negligence. The matter has been considered in other jurisdictions. There is a problem for those who run leisure parks and other institutions where there is an element of risk. If someone is grossly irresponsible and negligent, it should be possible to defend a claim on that basis.

The Minister mentioned the case of Barker v. Corus, and I have set out our views and our constructive approach on that.

Have the Government any plans to deal with a problem pointed out by Citizens Advice? In hospitals the advertising of claims management services and legal services seems rather inappropriate. When the Minister reflects on the regulation of claims management companies, will she consider whether advertising is an aspect that needs proper attention?

Although we agree that regulation is long overdue, we believe, as I said earlier, that the trade unions need to be considered. I pay tribute to the work of many trade unions. I have worked as a volunteer in advice centres and undertaken cases for trade unions, and many of them provide an excellent service in the area of personal injury and employment law. However, if solicitors and all the other groups are to be regulated, is it possible to exempt the trade unions, which would be completely unregulated in this area?

It is mentioned that the Union of Democratic Mineworkers has had its problems, but that it is not the only trade union that has been criticised for making money out of referrals of this sort. It is said that many trade unions are solvent only because of this area of their activities. I notice that the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown) seems to agree with me.

John Mann: Said by whom?

Mr. Heald: If the hon. Gentleman asks around among his trade union friends, he will find that many of them would not disagree with that.

John Mann *rose—*

Mr. Heald: I do not want to get into a long argument on that. I have had a good go on it. It is certainly said by me, and if the hon. Gentleman disagrees, he can take it up with me some other time.

The Government suggest that the regulator should be the Lord Chancellor, but that is not adequate. People expect a regulator who will deal with organisations in the financial and insurance sector. Surely it is not beyond the Minister to persuade one of the economic regulators to take on the role. It would be better if the Office of Fair Trading or the Financial Services Authority could be persuaded. We agree that the Claims Standards Council is not the answer. We want a proper regulator with an established reputation who can put a little fear into those who have been running those businesses in a way that has not been ideal.

The question remains whether the proposed regulation is adequate. Our view at this stage is that it does not seem to be. On the breadth of regulation, will the Minister ensure that regulation does not interfere with legitimate practices, such as insurers offering treatment or vehicle repairs to insured third parties at an early stage? If that is to be regulated or even prohibited, as is suggested, that would interfere with the agenda of trying to encourage early settlement and rehabilitation.

We will want to explore these many matters in Committee. In general, we welcome the Bill. It is not perfect in every respect. It provides us with an opportunity to tackle the perception of a compensation culture, to ensure that some common sense and proportion are injected into compensation cases, and to ensure that unscrupulous claims management companies are unable to exploit the vulnerable. The Bill has our support this afternoon.

1.58 pm

Mr. Nicholas Brown (Newcastle upon Tyne, East and Wallsend) (Lab): I begin by congratulating my hon. Friend the Minister on her introduction to the Bill. One of the great pleasures of being in this place is to be able to follow an expert speaker speaking with knowledge on a specialist subject. Unfortunately, one does not always get the opportunity to do that, and on this occasion I do not. The knowledge of the hon. Member for North-East Hertfordshire (Mr. Heald) about the way in which trade union legal services work does not show hands-on experience. He seemed a little hazy about the real issue involved in the mesothelioma cases as well, although my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) tried to put him right about that.

I shall confine my remarks to part 2, which deals with claims management services. It is the Government's intention, as my hon. Friend announced today, that the Secretary of State would be the regulator. That is, I think, intended only as a temporary expedient, and the Government's long-term intention is that the mechanisms that form part of the new regulatory framework for legal services will encompass these arrangements as well. The Minister will correct me if I have got that wrong, but it seems to be the perfectly sensible direction in which we are heading.

I want to deal with three aspects: regulation in controversial areas, which essentially means personal injury cases; trade unions, which I know something about; and the mesothelioma situation. I should declare my interest as a member of the GMB trade union. I was an official of the union before I was elected to Parliament, I maintain close connections with it, and I am proud of my long-standing relationship with it.

Conservative Members have made much of the need to regulate unions, but the Minister made it clear that there will be a code of practice, and that if unions breach it they will lose their exemptions. In other words, if a union behaves like a claims farmer, it will be treated as such. As a Labour Member, I think that that is absolutely right, and I am pretty certain that my right hon. and hon. Friends agree with me.

Mr. Heald: One of the groups regulated under the Bill is organisations that refer cases to solicitors. Unions do that—but they are not regulated, are they?

Mr. Brown: The hon. Gentleman is correct to say that organisations that refer cases to solicitors are regulated by the Bill, and so they should be. The relationship between a trade union and its individual members is based on the rule book, which is itself a contract. The primary reason for joining a trade union is not to get access to its legal services; people join for a whole range of reasons, which are primarily concerned with work and bargaining between the employer and the employees collectively. Alongside that negotiating relationship, trade unions offer a range of services, one of which is the provision of free legal services at the time of need. It is a very different kind of organisation from the claims farmers that we are seeking to regulate, which go out to find whether there is a cause for action, and then, if there is something that can plausibly be made something of, pass it on to a solicitor. They are claims farmers, and should be regulated as such.

Tony Lloyd: My right hon. Friend is right to say that no Labour Member would want any union to operate as a claims farmer without being treated as one. Will he confirm that far from trade unions not being regulated, there is a whole host of legislation that determines how they can deal with their members, gives remedy to members when they are in dispute with their union, and so on? In fact, the Conservative Government brought in quite a lot of that legislation, which this Government have not changed.

Mr. Brown: I am reasonably certain that the hon. Member for North-East Hertfordshire was more enthusiastic about that legislation than I was. One cannot escape the fact that trade unions are highly regulated. They are governed by specific laws, and there is a specific certification officer.

Professional people are deemed to be regulated by their own professional organisations. The hon. Member for North-East Hertfordshire announced proudly that he is a lawyer. Lawyers are regulated by the Law Society. It is worth pausing to consider how well it does that. To help us, we have the report from the legal services ombudsman for England and Wales—incidentally, there is no analogous report about the TUC—in which she examines how well the Law Society has done as a regulator of the legal profession in the most controversial area that we are discussing: the miners' compensation cases.

I do not have time to read out the whole document, but let me read some of the key findings. The ombudsman states:

> "It became clear to me during my investigations that the Law Society had not put into practice their stated approach for dealing with these cases"—

that is, the miners' compensation cases. She found that the Law Society had

> "failed to obtain solicitors' files or to ask them to provide relevant papers."

It had

> "failed to take account of the individual circumstances of each case...failed to adopt a neutral stance when seeking to conciliate the complaint"—

and—

> "failed to put their conciliation proposals in writing to the miners' authorised representatives".

What makes this a lot worse, from my point of view, is that those authorised representatives include Members of Parliament. To behave in a high-handed way towards Members of Parliament in respect of individual cases is completely and utterly unacceptable to me, and I think that I speak for a great many Members when I say so.

The ombudsman goes on to say that the Law Society

> "failed to consider whether solicitors should pay back in full the fees wrongly deducted from miners' compensation settlements, and, in addition, compensate miners for any inadequate professional services identified."

It had

> "failed to examine a possible over-payment of the fee to the claims-handling agent...failed to examine the respective roles of solicitors and of the claims-handling agents in the processing of individual compensation claims and failed to examine the question of what advice, if any, solicitors had offered complainants about the claims-handling agents' fees...failed to examine the relationship between solicitors and the claims-handling agents or to consider whether the relationship had resulted in a conflict of interest between their clients, the

[Mr. Nicholas Brown]

claims-handling agents and individual miners, or a conflict between the solicitors' own interests and those of their clients"—

and—

"failed to consider whether solicitors may have acted in breach of the Solicitors' Practice Rules...and in breach of the Solicitors' Introduction and Referral Code".

In summary:

"In all the Law Society failed to properly investigate the miners' complaints."

The ombudsman gives a list of recommendations and says:

"As part of the reconsiderations the Law Society itself should consider paying compensation to the miners whose cases have been inadequately investigated by them."

That is pretty damning stuff. I am sorry to have read out all the failures, but there are a lot of them. Although the Government are right not to want to regulate twice over—we want only one regulator, I do not quarrel with that approach—the regulation must be properly done. It is clear that in this case it was very inadequately done. It is not for me to set out what the reasons are, but it is for me to assert that it has to be put right. That means that miners must get the justice due to them, and that the lawyers who have taken money that they should not have taken must give it back. We as a House should assert that as a principle, and we look to the Minister to do whatever she can through the powers that her office has to ensure that matters are put right as quickly as possible.

Mr. David Hamilton: My right hon. Friend is talking about the ombudsman for England and Wales. Will he encourage the Minister to have discussions with her opposite number in Scotland to ensure that the legal system in Scotland, too, applies to miners in their just cases?

Mr. Brown: I should emphasise that the report that I quoted applies to England and Wales, but it is not beyond reason that there would be similar circumstances in Scotland. A United Kingdom-based approach to this would be the best way forward.

Mr. Heald: The right hon. Gentleman is right to say that there have been scandals about the way in which solicitors and claims farmers have behaved—and, as we heard from the right hon. Member for Berwick-upon-Tweed (Mr. Beith), the way in which some unions have behaved. The Government are introducing independent regulation for solicitors and claims handlers, but what is happening to the trade unions?

Mr. Brown: Nothing. The relationship is different. Trade unions must adhere to the code of practice that the Minister mentioned. If they do not, and behave like claims handlers, they will be treated as such, as they should be. I should have thought that the hon. Gentleman and I could agree on that.

Mr. Heald: But there is no regulation.

Mr. Brown: There is regulation. The hon. Gentleman makes an anti-trade union point, which is not uncommon among Conservative Members— *[Interruption.]*

Mr. Deputy Speaker: Order. We cannot have interventions from a sedentary position, and I have a feeling that this argument is becoming somewhat circular.

Mr. Brown: Those are my thoughts precisely, Mr. Deputy Speaker. However, I would like to say a little about where the unions stand on the issue. Most unions do not behave in the reprehensible way described so effectively in that report. In most unions there is a rule-book relationship between the union member and the union as an institution. Legal assistance is available when members want it, not specifically when members have just joined the union. According to the Trades Union Congress, some 64,000 new personal injury cases were taken up on behalf of their members last year by TUC affiliates. It is important for us to do nothing to impinge on that relationship, and the enormous strengths that would not be there if there was a different structure. I know from my experience before I came to the House that trade unions can proceed with cases in difficult areas that become test cases, or vanguard cases. No individual solicitor acting for an individual claimant would have the resources to take on such ground-breaking cases.

I have been involved in settlements relating to industrial deafness and vibration white finger. There have been advances that are largely due to individual unions taking up test cases and funding class actions. I was a young official at the GMB when John Edmonds was the national industrial officer for the electricity industry. He went on to become general secretary of the GMB. We made an agreement with the nuclear industry to try to secure compensation for victims of radiation in the industry, given the possibility of their developing leukaemia. That agreement, gained partly through the law and partly through negotiation, has not yet been superseded in the courts. It has stood the test of time for 30 years. That illustrates the value to working people in difficult, even terrible, circumstances of membership of a trade union that can handle the law astutely and well, and has the financial resources to bring an action much too big for any individual claimant to afford. On the back of successes in the courts, the union was able to use its industrial muscle to negotiate a good, enduring agreement with the employers for people who did not deserve to be victims of the industrial injuries that they had suffered.

That brings me to mesothelioma, which, as most Members will know, is a horrible condition. There is no known cure, although there are palliatives. Alimta, a new drug, helps in some cases, but provides only remission. It does not reverse the condition, although it provides some comfort. Dying of mesothelioma is a horrible way to die, made all the more horrible when people see the sufferings of their loved ones as they go. I believe that we as a Parliament should stand in the victims' corner, but in any event we should be able to vote on how cases are handled in the courts. It is a question of whether it is possible to join all the potential employers to the action and have the damages

assigned proportionately, which used to be the arrangement, or whether it is necessary to identify the specific employer who caused the injury, which is what the new judgment means. It represents a substantial setback for a number of such cases.

The condition takes time to develop. We are talking about working conditions that prevailed in the past, notably in heavy industries such as mining, shipbuilding, heavy engineering, the railways and the merchant marine service. The condition might develop in any area where asbestos was used, perhaps sprayed, as a fire retardant, or a construction material. Those cases are emerging now, and there is nothing that we can do to stop the process. The hon. Member for North-East Hertfordshire was right to say that the number of cases would peak quite some way into the future.

Working practices in industry in those days meant that people would go to one job and carry out a task, and might then perform a similar task on a different project, perhaps for a different employer. It is difficult to identify the employer for whom a person was working at the precise point when he inhaled a specific fibre—not one that was too big to inhale, and not one that was so small that it was exhaled, but one that was just the right size to lodge in the lung and cause pleural plaque and eventually mesothelioma.

Mr. Heald: Will the right hon. Gentleman give way?

Mr. Brown: I am sorry, but I cannot. I am running out of time.

My plea to the House, and to the Government in particular, is for us to be allowed a vote at some stage on whether to return the position to where it was before, or to confirm the new judgment of the House of Lords. I for one would vote for the former, but there is a whole separate set of issues relating to pleural plaque and whether it constitutes an injury. I think that my hon. Friend the Member for Sherwood (Paddy Tipping) was absolutely right to raise the issue, and I agree with him, but the matter is still before the House of Lords and it is probably right for a decision to be made there before we reach our own decision.

2.16 pm

Simon Hughes (North Southwark and Bermondsey) (LD): It is a pleasure to follow the right hon. Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown). Let me deal first with his central point, because it concerns what could be described as a ring-fence issue. If it is possible for mesothelioma to be dealt with in the Bill, my colleagues and I would welcome that and would assist the Government. My honest assessment is that it will not be easily done, but I am sure there is consensus in the House that it is right and proper for us to move as quickly as possible, given the horror, pain, grief, suffering and uncertainty involved, to ensure that the legal position is adjusted and, if possible, redress is provided at the earliest stage. However, we may have to adopt the process suggested by the right hon. Gentleman rather than trying to amend the Bill.

Tony Lloyd: I am grateful to the hon. Gentleman for his clear statement of the Liberal Democrats' position. Disappointingly, the hon. Member for North-East Hertfordshire (Mr. Heald) delivered a "maybe" rather than an assurance that the official Opposition would support a change in the legislation.

Simon Hughes: The official Opposition must answer for themselves, but the hon. Gentleman has our assurance that our colleagues—notably my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith), who has constituency experience and practical knowledge—are committed to speedy progress. If that cannot be achieved here, as I suspect it cannot for drafting and other procedural reasons, I hope that it can be achieved soon. I hope that the position will be clear by the time of the Queen's Speech in the autumn at the latest, but we may be able to move before then. In any event, we offer our co-operation.

Mr. Dismore: There is another reason for the matter to be dealt with urgently. The Barker case did not end the story. The Barker decision remitted the case to the High Court for a decision on how risk should be assessed between the different parties, presenting an opportunity for a further chain of appeals leading to the House of Lords yet again. It could be many years before we see a resolution of the issue in the courts.

Simon Hughes: I understand that, which is why I think that we should cut the knot. The matter is before the courts, but there is no reason why we cannot intervene. The situation is paradoxical. We are having a substantial debate about whether a Bill states what the law is or what we think it ought to be in the cases of people who have suffered. Whatever the law is, I believe that Parliament is at liberty, indeed has a duty, to decide what should happen, because there are people outside—constituents and their families—who are waiting for us to do that.

Having heard the earlier exchanges, I suppose that I should make a declaration, although it is not a formal declaration. On the edge of my constituency is the headquarters of the Health and Safety Executive. I have an interest in looking after the interests of the HSE, but it did not lobby me before the debate. Having said that, I shall probably need to talk to it about the Bill fairly soon.

I want to make a couple of general points about the context of the Bill. I am grateful for having been given the opportunity to talk through with the Minister the Government's approach when she took up her responsibilities and I took up mine. Although the Bill is small, it deals with what a lot of people consider to be big issues—issues that arise all the time. This is real politics that matters in the real world. I did not previously know the figures, but there appears to be no dispute that we are talking about a business that is worth £10 billion a year: in other words, 1 per cent. of our gross domestic product is circulating in the compensation industry.

There are two serious flaws in the current system. First, the various accidents and injuries that occur—collisions, incidents in the park, incidents on trips with scouts or guides—total some £2 billion a year in claimants' legal costs. Much worse—this figure astounded me, but I have not seen it contradicted—more than 90p in the pound of the money that one gets back in damages is spent on costs. *[Interruption.]* My hon. Friend the

[Simon Hughes]

Member for Cambridge (David Howarth) says that that is not right, but even if that figure is too high, this is still a significant issue. Pursuing what is a legal entitlement in civil law to appropriate compensation is often a hugely expensive exercise. So there are many issues to resolve and much work to do on the question of gaining access to justice in the civil world in a fair society.

Paddy Tipping: Does the hon. Gentleman accept that this is an issue in coalfield communities and for textile workers? For example, women textile workers with conditional fees arrangements backed by a loan often end up owing more than the award that is made. So in that respect, he is quite right.

Simon Hughes: I represent people who worked in the docks and who lived in the old dock-worker community—although perhaps not to the same degree as other Members—for whom the same issues arose. There were significant knock-on effects.

I want to make two other general points. This debate is not unrelated to the great debates that we have had in this place on incapacity benefit, time off work and so on. Sometimes, even though people are physically able to go back to work, they are advised not to do so because the compensation has not been sorted out and the legal case has not ended. We want a healthy and working society, but we also need to get the balance right between people's liberties and their duties to each other. There are some significant issues to deal with in that regard.

I was not doing this job when the Bill was launched last autumn, so I checked to see what my predecessor, my hon. Friend the Member for Somerton and Frome (Mr. Heath) said then. The title of the first page of his very brief notes was, "Compensation Bill modest but welcome—Heath." *[Interruption.]* That was a description of the Bill, not of him, although he is probably both those things. He went on to say:

"We all agree that there is an urgent need to deal with and regulate no win, no fee 'claim farmers', but we need to look very carefully at the issue of duty of care...the idea that this Bill presents a massive set of plans to tackle the compensation culture is a huge oversell."

To be fair to the Government, I am not sure that they said that the Bill was going to do all that. It clearly is in some ways modest, but it is none the less important.

Given that the Bill started its life in the other place, I checked to see what my noble Friend Lord Goodhart said when he kicked off our comments. The Bill—not least clause 1, to which I shall return—was considered in the other place for quite a long time. On Second Reading, Lord Goodhart said:

"This is undoubtedly a well meaning Bill, but being well meaning is not enough. Part 1, which is clause 1, is at best unnecessary and may well lead to confusion and still more litigation. Part 2 unquestionably has a useful and desirable objective".—[*Official Report, House of Lords*, 28 November 2005; Vol. 676, c. 87.]

Following Second Reading, clause 1 alone was debated for some nine hours in Grand Committee, and for two hours on Report.

I join the hon. Member for North-East Hertfordshire (Mr. Heald) in paying tribute to colleagues from all parties—and in particular to the Minister in the Lords with responsibility for the Bill—and to the Conservative and Liberal Democrat Front Benchers, who worked very well together. Lots of amendments, and progress, were made. I also pay tribute to Lord Hunt of the Wirral, who did a lot of good work for the Conservative party. I looked to see what the general collective wisdom was at the end of the debate. Lord Goodhart said:

"Part 2 has now been both changed and improved to an unusual degree"

that is true; much progress was made—

"and it is now a very much better Bill than it was when it was brought forward...As for Part 1, I remain dubious as to whether Clause 1 will do more good than harm. It presents a real risk of causing serious problems. However, I am pleased that the Government have accepted Clause 2...Overall, I welcome the fact that this Bill will now go on to the other place."—[*Official Report, House of Lords*, 27 March 2006; Vol. 680, col. 577.]

I could not quite work out whether Lord Goodhart was saying, "Thank goodness we're not going to be preoccupied with it any more", or, "There is a lot more work to do, and you guys have got to get on with it." But anyway, here the Bill is, and we will seek to do just that.

As the Minister said in her introduction, we must deal with the significant issue of new unregulated businesses dropping leaflets through our letterboxes seeking business, unsolicited. As the Government said, it is sensible initially to deal only with what are the most live issues, of which personal injury is obviously the biggest and most important. Housing disrepair is another issue that is raised regularly in our surgeries, and others include employment, criminal injury compensation and the mis-selling of financial services, which is an increasing problem not just in London but elsewhere.

Having been in the House for as long as I have, I take the fairly robust view—I hope that colleagues of similar long service agree—that we need as little legislation as possible, not as much as possible, and that it should be as simple as possible. I approached this Bill on that basis. I also believe that we should regulate as little as possible. We are in great danger of having too much regulation, which is why the Better Regulation Executive exists. Governments understand that we are trying to whittle down the amount of regulation. That said, of course consumers need a degree of protection, and the Bill is about getting that balance right. If we are to have regulation—we Liberal Democrats are persuaded that we should—it should be effective and proportionate and go only as far as is necessary in dealing with the problems that have arisen. At the end of the exercise, the judgment is whether we have got that balance right.

So if we are to have regulation, we clearly need a regulator. Again, I take a fairly simple view. I am absolutely opposed to the idea that every time we see a new problem, we should set up a new regulator and new committees, and new structures and organisations involving new people and new costs. Rather, we should look around to see who else exists who can do the job. I share the Minister's view, however, that the two potential candidates in the financial services world were not the right ones. I also share her view that the other existing bodies that appeared suitable to do the job were not the right ones, and that it would be better for the regulator to be a member of the family regulating legal and other services.

However, we have to have an interim stage. It might seem slightly bizarre to think of the Lord Chancellor as the regulator of claims farmers, but that job will keep him occupied in his post-Lords-speakership days and justify his saying to the Prime Minister, "I've got plenty to do." It might even justify his salary being kept at the same level. Following that interim stage, we will need to move on. Once the draft Bill on legal services has been enacted, I hope that we will have a single, streamlined and minimalist regulatory system that costs as little as possible and occupies as few people as possible.

The much-heralded progress that everyone applauds is clause 2—I have heard very little criticism of it—which was not in the Bill at its outset. It is very simple, but it deals with a very important issue. We have all been there. I remember stopping suddenly in my vehicle one day—it was an election day—at a set of traffic lights and someone immediately behind me failing to stop. On another election day, exactly the reverse happened. I was looking over my shoulder and by the time that I turned round, the fellow in front had stopped and I had not. One then thinks, "Dare I say sorry?" Dare one apologise when in some cases, it is self-evident that the accident is the fault of the person behind, who has run into the stationary vehicle in front?

Mr. Heald: Did you ask, "Are you my constituent?"

Simon Hughes: As the hon. Gentleman, who also once fought the North Southwark and Bermondsey seat, says, that was exactly the question. The accident happened at The Blue shopping centre, and the person in question was a constituent of mine, so the response was slightly different.

Clause 2 states:

"An apology, an offer of treatment or other redress, shall not of itself amount to an admission of negligence or breach of statutory duty."

It is very important for a courteous society that we do not say that someone will be liable for all the consequences financially just because they naturally said sorry. That is simple and welcome, and much easier than the great debate on clause 1.

We probably should not have started from here; we should have had a draft Bill, or we should have sent it to a Special Standing Committee where evidence could have been taken. Behind me sits my hon. Friend the Member for Cambridge, whose specialist subject in life is, as he will explain, this bit of the law; we have the best academic advice available. A kind of seminar is going on as to what the law should be.

I agree with the Government's proposition as set out in the excellent Library research paper that

"we strongly should oppose any culture where people believe that if there is an injury there must inevitably be someone else to blame, and someone else to pay. And we oppose people being encouraged to believe that it is always worth 'having a go', however meritless the claim."

I hope that there is consensus on that.

I hope that there is consensus also on something the Prime Minister said just after the last election; not about his future, but about the future of the Bill. He said:

"The Bill will also clarify the existing common law on negligence to make clear that there is no liability in negligence for untoward incidents that could not be avoided by taking reasonable care or exercising reasonable skill. Simple guidelines should be issued. Compliance should avoid legal action. This will send a strong signal and it will also reduce risk-averse behaviour by providing reassurance to those who may be concerned about possible litigation, such as volunteers, teachers and local authorities."

All of us who did law know that the most famous such case is probably Donoghue *v* Stevenson, whose pre-eminent judge in the House of Lords was one of my Welsh secondary school's great academic old boys, Lord Atkin. The principle that he set out still applies today;

"In English law there must be, and is, some general conception of relations giving rise to a duty of care, of which the particular cases found in the books are but instances...But acts or omissions which any moral code would censure cannot in a practical world be treated so as to give a right to every person injured by them to demand relief."

The debate has focused on whether the law as set out in that case in 1932 and in the 2004 Tomlinson *v* Congleton borough council case is sufficient.

In the Tomlinson judgment, Lord Hoffmann and Lord Hobhouse made two simple things clear: first, that people must be allowed to take risks; and, secondly, that the landowner should not be worrying that he has to protect himself against people doing what they want to do on mountainsides and in fields. Lord Hobhouse made an important point about liberty, saying that it should never be

"the policy of the law to require the protection of the foolhardy or reckless few to deprive, or interfere with, the enjoyment by the remainder of society of the liberties and amenities to which they are rightly entitled. Does the law require that all the trees be cut down because some youths may climb them and fall? Does the law require the coastline and other beauty spots to be lined with warning notices?... The pursuit of an unrestrained culture of blame and compensation has many evil consequences one of which is certainly the interference with the liberty of the citizen."

The test for the blessed clause 1 is whether it adds anything to the current law. I hope that we get a formulation that meets the concerns of the Select Committee chaired by my right hon. Friend the Member for Berwick-upon-Tweed and of those who say that adding "desirable activity" poses a problem and that making it a permissive rather than an obligatory requirement on the courts may add very little.

If a doctor does something wrong when operating on or treating a patient, the doctor is, by definition, carrying out a desirable activity. If a tattooist does something wrong, they may be regarded as not carrying out a desirable activity in the same sense. There is a danger that the liability for negligence of the doctor may then be lowered in a way that the public would not expect. I am not against seeking to codify the law, but, above all, I want to send a message that we must not discourage people from doing desirable things.

Mr. Brazier: The problem with the excellent Tomlinson judgment was that it related specifically to a very reckless individual. Most of the cases that provide the most problems for organisations such as the Scouts and sporting organisations do not relate to individual recklessness, but to exactly what clause 1 addresses: namely, the court suggesting that somebody should have carried out yet another safeguard to prevent something.

Simon Hughes: I understand that, which is why I am more sympathetic to clause 1 than my right hon. Friend the Member for Berwick-upon-Tweed and my hon. Friend the Member for Cambridge. We cannot pass a law that has no effect. Once we pass a new law, the courts must take account of it and of some of the explanatory notes and so on. We have to be clear: adding uncertainty will not be helpful.

Mr. Heald: I do not mean to trespass on the hon. Gentleman's good will, but does he agree that we quite often declare in statute what the law is, with the idea not particularly of wanting to change it, but of wanting to clarify it? An example is the Constitutional Reform Bill. He and I were anxious that it should make it clear at the beginning that the role of the Lord Chancellor in protecting the legal system should remain his duty, so we said it in the Act for that purpose and to declare it.

Simon Hughes: And that is why I have not said that I am wholeheartedly opposed to seeking to get this right. But if we start to introduce phrases that do not have a legal definition, we might get into a new set of definitions, which might mean that the law becomes uncertain, not certain.

David Howarth: The central point here is, was the law unclear before? Was it unclear after Tomlinson? Was it even unclear before Tomlinson? *[Interruption.]* The hon. Member for Canterbury (Mr. Brazier) says yes, but the question is, in what way was it unclear? If there was a specific way in which it was unclear, that is the way in which it should be made clear in the Bill. So far as I can tell, there is no suggestion from the Government that that is what is going on with clause 1.

Simon Hughes: I think that my hon. Friend will not like the answer to that question. I take the view that if it is possible to encapsulate in one or two sentences in an Act of Parliament what the law is, rather than drive people back to reading five House of Lords judgments, we should do that. Therefore, it is better to write something down as the law of the land, if we can, than to have to go and read the words of the great legal minds of the country, because most people do not go there, it is more difficult and there is more than one judgment. So, if we can, let us do it.

The last point that I want to make is about the rest of the Bill, which is much less controversial. There is one controversial issue left in the regulatory system, which was touched on by the right hon. Member for Newcastle upon Tyne, East and Wallsend and others. It is how we ensure fair play for all who are involved in the business of dealing with claims and the rest.

As I understand it, clause 3 says that if somebody, as an individual, is involved, but not as part of their business, they are exempt, or potentially exempt. I want to ensure that, at the end of the legislative process, there is a level playing field so that members of trade unions—in the past, I acted for Thompson's, which did a lot of trade union work as solicitors and instructed me and others—who expect that, once they have paid, they will get a service, are in the same position as those who join a political party, the Co-operative movement, a voluntary organisation or whatever and are also told that they will get a service. Provided that there is a level playing field and everybody is treated the same, if the organisations are of the same sort, that is reasonable.

Of course, we need to ensure that individuals are not under some great regulatory system if they are doing something voluntarily and in a way that everybody understands does not give them a legal relationship, with the liability that follows.

The Bill does not deal with a lot of issues, which will be left on the agenda and have been set out by the Association of Personal Injury Lawyers and others, and which we shall have to revisit to achieve better access to justice in the civil law. However, the Bill does some important things. As my hon. Friend the Member for Somerton and Frome said, it is modest, but it is none the less important for that. However, I fear that we still have quite a bit of work to do.

2.41 pm

Tony Lloyd (Manchester, Central) (Lab): I begin by welcoming the consensual tone of the hon. Member for North Southwark and Bermondsey (Simon Hughes). I also want to make a few brief points about the role of the trade unions and about the question of mesothelioma, which is enormously important.

I should perhaps start by saying that I have an interest as an active trade unionist and as chair of the trade union group of Labour MPs. I also have an interest in the asbestos industry, because I worked in an asbestos factory when people were systematically subject to risk that ought to have been criminal, not simply the subject of compensation. If I have some reasonably strong feelings on the subject, perhaps Members of the House will understand.

I was disappointed by the speech of the hon. Member for North-East Hertfordshire (Mr. Heald), in that he wanted to perpetuate a certain type of myth, which, I am afraid, goes back to the visceral view among some of those who occupy the Conservative Benches that trade unions are fundamentally a bad thing. The reality is that if most members of trade unions were asked in whom they had greatest trust in pursuing on their behalf an employment claim or a claim for personal injury, the trade unions would figure highly in terms of a relationship of trust.

That does not for one second ever absolve those trade unions—the Union of Democratic Mineworkers in the east midlands is one—that have behaved spectacularly badly with respect to their members and have operated, de facto, as claims farmers. However, it is important to establish that there is a position of trust between trade union members and their unions as their representatives.

In that light, the hon. Gentleman, who is absent from his place and who told the House that trade unions make their money by claims, did not give an accurate picture of reality. I wish that, when pressed, he had been prepared to justify his claims from the Front Bench and name the trade unions that he claims are abusing the position of trust.

It is important that, for example, lawyers maintain professional integrity and that their clients believe that most lawyers operate honestly and decently, even

though we accept that there are rogue lawyers in the system. In the same way, it is important that members of trade unions have the same trust. It is not reasonable to use the facilities of this House of Commons to make a generalised condemnation of trade unions in a way that is designed actively either to mislead or to pursue a partial point.

Mr. Heald: I thought that it was common knowledge that trade unions are paid a referral fee when they send a case to a solicitor and that, in many cases, they also receive success fees. Is the hon. Gentleman suggesting that I am wrong about that?

Tony Lloyd: I am not suggesting that the hon. Gentleman is wrong about that, but he knows that that is not what he said. I will make him an offer. If he reads exactly what he said in *Hansard* tomorrow and is prepared to come and apologise to me personally if he was wrong in what he said about trade unions making their income from referrals, I will also read *Hansard* and apologise to him if I am wrong about it. I would even be prepared to make a point of order to make that apology to the House. I hope that the hon. Gentleman will be big enough to do the same, because the problem is that his comments were not only an unfortunate misrepresentation, but a distorting misrepresentation. I am very disappointed that the new Conservative party should adopt its old position of hostility towards the trade unions.

No member of a trade union wants rogue trade unions that operate against the interests of their own members. Nobody seeks to justify the situation seen in the east midlands, of unions acting as claims farmers, and that should be condemned by every Labour Member of Parliament and by the trade union movement. We have to ensure that if a trade union operates as a claim farmer, it will not benefit from the general exemption offered to trade unions. The code of practice to which the trade unions will be expected to adhere must be sufficiently strong to regulate their role properly, in a way that is analogous to the regulation of the legal profession and others on this issue. That is an important part of the bargain for trade unions and would be accepted by most Members of Parliament as automatic, but more importantly it would be accepted by most trade unionists and their trade unions. The balance that my hon. Friend the Minister struck is important, because it establishes, not that trade unions have special rights, but that trade unions have a particular position of trust on behalf of their members and that has been respected. It is the rights of the ordinary members of trade unions that are protected by this legislation.

I am also concerned about the issue of mesothelioma and the capacity of the Bill to serve as a vehicle to change the law on Barker. As my right hon. Friend the Member for Newcastle upon Tyne, East and Wallsend (Mr. Brown) has already said, that is an important issue. We know that those who are diagnosed with mesothelioma, sometimes many decades after they have left the company, industry or situation that exposed them to asbestos, face a grim prognosis. People generally live only a short time after diagnosis—between 12 and 18 months—and it is a particularly cruel and unkind form of cancer even among those cancers that still kill. The families involved experience enormous distress. What that means is that the period in which the individual has access to proper justice, at least in the form of compensation, is also short. It also means that those who are entitled to compensation often—

Mr. Brazier: On a point of order, Madam Deputy Speaker. I am sorry to interrupt the hon. Gentleman in making his important points, but there is a very irritating noise in the Chamber, which is making it hard to concentrate. Can somebody investigate whether it is the sound system or something else?

Madam Deputy Speaker (Sylvia Heal): The matter is under investigation and I hope that it will be sorted out soon.

Tony Lloyd: I am delighted to know that I am not the irritating noise.

We need the Barker judgment to be reversed. The present situation—as my hon. Friend the Member for Hendon (Mr. Dismore) pointed out—is bad because it splits liability and therefore in the many cases in which the companies no longer exist the individual firm that contributed to causing mesothelioma will be able to avoid paying compensation.

In fact, the problem is worse than that. The allocation of risk process means that the accepted defence in many cases will be that non-existent companies bear a greater proportion of responsibility for the factors leading to mesothelioma. Claimants will get only tiny levels of compensation as a result, and that is simply unfair. The Barker judgment has no legitimacy, and a change in that respect is needed very urgently.

I very much welcome my hon. Friend the Minister's clear commitment that the Government are looking to make a change. Many hon. Members have raised this matter in the Chamber—my hon. Friend the Member for Amber Valley (Judy Mallaber) did so with my right hon. Friend the Prime Minister yesterday—and elsewhere. We know that the Government are sympathetic to proposals for change, but we need to ensure that there is an urgency about delivery, and that it is consistent with our recognition of the damage done to people who are rendered very vulnerable by the condition.

I know that many other hon. Members want to take part in the debate, so I shall not use my full 15 minutes. However, I must tell my hon. Friend the Minister that efforts will be made to table an amendment to the Bill that would allow the Barker judgment to be set aside. I hope that such an amendment, whether it comes from the Government or the Back Benches, will do the trick, although I understand that it may not be possible or practical to devise an appropriate proposal in the time available.

I hope that the hon. Member for North-East Hertfordshire will reconsider his remarks. I am afraid that he gave me nothing better than a resounding "maybe" in response to my question about the Opposition's support for a change in the legislation. I hope that he will go further, as the inclusion of such a provision might have aroused opposition in the Lords and caused the Bill's passage there to be blocked. Progress will be easier if we can agree that the change is desirable and deserving of support by the Opposition in the Lords.

Mr. Clapham: My hon. Friend emphasises the urgency of this matter. Another factor is that claimants cannot now claim under the Pneumoconiosis Etc. (Workers' Compensation) Act 1979, as was possible when the Fairchild case was being considered. Does he agree that that law must be restored as a matter of urgency?

Tony Lloyd: My hon. Friend is absolutely right, and I pay tribute to his long and consistent campaign on this issue. I hope that we are moving towards consensus about what the range of problems is, and their possible solutions. It would be very strange if any hon. Member were to regard those who suffer from mesothelioma as deserving of anything but the maximum sympathy. We must take every practical step that we can to compensate them.

I shall finish by saying that, if I had my time again, I would be far happier to see the people who managed the asbestos industry when I knew it sent to jail rather than required to pay compensation. They were not merely negligent about their stewardship of the industry: they were criminals.

I congratulate my hon. Friend on the Bill, and on the way she introduced it to the House today.

Madam Deputy Speaker: Order. Before I call the next speaker, and in response to the point of order raised by Mr. Brazier, I inform the House that an engineer is investigating the distracting noise that we can hear to see whether it has anything to do with the sound system.

2.54 pm

Mr. John Greenway (Ryedale) (Con): First, I remind colleagues of my entry in the Register of Members' Interests. In warmly welcoming the Bill, I remind the House of the work of the all-party insurance and financial services group, which I have chaired since 1992. For many years, we have taken a close interest in the issues covered by the Bill. In anticipation of the draft Bill, we took evidence last year from a number of organisations and 11 witnesses in total, including various insurance lawyer trade associations, the industry and even the Claims Standards Council. We issued our report in November.

There are three features of the current compensation environment—I shall not be drawn into a debate on whether there is a compensation culture—against which to judge the likely effectiveness of the Bill: risk aversion, rehabilitation and the regulation of claims managers. Risk aversion is important because, as we all know, many events or activities do not take place because of concern over potential claims for negligence in respect of personal injuries. Public liability insurance costs have risen to the extent that many activities do not take place because there is no public liability insurance cover and the leisure industry has seen a dramatic increase in the cost of both employee and public liability insurance.

Secondly, rehabilitation is important because we are still not doing nearly enough to ensure that people who suffer major injuries as a result of a workplace or motor accident are treated quickly and got back to work quickly.

Thirdly, the regulation of claims managers is important because of the widespread malpractice by so-called ambulance chasers, run by some pretty ruthless and unscrupulous people who are happy to sell on the introduction of a victim while contributing precious little towards the speedy and satisfactory handling of a claim. The no win, no fee basis of claims handling is confusing to claimants, often results in significant parts of their compensation being hived off to pay legal bills and has contributed to a situation in which legal fees amount to a staggering 40 per cent. of all personal injuries claims costs—money better used to rehabilitate and compensate victims and, I dare say, better used if we all had to pay lower premiums for the insurance cover that we have to purchase. In the end, we all pay; insurers have no money other than what we pay them in premiums.

I shall deal with the three items in turn. On risk aversion, the new definition in clause 1 is meant to enshrine in statute the current understanding of the law of negligence. We have already had considerable debate on whether that clause is necessary, whether it adds anything to existing law and whether, if it does not, it has any point. Back in November, the all-party group agreed with the lawyer associations that clause 1 should be dropped, but the Government have not been persuaded to accept that view. If, as looks likely, clause 1 remains, I hope that we will be able to examine it in further detail in Committee because it is critical to understand precisely what the clause means.

I am concerned about some of the new concepts, particularly "desirable activity", that may require a new definition, but I sense from listening to today's debate that there may already be something new in the definition and perhaps more in the Government's intentions than they have admitted—though I do not say that in a critical way. If the new definition clarified what precautions might be disproportionate in persuading people not to go ahead with a desirable activity—that seems to lie behind what the definition suggests—it could have a positive aspect.

As other Members have suggested, it is important that the courts, including the lower courts with which my hon. Friend the Member for Canterbury (Mr. Brazier) has a bone of contention, fully understand Parliament's intentions. It is wholly desirable that voluntary organisations, who obviously rely on volunteers and do not have access to an army of expensive lawyers, understand precisely the legal implications of what they do.

I want to make one other point about the insurance aspect. Many activities do not take place simply because people cannot afford the public liability insurance cover. The long-term test of the new definition in clause 1 should be what it does to public liability insurance underwriting. I rather suspect that, for quite some time, underwriters will wait and see what happens in all the court cases that I know the hon. Member for Hendon (Mr. Dismore) thinks are likely—we had an exchange about the matter one evening in one of the Dining Rooms recently. We need to keep that prospect in mind.

I turn next to rehabilitation. Just one issue has dominated our news for the past six weeks. It is nothing to do with politics, the state of the world or even Iraq. It is Wayne Rooney's broken metatarsal. It has dominated every news bulletin and every newspaper. We all hope that he has been miraculously rehabilitated, but that experience is in stark contrast to the long delays experienced by

people with workplace and motor accident injuries in getting the rehabilitation that they need to get them back to work.

Clause 2 is a hugely welcome addition because it can provide new impetus to efforts to get people rehabilitated quickly. That is better for claimants and for employers. It is also better for third parties—people who have caused accidents. We should not always think that they are being difficult because they do not have sympathy with the victim. Most of the time, they do. In the long run, quicker rehabilitation is better for insurers.

All the evidence points to the fact that the more quickly someone can be rehabilitated, the more likely it is that they will recover from the injuries that they have suffered in an accident, especially motor accidents in which people suffer whiplash injuries, back problems and so on, and the more likely it is that, for the good of them, of all of us and of their families, they have the chance to get back to work. So I welcome the addition of clause 2 and congratulate my noble Friend Lord Hunt of Wirral and his colleagues in the other place on introducing it.

The regulation of claims managers is a long overdue measure. Some right hon. and hon. Members have concerns, as I do, at the notion of yet more regulation, but currently we have the farcical situation in which the arranging and sale of an insurance policy is subject to statutory regulation, and the loss adjusters who assist the insurers in the handling and measurement of claims are regulated through their professional body—the Chartered Institute of Loss Adjusters—but claims farmers are not regulated at all. Yet it is in the management of claims that abuse and mischief lies. "The proof of the pudding is in the eating" is an old saying, but it is only at the point of claim that people understand whether the insurance policy that they bought provided them with the protection that they thought it did when they paid the premium. It is at the point of claim that the real value lies.

Undoubtedly, whether the individual policy holder claims for himself against his own policy is an issue about which we should be concerned, but it is far worse if we are dealing with the management of a claim in respect of a third party, who has a right of action under the policy as a result of what has happened, but has no relationship with the insurance company in the way that the policy holder does. It is critical that we get the claims management industry properly regulated.

For the regulation to work, it must be comprehensive. There has been much discussion about exemptions. I want to make two points about them. If there are exemptions, the bodies that regulate exempt organisations must have equivalence in their regulatory bite. I am reassured by the Minister's comments that if trade unions, about which there has been much discussion, do not match up, they will be subject to tougher regulation.

The most critical thing is definition. I strongly urge the Minister to regulate the activity and avoid the danger of simply regulating the name "claims farmers". My experience in the matter comes from the past 10 years—all the time I have been a Member—of my election to the Insurance Brokers Regulation Council, which was a statutory regulator, but we regulated the name "insurance broker". If a firm used the title "insurance broker", it had to be regulated by the IBRC. Of course, many people practised, in effect, as insurance brokers but called themselves insurance consultants, so when we disciplined a broker and chucked them out of the profession they carried on in business under another name. We have to avoid that situation in respect of claims farmers.

It is also critical that the regulator has the power to exclude, and that there is no route back for the cowboys to whom the Minister referred several times. That means that we need strong codes of conduct, but we also need clarity about precisely what they can and cannot do in their presentations to claimants and possible clients and in the advertisement of their services.

The Government have made huge progress by specifying that the regulator will be the Department for Constitutional Affairs, even if only temporarily. I heard the comments of my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) and I understand his sense of disappointment that we are not being provided with a distinct regulator. However, we have to bear in mind the other side of the argument. There are probably only about 500 claims management firms and my hunch is that half of them could be driven out of business, which would reduce their number to 250. Even charging them reasonable fees would not give us a basis for funding a regulator to do all that I have suggested needs to be done. We may have to wait until the new regulator has been set up under the Legal Services Bill to bring all the threads together.

I am disappointed, however, that the Financial Services Authority has not agreed to undertake the regulation process. Claims management is related to insurance products. It is a financial services issue, so that is largely where the regulation should be. The intention is not to pursue a vendetta against claims managers but to ensure that they operate professionally and that we protect consumers from the unscrupulous. We must also ensure that the accident or event that is the subject of the claim, which is a bad enough experience for the individual, does not become a double whammy, due to bad advice about how to claim. All of us have heard about such experiences in our surgeries.

Madam Deputy Speaker, I hope that you and the House will forgive me for not staying until the end of the debate, as I have another duty to perform. I particularly wanted to take part in the debate and hope that my comments show that I am very much behind what the Government want to do. The Bill is long overdue and I wish it well. The regulation of claims managers and strengthening the possibility of rehabilitation are two developments that we can all warmly welcome, and from which all our constituents will benefit in the long run.

3.9 pm

Mr. Andrew Dismore (Hendon) (Lab): I declare an interest, as I was a personal injury lawyer for 20 years before I became a Member. I worked with trade unions and their members, not in an academic way but hands on, with real cases, helping real victims. I remain a consultant with my law firm, but I have not taken cases since I came to this place. I am a founder member of the Association of Personal Injury Lawyers, a former

[Mr. Andrew Dismore]

member of its executive committee and a former Law Society specialist assessor for its panel of personal injury lawyers.

My job here is to represent constituents, not lawyers. If I were here to represent lawyers, I would probably welcome clause 1, because it will wave off not just a mere gravy train but a veritable Orient Express of rich cordon bleu sauces for the legal profession. It will create a tsunami of litigation that will flood the courts with cases of such complexity, and in such volume, that Jarndyce *v.* Jarndyce will look like a small claims debt recovery action in comparison.

Clause 1 creates confusion where there is settled law. It will jeopardise safety standards, creating a charter to kill and maim with impunity. It will deprive deserving claimants of their just compensation and will create a two-tier system whereby victims of identical accidents have entirely different outcomes. I chair the Joint Committee on Human Rights, which has expressed criticisms of clause 1. We were not persuaded that the clause accurately reflects the subtleties of the existing law of negligence. It restricts access to legal redress by claimants, including vulnerable groups. We believe that the clause will be applied in a manner that restricts claimants' access to justice and runs the risk of being in breach of our country's obligations under articles 2, 3 and 8 of the European convention on human rights.

It is claimed that all that clause 1 does is restate the law, but if that is the case, it raises the question: why do it? The common law has developed over the past 75 years in particular, starting perhaps with the Donoghue *v.* Stevenson principle and ending, most recently, with Tomlinson *v.* Congleton borough council. There have been many other cases in between. In no way does the clause accurately restate the law. The Lord Chief Justice made it clear to the Constitutional Affairs Committee that

"it is quite impossible to encapsulate the law of negligence in a single sentence."

Despite the Government's protestations and the Minister repeating herself until she is blue in the face, clause 1 manifestly fails to reproduce the common law as it stands. In reality, the clause is simply a reaction to the popular misconception of the compensation culture, which has been roundly rubbished by everybody who has bothered to look at it. The facts show a decline in claims, not an increase—so why reinforce prejudice?

Clause 1 is riddled with ambiguity, uncertainty and a lack of legal precision. It starts off by giving the court discretion about whether to apply it. That in itself will lead to many legal arguments about whether the judge should or should not have exercised his discretion in the first place. It refers to the need for the claimant to identify the taking of precautions—a positive case required from a claimant that was not previously required. This is about expecting a claimant to deliver a positive safety regime for the defendant if they are going to win their case. The clause introduces a whole new concept into common law of "desirable activity", which the Bill fails to define. The Minister indicated earlier that she was not prepared to define it through an amendment.

Paddy Tipping: The Minister made it clear that there would be other cases before the court to test that out. Rather than clarifying the law, the provision is going to lead to debate.

Mr. Dismore: Exactly—my hon. Friend is right. We will have a plethora of cases interpreting the provision. The courts could, in the end, come to the same conclusion as the Minister and say that there is no difference between it and the existing common law. They may rely on Pepper *v.* Hart and say that that is what the Government said. However, I doubt that. Even if that were the case, it would happen only after extensive, expensive examples were tried in the House of Lords—or, possibly by then, the new supreme court.

In reality, clause 1 creates a brand new series of defences, rebalancing the scales of justice against injured employees, travellers or schoolchildren and in favour of the multinational insurance industry. It does not replicate the key point in Tomlinson that willing consent to the risk is necessary, and that the principles laid down there are not appropriate when there is a real lack of informed choice or an imbalance of power, such as between an employer and employee, or a public authority as against children and vulnerable pensioners. I am truly appalled that a Labour Government should propose such a measure to weaken the rights of the small person against the mighty insurer.

The Government say that there is no need to exclude employment accidents from clause 1, but some jobs involve more desirable activities than others. Some are very desirable, but hazardous; some are less so, but safer. When I was in practice, for many years I represented injured firefighters. The principles of liability towards firefighters were well established in the House of Lords many years ago in the case of Ogwo *v.* Taylor. The clause considerably weakens those principles, and reopens some of the arguments that were put forward by the defence in the House of Lords and rejected. A seriously injured firefighter could well see his or her right to compensation undermined or even removed by the rebalancing of the law.

Of course, if the employment were a less desirable activity, perversely, the new defence would not work. There would thus perhaps be stronger protection for people with less desirable occupations. Journalists, estate agents or even Members of the House might thus attract greater protection than a firefighter, who does what might be considered to be a more desirable activity.

The situation becomes even worse when we find that clause 1 goes beyond negligence and covers breaches of statutory duty—exactly the sort of cases that Lord Hoffmann said should be excluded from the test in Tomlinson. Statutory duties underpin the health and safety regime, especially for some of the most dangerous occupations, such as those in construction. Contrary to the Government's contention in the other place, very few of those statutory duties are absolute duties. There is a strong argument that we do not comply with EU directives in that respect already. The duties are circumscribed by conditions that use such phrases as "reasonable practicability", "practicability", "appropriate", "suitable" and "adequate". Some duties are already too weak, without watering down the protection still further through the desirability defence. All the duties apply without fail when there is an

asymmetric power relationship, such as the employee-employer relationship, the relationship between a public authority and an individual citizen, or the relationship between an occupier and a visitor.

If we are thinking about the construction industry, should we consider whether some projects are more desirable than others? For example, people might think that it is rather more desirable to build Wembley stadium than it was to build the dome. What about the position of children? What of a school-run mum who crashes her 4x4 while ferrying her children and her neighbour's children to school? Going to school is a desirable activity, which might weaken the case, but it could be argued that it would have been rather more desirable for the occupants of the vehicle to walk to school, instead of going by car. There could thus be an argument about which activity would be more desirable. In those circumstances, there would be a risk of there being a lesser standard for the passengers, and anyone whom the mum hit crossing a red light, than would be the case if the accident happened on the way home and the occupants of the vehicle had decided to call at McDonald's for an unhealthy burger and chips, which could well be considered to be entirely undesirable. There is thus a paradox. It simply cannot be right that a less desirable activity gives the claimant a stronger case.

Helen Goodman (Bishop Auckland) (Lab): Will my hon. Friend give way?

Mr. Dismore: I cannot, because I am on a time limit.

I suspect that the roots of the clause lie in the private Member's Bill promoted by the hon. Member for Canterbury (Mr. Brazier). He seems to be proselytising the measure as a change in the law, but if that is the case, why are the Government saying that it simply restates the law? The hon. Gentleman is right to say that the measure does not restate the law; it dramatically changes it, and weakens it from the victim's point of view. The Government should recognise that they withdrew their support from the hon. Gentleman's Bill for good reason, because between 2000 and 2005, claims against local authorities, schools and voluntary organisations fell by 7.5 per cent., rather than increased.

Mr. Brazier: Will the hon. Gentleman give way?

Mr. Dismore: I cannot, because we are on a time limit—*[Interruption.]* I have given way already.

Of course we want to encourage adventure and volunteering, but the existing law already provides for that. If it is true that the clause simply restates the law, the Government must accept that argument. Contrary to the words that the hon. Member for North-East Hertfordshire (Mr. Heald) tried to put into my mouth, I warmly welcome the idea that we should issue guidance and publications to explain the law as widely and fully as possible—but frankly, I do not think that the clause is going to be the talk of school staff rooms, or scout leaders in the pub after a volunteering exercise. The fact remains that people will be far more interested in the guidance than what the clause might or might not state.

The real effect of the measure will be not to encourage volunteering, but to put young people at even more risk when they participate in adventurous activities. It will also discourage parents from allowing their children to undertake such activities. It will create different standards. For example, in relation to driving, a minibus of scouts going to camp would have less protection than a bunch of football supporters going to a match. The clause will lower safety standards, lead to fewer precautions and condone negligence.

What responsible parents would allow their children to go mountaineering, open-sea canoeing or sailing if they were told, "By the way, this is a desirable activity, so if Johnny or Jill is hurt badly, breaks a limb, becomes paraplegic, or is even killed, and if it's our fault, there may be no compensation as a result." Clause 1 stinks, and must be withdrawn from the Bill. It does not restate the law, but weakens the position of the average ordinary person in the street.

We should use the Bill to redress the balance. We should consider what needs to be done to improve the position of accident victims. There needs to be a clear exemption from clause 1 for employers' liability cases, and from clause 2 for trade unions. We need to recognise that in the past the courts have, in many respects, failed accident victims, and we should take this opportunity to put right those mistakes.

We have already heard at length about Barker *v.* Corus and other asbestos cases; we have heard about the pleural plaque cases; there is the Crown Proceedings (Armed Forces) Act 1987, about which I made a point earlier; and there are many similar points to be made about asbestos. But that is only the start. If an insurer makes an admission of liability early in the case, why should that admission not be binding on it? The case of Sowerby says that it is not, and when a case is further down the track the insurer can say that it has changed its mind and does not admit liability after all. How does that strengthen the rights of claimants and avoid the need for litigation?

The Law Commission, in its 1999 report, made it clear that damages for personal injury claims were far too low. It recommended that in cases where general damages exceed £3,000 they should increase by between 50 and 100 per cent. The Court of Appeal considered that in the case of Heil *v.* Rankin, and did not do as the Law Commission recommended, but said that it was a matter for Parliament. It is a matter for Parliament, and we should take this opportunity to deal with it.

This Government rightly introduced the system of periodical payments to allow those who are seriously injured to have compensation assessed and paid out over the rest of their lives. However, the system for indexing those payments is drastically wrong. It simply refers to the retail prices index and does not take account of the fact that many of the elements in those compensation awards are tied not to the RPI but to much higher indexes, such as the index of average earnings. We should use the opportunity of this Bill to put right that injustice and ensure that claimants receive the compensation to which they are entitled.

The discount rate applied to an assessment of a future loss of earnings has been fixed at 2.5 per cent. since 2001. It is supposed to reflect the returns that a claimant can expect when investing his award, but unless it is reviewed regularly the discount rate does not accurately reflect market changes, which could put the claimant at a disadvantage. That, too, needs putting right, and the Bill is a vehicle by which we could do so.

[Mr. Dismore]

I agree with the hon. Member for Ryedale (Mr. Greenway) that rehabilitation is a crucial process for any injured claimant. There has been considerable discussion between the Government and stakeholders about ensuring early rehabilitation for claimants. Where liability is clearly established, insurers should have a statutory duty to ensure that funds are released to facilitate early, appropriate and independent rehabilitation. That would provide the impetus needed to ensure that rehabilitation becomes an integral part of the compensation system. Again, we could take the opportunity of putting such a duty in the Bill, but the Government have indicated that they are not prepared to do so.

I was tempted to say that I would not vote for the Bill because of clause 1, which dramatically weakens the right of people in this country to compensation, thus pandering to the insurance industry, to the tabloids and to the myth of the compensation culture. But I shall vote for Second Reading because I passionately believe in the need for regulation of claims farmers, as set out in part 2. This is an opportunity to do some good in that respect, and the positive changes that I have advocated would take that even further. I first advocated regulating claims farmers many years ago, long before I came here, and I raised the issue at the very first meeting I had with a Minister in what was then the Lord Chancellor's Department, back in 1997. Nearly 10 years on, I am very pleased that the Government have, at long last, recognised the problem and are dealing with it. This has been a serious problem since the 1980s, when claims farmers first got off the ground.

I hope that the Government will reflect on clause 1. It has little, if any, support beyond the tabloids, and even that is not clear. It is not supported by the lawyers, by the Constitutional Affairs Committee or by my Committee. I understand from the hon. Member for Ryedale that it is not supported by the insurance industry. Nobody has a good word for it—except the Government, the official Opposition and the hon. Member for Canterbury, who thinks that it does something entirely different from what the Government say it does. It is opposed by the TUC, the Association of Personal Injury Lawyers and the Law Society—just about everyone who has the interests of the little man or woman at heart, as opposed to those of the multinationals. We should not pander to myths; we should look at the evidence and at the harm that clause 1 will cause. I urge the Minister to look at the impact of what could be a useful reforming measure and to get rid of clause 1. Let us go ahead with part 2, which is badly needed.

3.24 pm

Mr. Alan Beith (Berwick-upon-Tweed) (LD): The Register of Members' Interests contains a reference to an interest that I have in the holiday park industry and states that I am the vice-president of the North Northumberland scouts. I hope that that pleases my hon. Friend the Member for Montgomeryshire (Lembit Öpik).

I shall speak briefly about the work that the Select Committee on Constitutional Affairs did on compensation culture and on the Bill. As many hon. Members have said, we were not satisfied with clause 1. We said:

"It neither satisfies those people who wish for volunteers to be provided with a special defence against claims of negligence, nor does it clarify the law. Instead, it is likely to lead to additional litigation, as people turn to the courts to define the precise nature of the provision."

I shall return to that point.

The Committee did not conclude that conditional fee agreements or litigation had created a compensation culture, but rather that there was a perception of such, with a variety of causes, that was not soundly based.

"We found no evidence that conditional fee agreements or personal injury litigation were a significant factors in causing risk aversion, and personal injury litigation has not increased in recent years."

We said:

"Risk aversion has a number of complex causes, including advertising by claims management companies, selective media reporting, a lack of information about how the law works and, on occasion, a lack of common sense among those who implement health and safety guidelines. Risk aversion of this sort is a concerning modern phenomenon that has an adverse effect on individuals and on the economy as a whole. Instead of a statutory provision restating the law of negligence what is required is a clear leadership by the Government"

We went on to suggest that that

"should include an education programme making clear that risk management does not equate to the avoidance of all risk and active engagement by the Health and Safety Executive to ensure that it adopts an approach which is proportionate, does not over-regulate vulnerable sectors and instead offers appropriate advice and support".

On balancing risk, the Committee was given a strong impression by the HSE that balancing different risks was not something in which it engaged. The classic example is the HSE stopping a commuter station from being opened because the platform was not long enough. Somebody might get out through a door, not obeying the guard's instructions, and sprain or break an ankle. That is a lower risk and a lower injury than if all commuters got into their cars and drove on congested roads into the city. There is the balancing of risks from two different areas. The system is not equipped to carry out that exercise, which leads to the consequences about which hon. Members are concerned.

There is also the widespread and gross misuse of health and safety arguments, and sometimes on the basis of mere error. A lovely example of that is provided by the Lord Chief Justice, who was told when he went to a governors' meeting at his old school that he could no longer take an early morning dip in the swimming pool because there was no lifeguard or qualified member of staff present to supervise his swim. As a modest man, he did not assert, "I am the Lord Chief Justice, and this would not stand a moment's chance in my court." If he had done so, that would have helped to spread greater knowledge of the law.

Perhaps more often health and safety arguments are used as an excuse when a public body does not want to spend some money or does not have a budget for something that is clearly necessary to enable an activity to take place. Health and safety is often loosely quoted when it is not the real reason for not doing something.

On clause 1, most accepted authorities will say that the Tomlinson case got it right, and that there is no clearer and sounder definition of what the law says

than what came out in that judgment. I will not quote them again because my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) referred to Lord Hoffmann's trenchant words on the subject. There are real dangers in trying to second guess, as is done in clause 1. That relates particularly to satellite litigation on, for example, what might be desirable activities. That is only one of the areas in which litigation could take place on the basis of clause 1, and examples of that have already been given.

If, as the Government concede, there is to be litigation to establish the meaning of clause 1, that immediately defeats its sole objective, which is to give people a clearer understanding of what the law is now. The moment that we get into fresh litigation, we have to wait for that understanding to exist.

Mr. Brazier: I have heard that argument several times. Can the right hon. Gentleman explain why providing an extra defence for an organisation that may be sued would lead to extra litigation?

Mr. Beith: It is not an extra defence. Indeed, the Government differ from the hon. Gentleman, because they have sought to make it clear that the provision does not add a legal protection that does not already exist. It is simply designed to remind the public and the courts of the basis of the law as it stands, and it will not create any new legal defence. The clause will be read by people from one end of the country to the other, so it must be clear. It must be clear, too, as he has rightly suggested, in the lower courts. The Lord Chief Justice said that he did not know who was going to read clause 1:

> "The average man in the street is unlikely to be reading clause 1. As far as the judges are concerned, and judges and lawyers are the ones likely to be reading statutes, and the clause sets out to define the position...not to change it".

We should make the position clear so that cases related to the Pepper *v.* Hart case have regard to the fact that Ministers have said that the law is not changed by the provision. Litigation will, however, arise from measures such as the desirable activities provision.

There are two other dangers. Public authority staff are at a disadvantage, because they engage in desirable activities. The Government state that the clause is not intended to effect a change in the law, but there is a danger that that will give false comfort to voluntary organisations. My Committee took evidence from voluntary organisations, including the Scouts, whose evidence impressed us, not least because they have made efforts to ensure that risk management was built into their systems and training. The problems are greatest for small voluntary organisations that do not have the facilities or experience built up by larger organisations. If we are not careful, the clause will give them false comfort.

Turning to other issues, I am glad that the Minister gave me a clear, precise answer about who will regulate claims handlers. I sympathise with the Government's position, as we must look at what emerges from the proposed regulation of lawyers before we decide where responsibility should reside. In the meantime, the Secretary of State should do the job, so that he has something to do now that all his other responsibilities have been taken away. As a result, my Committee would have oversight responsibility for the claims handling process, and we look forward to making sure that it works.

Turning to the exemption provisions, anyone who, like me, represents a mining constituency will be concerned about the gross abuses of which claims handlers, trade unions and the Law Society, which failed to regulate lawyers, were guilty. Several firms of solicitors were deeply and disgracefully involved in that huge scandal, defrauding vulnerable people whom the Government had set out systematically to protect from any costs—indeed, they paid for that protection. The exemption provisions must be proof against such a scandal, while recognising that trade unions and voluntary bodies such as citizens advice bureaux do a great deal of work to direct claims and ensure that people receive appropriate legal advice. The Committee must look carefully at the exemption provisions so that they meet the objective of ensuring that people whose claims are dealt with by a trade union or a voluntary body are not at a disadvantage if they are defrauded or not provided for.

Most of the Bill is much needed, but clause 1 might prove to be a great deal more trouble than it is worth, as it might not satisfy genuine anxieties about participation in voluntary activity or the promotion of sports that involve an element of risk. Many of those anxieties are based on a misunderstanding of the law, on fears of prosecution by the Health and Safety Executive, on misunderstanding of the provisions required by the HSE and, indeed, on a series of things that the clause is not designed to address.

Mr. Brazier: I am grateful to the right hon. Gentleman for giving way once more. He took evidence in his Committee from Derek Twine of the Scout Association. The concerns of the Scout Association—we are dealing with the civil law here, not the HSE—are based on a series of court cases that it has lost, some of which, I know, were cited to the right hon. Gentleman in evidence, yet his report did not reflect that at all.

Mr. Beith: I am sure that the hon. Gentleman will refer later to one or two cases that do not even appear in the law reports. That will be helpful to us. If cases are not resolved satisfactorily in the lower courts on the basis of the law as we know it to be post-Tomlinson, it will be necessary for those cases to go to appeal and to go up the system to ensure that they are dealt with satisfactorily. If that places an unreasonable burden on some of the voluntary bodies involved, such as the Scout Association, we must address that. We will not necessarily help them if we put in a clause that they think provides them with a protection which, in fact, it does not.

I shall listen to the remainder of the debate with considerable interest, because I think that the hon. Member for Canterbury (Mr. Brazier) and my hon. Friend the Member for Montgomeryshire genuinely believe that this restatement of the law will provide an additional legal protection. It is not the Government's view, as they have clearly stated, that the law is changed.

The Government are wrong, as the hon. Member for Hendon (Mr. Dismore) pointed out, on a different point. They are wrong that the Bill does not restate the law, because in relation to employees it clearly has that

[Mr. Beith]

effect, but in relation to the defence that can be advanced by an organisation engaged in providing a voluntary activity or a risky sport, it is not intended to change the law. If it does, the House should know that it does. The Government cannot rely on two Back-Bench Members insisting that it does. In a Pepper v. Hart judgment later in the day, it will not be their view that is considered, but that of Ministers. At this point I shall rest my case, as I want to hear other views.

Madam Deputy Speaker: Order. Mr. Speaker has imposed a 15-minute limit on Back-Bench speeches but if hon. Members could restrict their speeches to 10 minutes, more will be able to catch my eye.

3.36 pm

Paddy Tipping (Sherwood) (Lab): I am grateful for the opportunity to speak in support of the Bill. Claims handlers have been described as cowboys. If that is the case, coalfield communities such as north Nottinghamshire are the wild west. The activities of claims handlers have caused false hopes, false expectations and real concerns and financial difficulties, not just to people who work in the mining industry, but for the women in the textile industry who have been gullible enough to make deafness claims through claims handlers. I strongly support part 2. The regulation of claims handlers is long overdue.

My hon. Friend the Member for Hendon (Mr. Dismore) was hostile towards clause 1. I am agnostic. I would like to see the phrase "desirable activity" defined. It is not defined. In her opening remarks the Minister made it clear that there would be further court cases to test the scope of the phrase. Rather than clarifying the law, that may well lead to confusion and delay.

I am concerned about the position of public sector workers—people who work in difficult environments, such as the fire brigade or the ambulance service. They are undertaking desirable activities, but the level of protection that they have under the clause may be less than they have at present. I am with the right hon. Member for Berwick-upon-Tweed (Mr. Beith). His Select Committee has considered the matter. I am agnostic about the way forward. I do not think the clause moves us on, and I look forward to a rigorous debate on clause 1 and its significance.

Clause 1 is well balanced by clause 2. All bodies, particularly public bodies, ought to be prepared to apologise much more readily than they do. An apology is simply good practice. An early acknowledgement that things have gone wrong and that the institution is sorry could save a great deal of litigation later on.

Let me turn my remarks to part 2. As I said, claims handlers have ridden roughshod over coalfield communities, and the difficulties involving coal health claims are well documented. It is not only down to claims handlers but to solicitors and, I have to say, to trade unions. Hon. Members are right to question why trade unions should be exempted from the Bill by secondary legislation. I have come to support that view, but we must be very careful about what it says in the code of practice that the Government intend to introduce.

We must not be swayed by traditional allegiances to organisations such as trade unions. The unions have done, and continue to do, a tremendous job. They have brought test cases that have radically changed the law and have benefited working people—but at this stage, given recent events, we must ensure that claimants are at the centre of our concern. Where trade unions act as claims handlers—as they do; let us not kid ourselves—they must not be exempted. I am determined that the code of practice should make that clear. People who have been ripped off in north Nottinghamshire and other coalfield communities will be astonished and dismayed if a loophole is left open so that illegitimate, immoral activities can be undertaken by trade unions acting as claims handlers.

Another aspect that the code of practice will have to cover is that of a trade union acting for a member and his or her close family and for a wider group of people. Trade unions sometimes act for groups of people far extended from their traditional activities. For example, the south Wales branch of the National Association of Colliery Overmen, Deputies and Shotfirers acts for people in the Kent coalfield who are not members of that organisation. The code of practice must make it clear that there is a difference between acting for members and acting for a wider audience.

It is important that the code of practice is discussed with the TUC, which will, I am sure, be positive and helpful. It should not act as a sleeping watchdog but ensure that it intervenes heavily to stamp out abuse. Of course, some trade unions are not, and never will be, affiliated to the TUC. The code of practice must make it absolutely clear that trade unions, whether affiliated or not, operate legitimately within it.

Mr. Heald: As the hon. Gentleman knows, I am concerned about this point as well. Solicitors, for example, are also exempted but they are regulated in this field by the Law Society and, soon, by another regulator. The problem with the unions is that they have no regulator in this field. He will know that there have been some dreadful examples of union misbehaviour in this respect. Is he really satisfied with this exemption?

Paddy Tipping: I am making it clear to the Minister that I will be satisfied only if the secondary legislation and the code of practice really do the job for which the hon. Gentleman asks. When trade unions act as claims handlers, they must be treated as claims handlers. I do not, in principle, object to unions charging a reward fee for a successful claim. I know the benefit that will result if the money is used by the trade union movement for other activities, such as taking on test cases. However, I believe that it must be absolutely clear that the claimant understood the nature of the contract when he signed it. It is obvious from the whole claims scenario that that has not been happening.

The Minister is right, in the short term, to want to regulate claims handlers through the Department, but I hope that that is an interim solution. I should like there to be a regulatory framework separate from the Department. As others have said, a new legal services board will provide useful opportunities, but in the long term I should like to see more independence.

A number of my hon. Friends have mentioned the Barker case and asbestosis. I am impressed by what the Minister has said publicly today and privately to

colleagues who have pressed her on the issue: that the Government will try to establish a process to resolve it. This is a matter of life and death. It is also a matter of simple fairness and simple justice. I cannot understand the House of Lords judgment, and I hope that we will act with equity and fairness to resolve the issue. Although I probably do not need to do so, I seek an assurance from the Minister that over the next few days, and certainly in the next fortnight, we shall be able to engage in discussions about the process or mechanism that is required.

I mentioned pleural plaque earlier. I accept that the litigation is now further down the road. The Court of Appeal has put many hundreds of cases on hold and the claimants are waiting for them to go to the House of Lords, but I know people who are suffering with pleural plaque, I know the history of payment over 20 years, and I know that—as with the Barker case—the law is changing fundamentally for working people. I hope that we will act with social justice again to resolve the cases of people who, through no fault of their own and through the fault of their employers, have been disadvantaged and put at risk.

This is a good Bill, which has been improved in the other place. It is concerned with the essential elements of looking after claimants and workers. I am conscious, however, that we must work hard to improve it even more. We are heading in the right direction. As we say, much has been achieved, but much more needs to be done.

3.48 pm

Mr. Julian Brazier (Canterbury) (Con): I welcome the Bill, especially clauses 1 and 2. I too congratulate Lord Hunt on his handling of the Bill, and in particular on his success in winning the vote on the splendid clause 2; and I congratulate the Government on their graciousness in accepting it.

I shall make four basic points. First, I shall explain how adventure training and certain types of sport are being severely damaged by the current culture. Secondly, I shall try to make it clear that this is not just a question of perception; it is based on a string of court cases. Thirdly, I shall touch briefly on what society is in danger of losing. I shall end with a few ideas for strengthening the Bill.

When I introduced my private Member's Bill, which has been mentioned in both Houses in this context, I was touched by some of the letters of support that I received. The Children's Play Council wrote:

"I have read with interest about your Private Members Bill on volunteering and risk taking...it is very common for playgrounds to be closed or removed because of local authorities liability fears".

The Youth Hostels Association wrote:

"YHA welcomes the private members bill".

Youthsport stated:

"I am happy to add the full support of Youthsport...As a training project for volunteers across London, Middlesex and Surrey we have been acutely aware of the growing trend towards litigation".

After my private Member's Bill was blocked, colleagues and I set up the all-party group on adventure and recreation in society. I am particularly glad that my co-chairmen, the hon. Members for Sittingbourne and Sheppey (Derek Wyatt) and for Montgomeryshire (Lembit Öpik), are present. We campaigned for fresh legislation, with the support of the Campaign for Adventure—whose remarkable director, Ian Lewis, has done much to keep us informed—and we are delighted that the Government have introduced the Bill.

The truth is that a huge amount of damage is being caused. In 2003, the Central Council of Physical Recreation and Sport England conducted the largest survey ever in the field of volunteering in sport and outdoor activities. It listed eight factors that were damaging volunteering, top of which came

"risk, fear of blame and the threat of litigation."

More recently, the Scout Association carried out a survey of 1,100 scout masters. It stated that

"69 per cent. agree or strongly agree that the recruitment of new volunteers is made more difficult because of fears of being sued...a staggering 92 per cent. agree or strongly agree that risk-aversion is affecting the range and nature of activities being offered to young people",

at a time when 30,000 youngsters cannot get into the scouts because they do not have enough scout masters, and when almost twice that number are waiting to join the girl guides for the same reason.

That leads me to my second point. Why does that state of affairs exist, or is it just a perception—an urban myth? I believe that it is a reality, given the large number of cases that have been fed to me. We sent a dossier of them to Baroness Ashton, who was very courteous about meeting us; however, we were told that, because her Department did not have law reports on those cases, even though we had given the dates, the courts and the names of the judges, it could not comment on them.

I then read the proceedings on the Bill in another place. Lord Goodhart, speaking for some of the Liberal Democrats—although not, it seems, I am relieved to hear, for the Liberal Democrat Front Benchers in the Commons—said:

"There are, of course, reports of cases where damages have been awarded to people who are the authors of their own misfortunes. It is difficult to find authentic texts for these judgments and I suspect that some of them are urban myths. Some of them are reported; some were decided before the law was clarified in the Tomlinson case; and some are simply bad decisions, which are unavoidable in any legal system."—[*Official Report, House of Lords,* 7 March 2006, Vol. 679, c.647.]

The question for Parliament is: is a pattern developing, or not?

Six days after Lord Goodhart's speech, and while the Bill was still before another place, a court case took place in Manchester. It was one of many cases inflicted on the Scouts while the Bill was being debated in the Lords. The Scouts' legal adviser said:

"I attach a note of a recent case in which the Scout Association lost following an injury to a brownie attending a scout panto...chairs were set out in the village hall and the brownie was injured on allegedly sharp piece of metal protruding from one of the chairs...Apart from individually inspecting every chair with considerable resource implications endangering the running of such an event it is hard to see what more the group could have done. To add insult to injury the Judge awarded the claimant twice our counsel's valuation of the claim and 20 per cent. more than the claimant asked for!"

It cost the association £15,000.

Mr. Beith: Does the hon. Gentleman think that that claim would have failed if clause 1 had been enforced?

Mr. Brazier: Yes, and I will explain why in a moment. I am clear that clause 1 does change the law.

Judge Tetlow presided over the Manchester case that I mentioned. In summing up, he said:

"It follows there was a jagged edge which should not have been present in an area likely to be inhabited by children. Something had gone wrong. I do not think the defendant can avail itself by relying on the licensing officer's inspection. The defendant set out the chairs and was in a position to remove any chair that was broken or defective. The system obviously went wrong for this chair to slip through the net." Actually, the chair was never found but, on the balance of probabilities, it was decided that a defective chair was the cause.

"It presented a reasonably foreseeable risk of injury and should have been removed. I therefore find that the defendant failed to take reasonable steps to ensure the reasonable safety of the claimant."

The point is that these chairs and the premises had been checked by the scoutmasters, and the licensing officer from the council had done a safety check, too. In the end, the judge's view was that an additional and burdensome extra check should have been carried out; a check of every chair.

There could not be a clearer example of something to which clause 1 would have applied. The clause asks whether or not, by taking precautions against a risk, we could prevent a desirable activity from being undertaken or, more importantly, whether we could discourage persons from undertaking functions. The one thing about which the Scout Association, the Girl Guides and all the other groups to whom we have talked are clear is that anyone who has been hauled through a case like this as a scoutmaster, guide leader or whatever almost invariably leaves the Scouts or Guides and so do a lot of their friends.

David Howarth: First, for Lord Goodhart's sake, will the hon. Gentleman place in the Library the documentation he has about the case so that, at a later stage, we can all read what the judge said in full? Obviously there is no time in a Second Reading debate to go through the whole judgment.

The test in clause 1 is the existing law; the precaution that it is said the defendant should have taken is tested against its cost and its benefits. There is no change brought in by clause 1 that would affect the case that he has mentioned. The problem is the way in which it was applied by the judge, but that cannot be changed by having a new statute.

Mr. Brazier: I half agree with the hon. Gentleman. Without exception, all the cases have come from the last 12 or 13 years; not a single case arose before 1993, and we have had a flood since. There has been a change of interpretation that has had nothing to do with anything that Parliament has done. That is true, but crucially, by spelling the point out—we can get into semantics as to whether it is a change in the law or not—there is a real chance that the lower courts will take this on board. Tomlinson was an excellent judgment but it dealt with a rather narrow point about an individual who was behaving extremely recklessly. I hope that this measure will embrace a wider range of cases, as I have tried to describe.

Lembit Öpik: Does the hon. Gentleman agree that it is evident that the individuals in the case he mentioned were not protected by the law? Something went wrong; the courts ignored all the guidance given to them. Some of my hon. Friends here do not completely agree with clause 1, but in Committee we must recognise that there is an imperative to put some legal protection in place to prevent the kind of outrage that the hon. Gentleman has just described.

Mr. Brazier: Exactly.

Let me give details of a second case, from a large dossier; the Gaping Gill incident. In summary, a scout troop visited a beauty spot and some parents were invited to come along as additional supervisors. On the way, a little boy asked a scoutmaster if he could investigate a cave in the side of a hill that they had passed. The scoutmaster said no, that it was dangerous and explained why. The boy asked his father, who said yes, took him to the entrance and gave him a lighter. The poor little boy walked over a 300 ft cliff to his death. His elder brother was serving in the troop.

Two years later, when the boy's elder brother left the troop, the father sued the Scout Association. The scoutmaster was declared to be negligent in a British court of law on the grounds that having spotted an "urban parent"—a parent from an urban environment—the scoutmaster should have taken more active steps to prevent the boy from getting into the cave because he could not be expected to understand the danger.

Let me make it clear that not only the Scouts furnished us with cases. We have had them from the guides, the mountaineering community and the Royal Yachting Association, as well as one from a school.

We must understand how much is at stake and how much damage is being done to our country. The Duke of Edinburgh, who is the patron of the Campaign for Adventure, has said in public:

"The danger for society is not that people take risks, it is that they do not take risks because they see risk as entirely negative rather than the very positive thing it really can be and most often is."

By coincidence, almost the same month, Lancashire education advisers issued a statement:

"Many Duke of Edinburgh Award Schemes and other providers of diverse educational opportunities are having trouble recruiting"

volunteers

"due to fear of unfair litigation."

Sir Chris Bonington, who addressed the inaugural meeting of the all-party group, said:

"A sense of adventure is vital for children growing up and society as a whole."

If young people are not offered opportunities to take risks and to learn to expand their horizons in a properly organised and structured environment, the less enterprising will turn into couch potatoes while the more enterprising will get out and make their own opportunities for risk. We see that in joy riding, people playing chicken on railway lines and a string of other unhappy events.

I rather agree with the comments made by the right hon. Member for Berwick-upon-Tweed (Mr. Beith) on balancing risk. Those are the risks we have to balance with the damage we are doing to voluntary organisations, and indeed professional ones, that provide adventure training and sport.

Let me spend my last couple of minutes looking at ways in which we could strengthen the Bill. I want to make four points, two of which, funnily enough, were put forward by the Field Studies Council. First, there is perhaps something to be said—this is the only part of the speech made by the hon. Member for Hendon (Mr. Dismore) that I agreed with—for a clearer definition of "desirable activities". Lord Hunt made an excellent stab at this.

The basic point, if the House will forgive me for repeating it again, is that there is no contradiction between saying, on the one hand, that there is no compensation culture and accepting, on the other, that in this specific area—a tiny proportion of all cases, involving adventure training and sport—real damage is being done. The American experience proves it. America is the worst country in the world for a compensation culture, but there is specific protection for sport and adventure training in the law of many American states and a much higher burden of proof. I would be happy to have provision restricted to sport, adventure training, physical recreation and educational purposes, or something similar. I leave it to others wiser than me to draft the clause.

My second point is that, having restricted the provision, we really should say "shall" rather than "may". I entirely understand the objection to that made by the Minister in the courteous hearing that she gave us, but that objection would surely be coped with if we had a more restrictive definition of "desirable activities". As time is short, I shall move on from that point.

The third issue concerns landowners and farmers; there was a close vote in another place on it. The plain fact is that all organisations such as the Scouts and the Guides, as well as those that provide for schools that want to visit farms, can operate only with the good will of the farming community. I cannot see why—this does not have to follow the exact wording promoted in the House of Lords—we cannot have an element of clause 1, or indeed an extra clause, that specifically provides comparable comfort for those who make their land available for such activities.

The fourth and final point was also made by my hon. Friend the Member for North-East Hertfordshire (Mr. Heald). We must consider the possibility of including a specific measure to address the issue of those who disobey instructions or behave manifestly recklessly. As my hon. Friend pointed out, that is important for people who run leisure parks and provide opportunities for youngsters to do adventurous things professionally, but it is even more so for those who do so in a voluntary context. If somebody deliberately sets out to disobey an instruction and brings a serious accident on themselves, that should be a stronger defence than it appears to be now, as the Gaping Gill incident all too sadly illustrates. If somebody is drunk or drugged, the same point should apply. I am glad that the Field Studies Council supports that move.

This is a good measure—I have confined my remarks to the first two clauses—and it is one that most hon. Members support. I strongly urge the Government to consider strengthening the first clause so that it provides even clearer protection for those who provide opportunities, frequently on an unpaid basis, for young people to test the boundaries and grow as individuals in a structured way that is not necessarily safe, but is sensibly balanced in terms of risk. That is what they need if they are to grow up without feeling the need to take the sort of risks that none of us wants to see them take.

4.6 pm

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I shall confine my remarks to part 2 of the Bill. I take on board what my hon. Friend the Member for Hendon (Mr. Dismore) said about clause 1 and I note the controversy. I shall examine the results of the consideration in Committee of that clause, but overall it is a good Bill.

My hon. Friend the Member for Sherwood (Paddy Tipping) made the point about the exemption. One has to make a clear distinction between trade unions and claims farmers, and look at the legal services that trade unions have provided over time. They have pushed the boundaries of the law and in so doing have made society a fairer place. Trade unions and their legal services have made civil society a better society.

Part 2 will bring structure and regulation where there was none previously and it is essential that we are able to provide regulation of claims farmers. My hon. Friend the Minister suggested that there were some 500 claims farmers, and I suggest that half of them have come into being since the chronic obstructive pulmonary disease scheme started under the coal health scheme. At present, there are 582,000 registered claims for COPD, 170,000 registered vibration white finger claims and 15,000 posthumous vibration white finger claims. That is 767,000 claims, and many of the claims farmers saw the opportunity to exploit the community.

Mr. Heald: I agree with the hon. Gentleman about claims farmers, but I know that he is a member of the National Union of Mineworkers. It has been reported that a firm of solicitors acting for the NUM

"advised miners to sign an agreement letting the NUM 'fund' their legal claims—for chronic chest diseases and a crippling hand condition...in return for paying part of their eventual compensation to the union.

The miners were not told that in reality the Government, not the NUM, was paying the legal costs".

How can the hon. Gentleman justify not regulating a union that behaves like that? It is disgraceful.

Mr. Clapham: I cannot justify the fact that the solicitors to which the hon. Gentleman has referred did not provide the expected standard of professional advice. They should have advised claimants that they did not need to make the payment that was requested when they signed the form.

Mr. Heald: The union was responsible.

Mr. Clapham: It was the solicitors who were at fault, not the union. Trade unions and their legal services have worked to provide a better society. I do not know which area of the NUM was involved in the case to which the hon. Gentleman refers, but I presume that it was in Yorkshire or the north-east. I maintain that the solicitors involved did not advise clients properly, and so failed to provide the proper service.

Mr. Heald: The firm of solicitors involved in the case was Raleys, and the NUM apparently took £10 million out of the compensation awarded to miners. How can that possibly mean that unions should not be regulated?

Mr. Clapham: As I said, there is a clear distinction between trade unions and claims farmers. The solicitor in the case that we are discussing failed to give the expected standard of professional service. Payments were made to the trade union, which had asked its solicitors to ensure that a form of authority was signed by claimants. I do not excuse that, but the solicitors should have explained that claimants could go to another firm of solicitors that did not seek payment. The fact that that was not explained makes the solicitors culpable.

There is a very big difference between claims farmers and trade unions, as I shall explain by reference to a couple of cases in my constituency. Lots of elderly people live there, and many are the widows of miners. One lady, Mrs. Leadbeater, was approached by a claims farming organisation using a name that gave the impression that it was linked to the trade union movement or to the Coal Industry Social Welfare Organisation. That is a common practice, and one of which I hope my hon. Friend the Minister is aware.

In this instance, the claims farmer called itself the Miners Welfare Compensation Agency Ltd. It approached Mrs. Leadbeater about her claim, and she thought that she was dealing with a legitimate organisation related in some way to CISWO. The agency took the claim and passed it to a firm of solicitors in Manchester called Lopian Wagner. When the claim was settled, Mrs. Leadbeater found that £9,000 had been deducted from her damages and paid on to the claims farmer.

When a claims farmer works with a solicitor, a very complex situation is created. I and my hon. Friend the Member for Barnsley, Central (Mr. Illsley) got involved in the case and, with the help of one of the BBC's local political programmes, we forced the solicitors involved to pay back the money. We advised Mrs. Leadbeater to take her case to another solicitor, which she did. She took action against the original solicitors through the Law Society, and the matter eventually went before a Law Society disciplinary committee. As a result, that firm of solicitors was fined and had to pay £1,800 for the trauma that it had caused to my constituent.

Another example from my constituency involved a company called Zuco Legal Ltd. As often happens, that company came into being simply to exploit problems in mining communities. It garnered 5,000 claims, and then wrote to various firms of solicitors. One of those firms was Towells of Wakefield, which passed to me the letter that it received from Zuco.

Zuco succeeded in selling on the claims that it had gathered, although I emphasise that Towells would have nothing to do with the proposal. Zuco sold those claims on at £400 or £500 per claim, although we do not know the exact figure. It made £2.25 million and then disappeared from the scene. That is the sort of problem that has occurred in mining communities.

I hold to the point that there is a clear difference between claims farmers and trade unions. I accept that some trade unions may have behaved less well than one would have expected, but that does not alter the fact that, in the case mentioned by the hon. Member for North-East Hertfordshire (Mr. Heald), it was the solicitor who failed to provide the level of service generally expected of a solicitor.

Mr. Beith: I have great respect for the hon. Gentleman's work, but he cannot escape the fact that, in respect of the money that arrived in the NUM's accounts, it is not sufficient to say that the solicitor should have told union members about it. The NUM knew that its members were getting that money, so it should have told them as well.

Mr. Clapham: Let me deal with that point. The right hon. Gentleman may not be aware that, as my hon. Friend the Member for Bassetlaw (John Mann) has mentioned before, a deal was done with the Union of Democratic Mineworkers, which had a separate arrangement. It was not offered to other trade unions in the industry, though it was offered later when some trade unions had abandoned their in-house legal services. Consequently, certain areas of the NUM went into an arrangement with solicitors whereby a payment would be passed from them back to the NUM on the basis that a form of authority would first be completed. I would have thought that, in that context, the onus was on the solicitor acting for the trade union to advise the client that he could go down the street to a firm of solicitors that would not charge him. The fact that the solicitors did not do that makes them culpable. It is not the trade union, but the solicitors who are at fault. We must also understand why the problem came about. It happened, as I said, because of preferential treatment being given to some miners' unions and not to others.

The purpose of part 2 is to bring some form of regulation to claims farmers. Where the claimant has a relationship with a trade union, we have been able to ensure that the Law Society acts for them. I have referred many complaints to the Law Society, most of which were dealt with, bringing redress to claimants who could claim back the money held by law firms to pay for the services provided by the claims farmer. I continue to hold to my point that there is a clear distinction between the trade unions and claims farmers. One or two trade unions may not have provided the service that they should have, but that should not be used to tarnish the whole trade union movement. In my estimation, the trade union movement has been a force for good.

It is essential to overturn the Barker judgment and to go back to the law as established in the Fairchild case. In that case, it was clearly established that the responsible employer or insurer had to pay full damages to claimants suffering from exposure to asbestos and mesothelioma. I believe that we must return to that principle and hope that the Minister will table a Government amendment in Committee to achieve it.

There has been a marked increase in mesothelioma claims over the last 40 years. For example, in 1966, there were just 153 claimants; today, there are almost 2,000 diagnoses of mesothelioma cancer each year, and the prediction is that the number will increase. The

Health and Safety Executive's latest projection is that it is likely to peak in about 2015, reach a plateau and then taper away by 2050. However, one authority—an investigative journalist by the name of Peter Martin, who wrote an article in *The Sunday Times Magazine* of 16 May 2004—has estimated from his research that 186,000 deaths are likely between 2000 and 2050, as a result of exposure to asbestos. So it is essential that we return to the law as set by the Fairchild ruling.

A little earlier in an intervention on my hon. Friend the Member for Manchester, Central (Tony Lloyd), I referred to the fact that, under the Barker decision, people could not make a claim under the Pneumoconiosis etc. (Workers' Compensation) Act 1979, and I did so because of a legal opinion that I received by e-mail from a QC by the name of Allan Gore, who practises at 12 King's Bench Walk. I shall read the pertinent part for the Minister:

> "In Barker no answer is offered to the question. But if fair in Fairchild, why is it not fair now? Surely the answer cannot simply depend on what was argued in each case? Victims will now obtain only partial damages in many cases. This leaves cases outside the 1979 Act so that safety net is not available."

That is why I have referred to the fact that redress under the 1979 Act would not be available, but the Minister has been advised that it would be available.

I have no doubt that the Government could say that redress is available under the 1979 Act for claimants to make such claims, but I can understand the logic that has decided that the 1979 Act is not available for that purpose. One of the planks of the Barker decision was that, if people were unable to identify one of the employers for whom they worked, their damages would be reduced accordingly. The 1979 Act provides for claims to be made where an employer has either gone out of business or cannot be traced, or there is no insurer. So it logically follows that, given the Barker decision, there could be no claim under the 1979 Act. If that is the legal decision, the Government must ensure that the route to redress under the 1979 Act stays open.

Overall, this is a good Bill. It will deal effectively with claims farmers and allow us to introduce some regulation and order, and by doing so we will avoid people being exploited in the way they have been exploited in mining communities.

4.23 pm

Jeremy Wright (Rugby and Kenilworth) (Con): I declare an interest as a non-practising barrister, although not in the field of personal injury or negligence. I want to say a few words about part 2, which I welcome, and then to say a little more about part 1. I am certain that part 2 is an entirely appropriate and necessary measure, which will introduce some consistency and ensure that claims farmers are treated in the same way as lawyers and insurers. That is entirely welcome. Like my hon. Friend the Member for North-East Hertfordshire (Mr. Heald), I hope that that there will be full consistency, and that trade unions will be included in the general consensus.

As the House has heard, the Constitutional Affairs Committee, of which I am a member, considered the Bill in some detail and concluded in its investigation that there is no compensation culture. There is broad agreement not only about that, but about the fact that there is a perception of a compensation culture. In my view, that is almost as bad. That perception is widespread and profoundly damaging, as other hon. Members have said. Claims management companies have contributed substantially to that perception, and that is one of the many good reasons for regulating their behaviour. The Government wish to go further to address the apparent perception that there is a compensation culture—and that brings me to part 1 of the Bill.

There is no doubt that the perception of a compensation culture must be challenged and changed, because it is doing a great deal of damage. Of course it is right that if somebody suffers injury or loss as a result of negligence they should receive compensation for their loss. That is clear, and it is the law, but it seems to me that a sense that there is no longer any such thing as a straightforward accident for which no one is to blame, and that someone is always to be held financially accountable, is corrosive.

It is clear that people are not rushing to the courts to pursue claims. That is what the evidence shows us, but it is also clear that many of those who operate voluntary organisations and the like still have a profound fear that they might do that, and that fear has to be addressed by the House. That fear is important because it inhibits activities that are not only enjoyable, as my hon. Friend the Member for Canterbury (Mr. Brazier) described, but can be extremely valuable for the economy. That is important, because clause 1 is about persuading people that the position is as the Government argue it to be.

The law does not prohibit someone from operating a voluntary organisation or running a scout troop or adventure training organisation or anything like it, but the law will consider someone's behaviour, and if it is reasonable and they have taken appropriate measures to ensure that risks are limited, they will not be liable. However, that is not the perception. The perception is that if people run an event, they may be liable. That is important, because the effect is difficult to measure. When we look at the figures, we can see whether accident claims have gone up or down. That is quantifiable, but we cannot quantify the things that do not happen—all the decisions taken by teachers not to run a school trip, or by youth club organisers not to undertake a potentially dangerous activity that they fear may leave them liable to legal action. There is an area of undisclosed and undeterminable activity that is not happening, and that is the real root of the problem.

There is no doubt that that non-activity is real. This is a genuine and far-reaching problem. I do not want, and I am sure that other hon. Members do not want, to live in a society where in some activities that our children pursue in their education it is made impossible for them to fail, while they are told that other activities are too risky for them even to try. If we pursue that sort of scenario, we will discourage our potential entrepreneurs and scientists from trying the type of activities that inevitably involve risk, but without which progress cannot be made in a competitive economic environment. That is the kind of Britain that I fear we are moving towards, not because of a reality but because of a perception.

I support wholeheartedly the Government's intention and aspiration to address that perception, but

[Jeremy Wright]

I have severe doubts whether clause 1 is the way in which we should go about doing so. My basic principle is that if we can do something better without making extra legislation, we should do so. That is something that will be explored as the Bill progresses through the House. I wonder whether the Government can achieve what they, quite properly, want to achieve other than by constructing something like clause 1. Clause 1, as the Government have made perfectly clear, restates the law. In their view it does not change the law, although I appreciate that some hon. Members disagree with that assessment. The Government believe that clause 1 is about expressing the law more clearly and making clear to everyone who has an interest in this area of the law exactly what it says.

What the Government really need to do is to get that message across to the people likely to be affected by the law, but the way to do it is not with a clause in a new piece of legislation, which will hardly come immediately to the attention of people engaged in voluntary activities, or who run scout troops, adventure training or anything of that nature. Those people will want to hear directly from the Government what their responsibilities are and what they are liable for. That is a communication job; it is an exercise in getting the message across. It is—dare I say it?—a public relations exercise. If there was ever a job for the Government, that must be it. However, given all the problems that have been outlined about clause 1, all the difficulties of defining precisely what a desirable activity is and all the possible downsides that we have discussed, could we not do things in another way? I hope that in the course of the debate we shall consider that point more carefully.

To be fair to the Government, they have accepted that they cannot simply rely on clause 1 to get across the message that the compensation culture is a myth and that people should not change their behaviour as a result of that myth. There is clearly much more to be done. In an intervention on my hon. Friend the Member for North-East Hertfordshire, I referred to activities that are not covered by clause 1 and which relate to the Health and Safety Executive. There is much work to be done in that regard. If the Government are to succeed in persuading those who operate in the voluntary sector and elsewhere that they are not liable to penalties, in the form either of prosecution by the HSE or of a case brought by someone injured in an accident, they will have to consider not only the civil law but also the criminal law, and ensure that the HSE gives clear guidance about what people are safely able and entitled to do.

I hope that the Government will go further and consider the work of the HSE and make sure that the guidance it issues is clear, and does not change behaviour in undesirable ways.

Mr. John Gummer (Suffolk, Coastal) (Con): The provision would need to be much wider than my hon. Friend suggests. A farmer in my village used to give up two days to display lambs to young children—one to raise money for the parish church and the other to raise money for the local hunt. He can now do neither, because the HSE warned him that the children might catch a disease if they touched the lambs. That has had a devastating effect on our small village, so how can we reach out to such people?

Jeremy Wright: I am grateful to my right hon. Friend, who makes a valid point. Part of the difficulty is that the HSE appears to operate on the premise that it must do whatever is necessary to reduce the prospect of an accident almost to zero. That approach is fundamentally flawed and, as many Members have said, although we should look for methods of reducing risk, we must always accept that we cannot eliminate it entirely. We must also accept that if we reduce to almost nothing the chance that people—especially young people—will engage in potentially risky activities, we shall damage their development far more than the risk of an accident would. The Government will have to look at the matter in a broader context than that presented by the Bill.

It is important that we recognise what is right about the Bill: it addresses the long-overlooked issue of how to regulate the claims farming industry. That is welcome and we shall make sure, as the Bill goes through Committee, that those provisions work as well as possible. To achieve that, the Government must avoid drawing attention away from their primary purpose by leaving clause 1 as it is, because it may simply act as an unwelcome distraction from what the Bill will, I hope, do effectively.

The Government can address the perception that we have a compensation culture, but they need to get their information transmission mechanisms right, and to send the right messages through Departments, through the HSE and through regulation of the claims farming industry that the compensation culture is not a reality, and never can be. It would distract us, and the individuals whom we are trying to help, to talk incessantly about the sorts of legalistic problems that clause 1 throws up. I hope that the Government will take those comments on board and that the Bill can be improved still further as it progresses through the House.

4.35 pm

John Mann (Bassetlaw) (Lab): I intend to ask a number of questions of the Minister and the House, and I hope that people will take them into consideration as the Bill progresses. I will address each question by illustrating what I am talking about with an example from the mother of all gravy trains, the scamming of money from miners. I pay tribute to more than 1,000 of my constituents who have already taken action—many of them successfully—against more than 35 firms of solicitors and a whole range of claims handlers.

The first example involves a claims handler called IDC. Many of my constituents signed a form that said that IDC would pay the costs of the claim. It even contained a clause about what would happen if the claimant deliberately misled the company. In fact, the opposite happened. A firm of solicitors called Gorman Hamilton got the claim from IDC and wrote to my constituents to say:

"You, as our client, are liable for our costs but, as you know IDC Ltd have agreed to pay them on your behalf."

That was not true. The Government were paying the costs. It was a scheduled case. There were never any

costs being paid by IDC. Here we have a conspiracy between a solicitor and a claims handler. My question for the Government is: what will happen with that conspiracy if there are different agencies regulating the claims handler and the solicitor? That is the nub of the issue.

I have some minutes from the national marketing meeting of IDC. Oxley and Coward solicitors, Park Hutchison solicitors, Marrons solicitors, Whittle Robinson solicitors, and Russell Young solicitors were all at that meeting. IDC went through the importance of knowing the needs of solicitors and what they consider "good referrals", of looking at the screening processes and of the "personal touch". Mention is made of "MTFS" or "make them feel special". That is with reference to the clients. Mention is also made of:

"The introduction of a theme to build on in order to provoke a response and to attract and hold the favourable attention of the prospect whilst the selling message is being told."

There is a discussion of whether to use a shotgun or a rifle approach to the marketing of the product.

The question of collusion between solicitors and claims handlers is at the heart of the issue. Under the heading of questions raised from the floor, the minutes state:

"With this strategy in place expect clients to cross from Union Solicitor to IDC."

That was the aim of that marketing meeting. The question of the two culprits together is important.

The second example involves PR and Associates. Again, a number of my constituents signed a common law claim form, headed "Common Law Claims". The offer was that the costs would be covered for a common law claim, and the claimant would pay 15 per cent. plus VAT in return. That sounds fair, but of course, those were not common law claims, despite the fact that Kidd and Spoor Harper said:

"In accordance with... your Agreement...we have deducted"

the fee to PR and Associates from the claim. Here we have the solicitor doing the work on behalf of the claims handler. There is a cast iron case against the solicitor, but how will that be affected in terms of how the claims handler is regulated?

The third example involves Union and General Services. It is the same old thing. The contract says that the company will pay the costs of the fee. This time the firm of solicitors is called Robinson King, and £3,284 was deducted in this case. The letter states:

"you are funded by Union & General Services...I enclose a copy of the signed agreement...I have forwarded this cheque on to Union & General Services who will deduct their...fee and provide you with a cheque"

for the rest. How will that be dealt with? Money has passed wrongly to a third party.

Separately, Union and General Services, which was a limited liability company, has gone into receivership. When we started to raise the issue, the company was closed down. How will the regulation affect such a scam company, which was set up by a Mr. Revell from Doncaster, a former union official? It was a pretence to call the company Union and General Services. Given that the company put itself into receivership, we would not be able to take a common-law case against it to the small claims court because it is no longer in existence. How will the ability of companies not to be pursued be dealt with?

Another of my constituents, Mrs. Beckett, went to Raleys, a firm of solicitors that I have already named. She was told:

"NUM funding is available only through this firm".

However, Mrs. Beckett did not go through the NUM, but contacted Raleys directly by using Yellow Pages. Despite that, she was told:

"You are of course at liberty to explore other types of funding arrangements, however we cannot guarantee that they will protect you from the need to pay any expenses or from the amount that your solicitor may recover from your compensation"—

not true!

I have a copy of the kind of publicity that Raleys puts out from a brochure produced by one of the health authorities. Raleys says, "Millions won in compensation," and asks miners to come forward, but the publicity makes no mention of the NUM. However, when one goes to Raleys, as did another of my constituents, Mr. Dunstan, the situation becomes clearer. He was told:

"If you do not wish to take up the option of Union backing then it will be necessary for us to consider alternative funding arrangements. If you are not eligible for legal aid then it will be necessary to discuss funding your case by either private funding or through a conditional fee agreement."

However, we should not forget—the letter was written in 2000—that the Government were paying the fees.

The letter continues:

"If you choose to fund your claim on a private basis then you will be liable for the costs and disbursements of this firm in dealing with your claim. You will also be responsible for the opposition's costs, should you lose"—

not true; it is a lie. The letter then sets out a statement on conditional fee arrangements and says:

"Please find enclosed a form of authority confirming the funding options which you would prefer."

The TUC briefing for the debate makes the situation when dealing with unions clear. The vast majority of unions are decent organisations that deal with members who can get remedies in a range of ways. However, Mrs. Beckett was not a member of a union and Mr. Dunstan was a retired member. The situation was affecting non-members, not members, so remedies available for members, ranging from the certification officer to common law governed by statute, would not be available. Precisely how would that be addressed?

Of course, we have also heard about another union: the Union of Democratic Mineworkers. I have lots of similar forms that contain such phrases as:

"I will pay ... a fee ... to cover the cost of pursuing this Claim".

However, that should not be the case. One of the dilemmas is that although the majority of people went through solicitors, so the Law Society would be involved, some did not. That is precisely why I intervened on the Minister to ask about the Government's ongoing three agreements with UDM Vendside. There are no solicitors involved and no consumer right is available. The people involved have never been to court or had dealings with solicitors before. Many of them are in their 80s and 90s, and their

[John Mann]

only remedy is to go to court to get justice, but that does not appeal greatly to people of that age.

There is far more to the situation. I have a form from a Mrs. Cocker. The Vendside bit of the form has been covered by a sticker for Walker and Co., which is not known to my constituent. An individual employee of Vendside and the UDM had set up a different company. That company then took a cut. I know that because I have a copy of the minutes of a UDM meeting in January 2002 between Beresfords solicitors, the UDM leader, Mr. Stevens, and Clare Walker—Walker and Co. The minutes explain in graphic detail who gets what cut of the money. There is a range of information detailing what Beresfords, Vendside and Clare Walker will be getting. The minutes also cite a company called Melex that is being set up, 90 per cent. of which is owned by the Beresford family.

Letters between Beresfords and the Law Society have come into my possession. Beresfords has been asking, in essence, how it can get around the Law Society rules on referral fees. It asks, "Can we set up a third party?" It does not call it Melex, but Melex comes into existence. Who should get paid? Obviously, the Beresford family get some money, but so does Clare Walker. But it goes on, because then there is the conditional fee arrangement, and insurance. In some cases, Beresfords hands matters on to another firm of solicitors—its panel—which pays a fee back to Beresfords. In a hearing loss claim, there could be five or six different deductions. There is an amount for the ATE Insurance commission—the minutes say who is going to get a bit of that. There is the Melex money. There are the vetting, administration and marketing fees.

That leads me to my key point. It is very easy to set up new companies to get round the guidelines. In other words, people say, "It's not a referral fee—that's not allowed under Law Society rules. It's a marketing fee." It is only when someone manages to get all sorts of files that they see that lots of people are doing the same work. Walker and Co. was doing the marketing; Vendside was doing the marketing; Beresfords was doing the marketing. Oh, and there is another firm, Indiclaim, which was doing the marketing as well. There are lots of different people doing the marketing. We must ensure that these dodges are not allowed.

I understand that some of these companies are now charging money for training. Training has nothing to do with my constituents. There are different ways of skinning the cat and getting the money. Another firm of solicitors, BRM, is paying £500 plus VAT to Indiclaim. Another one, Wake Smith, has done a better deal, as it has to pay only £300 plus VAT to Indiclaim. My constituents have never heard of Indiclaim Ltd. They do not realise that it is owned by one of the people running Vendside, which is owned by the UDM. We must ensure that people cannot wriggle out of regulation. It is essential that the Government use the opportunity of their agreement with the UDM to look into the matter in graphic detail.

The Law Society is quoted in the legal services ombudsman's report as saying that:

"it is not clear what (if anything) Vendside and/or the UDM did pursuant to the Vendside Agreements in respect of the fee paid".

What they did was set up lots of other companies. My constituent Annie Robinson, aged 93, gets £352.50, which she struggles to get back either from the solicitor or from Vendside. That is simply not acceptable.

It is essential that we act now, and do not wait until the Bill comes into force. The scandal of the miners' compensation is going on at the moment. These people need consumer rights now, because the Raleys, the Vendsides and the plethora of other firms who have been ripping people off should be held to account—and if solicitors who are claims handlers are struck off, the Government should cancel their agreement with the UDM.

4.48 pm

Mr. David Jones (Clwyd, West) (Con): I wish to declare an interest as a member of the Law Society. Like Members on both sides of the House I warmly welcome the Bill, particularly part 2, although I do have reservations about part 1, which I will touch on later.

Regulation of the activities of these so-called claims farmers—an expression that appears to have supplanted the traditional "ambulance chasers"—is long overdue. Whether or not there is a compensation culture in this country is a matter of debate, and it has been debated today. The Better Regulation Executive took the view firmly that it was a myth, and certainly it appears that costs in negligence actions in this country are considerably lower than those in the United States, France, Germany, Australia or other major jurisdictions. Nevertheless, there is, as appears to be widely accepted, at least a perception of a compensation culture, and that is having a significant and detrimental effect on the national life of this country.

The compensation culture, if it is not a reality, appears to be something that the claims farmers are aimed at creating. We have seen their marketing campaigns. We have seen also their slogans, such as, "Where there is blame, there is a claim". These slogans are clearly intended, aggressively, to encourage the pursuit of actions for personal injury. Such advertising can frequently raise unrealistic expectations in the minds of vulnerable people.

Since legal aid was abolished in 1999 for personal injury claims, the no-win, no-fee regime that has replaced it has made it more difficult for potential litigants, particularly those who are less sophisticated than others and therefore more vulnerable, to obtain legal redress. It is unfortunate that it is precisely those people—more vulnerable potential claimants—whom the claim farmers seek to attract. Perhaps the expression "prey upon" might be more appropriate.

I am sad to say that the more vulnerable in our society find the prospect of approaching a solicitor intimidating. They find the prospect of making a free telephone call to a claims farmer a more attractive option. Once the potential litigant is in the clutches of the claims farmer, it is often difficult for them to get out.

The abuses of claims farmers have been catalogued this afternoon. As time is short and because other Members wish to speak, I will not rehearse them. There is no doubt that regulation of the industry is a matter of priority and one that is long overdue. I congratulate the Government on bringing legislation forward.

The activity of claims farmers has its consequences. Their pursuit of the creation of a compensation culture has created an increasingly risk averse society. We have heard the stories of school teachers and scout leaders who have been dissuaded from taking young people in their charge out on what would be valuable and character-building expeditions.

Many years ago, when I was considerably younger, I used to go rock climbing. I did it because I enjoyed the risk. When one is clinging 100 ft up on a rock face, it is difficult to think of anything other than maintaining that position on the rock face. I would not begin to pretend that I was in any sense a Chris Bonington, but I enjoyed the experience. I was taken into the mountains by a guide called Terry, but I wonder whether these days Terry would be so willing to take me to the mountains. He has probably heard about the culture of where there is blame, there is a claim and he might well be dissuaded from doing so.

I believe that that is happening. We have heard from my hon. Friend the Member for Canterbury (Mr. Brazier) of the experiences that have been related to him. This is sad. Risk is a fact of life; we take risks every day. Risk is good and it develops character. If we are being dissuaded from taking risks by the activities of claims farmers, we need to deal with the culture that they are generating.

I applaud the aims of the Government in part 1. I understand what they are trying to do. They are trying to deal with the risk aversion that has been built up. They are trying to provide what I imagine is a statutory defence, based upon what they say is common law as it now exists.

Clause 2 is an extremely valuable component of the Bill. I congratulate Lord Hunt on ensuring that the provision was introduced into the Bill. I similarly congratulate the Government on accepting Lord Hunt's valuable amendment and incorporating it into the Bill. It achieves a number of things. It deals with the simple issue of courtesy. If someone has caused damage or injury to another individual, in a courteous society he should be encouraged to apologise. As we have heard, he is frequently inhibited from doing so, because that may amount to an admission.

The problem extends even further, as we have heard. The clause will give insurers the opportunity to pay for a certain amount of treatment for people who are injured. The fact that that treatment is paid for will give considerable solace to the claimants but, in due course, it will reduce the value of claims that are made and ultimately reduce insurance premiums across the board.

I am concerned, however, about clause 1. I applaud its aim of seeking to ensure that the courts pay regard to the question of whether certain steps should have been taken by defendants or whether it would be unreasonable to expect them to take them. However, it is poorly drafted and, if we are not careful, it will become a fertile source of litigation in future. The application of the clause by the courts when considering such cases is not mandatory but permissive. The word, "may", is used, but "shall", is preferable, because it would give the lower courts the guidance that they need, ensuring that they consider the matters dealt with in the clause. However, the drafting is loose—there are references to "particular steps" and "a particular way", but the glaring omission is the nature of "a desirable activity". What does "desirable" mean? There is reference to "undertaking functions in connection with a desirable activity". What are those functions? The thrust of the clause is sensible and desirable.

Chris Bryant (Rhondda) (Lab): What does the hon. Gentleman mean by "desirable"?

Mr. Jones: Indeed. The House has an opportunity to give the courts clear, unequivocal guidance about how they should interpret the law of negligence in personal injury cases. That is an extremely important issue: it must be addressed in Committee, as the clause requires significant improvement. Notwithstanding that reservation, I applaud the Bill, which is long overdue. I welcome its introduction by the Government, and I hope that, pursuant to its enactment, regulations will be adopted and made law. If the House passes the legislation—and I hope that it does so—it will do a great service to some of the most vulnerable people in the country.

4.58 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I welcome the Bill, as it tries to stem the development of a compensation culture and deal with risk aversion. It seeks, too, to discourage and resist bad or unwarranted claims while improving the system for people with a valid compensation claim.

I welcome the fact that the Bill will establish a regulatory scheme to control runaway claims management companies, but I share concerns with the TUC about clauses 1 and 2. I thank the Government for their recent statements acknowledging those issues, and I congratulate the Minister on her opening speech, which addressed some of my concerns. The TUC is worried that the wording of clause 1 requires a worker injured in a "desirable activity" to prove a higher degree of negligence than a worker who suffers the same injury in a different activity, leading to the creation of a two-tier system in which workers engaged in desirable activities receive one standard of care while other workers receive a different one. The Government have said that the clause will not alter the standard of care required of employers, and I should be grateful if the Minister confirmed that. As other hon. Members have mentioned, there are also concerns that it is not entirely clear what constitutes a desirable activity. It would be helpful if that could be clarified in Committee.

I support the measures to restrict the compensation culture. Over the past five years there have been many abuses by claims farmers. Many of those companies actively encourage frivolous claims, combined with misleading advertisements targeted at certain parts of the country—areas where there was heavy industry. I represent a constituency in Durham where such companies have targeted their activities at former miners. Still, even though we acknowledge that, we cannot and must not compromise the protections afforded to our workers.

I share the concern of the TUC that in clause 2 it would be wrong to group trade unions with the ferocious claims management companies. I declare an interest. I am a member of the GMB and have been very active in the union for some time. I wish to put that interest on record.

[Dr. Roberta Blackman-Woods]

I have recently been reading some of the speeches from the first parliamentary Labour party a century ago. It is interesting that those early speeches in the House were in defence of trade unions. They also reminded Conservative Members of the advantages of belonging to a trade union. It is extraordinary that we have to do that today.

Mr. David Anderson (Blaydon) (Lab): Does my hon. Friend agree that the main drive from trade unions is against a compensation culture? What we want is a culture at work in which people do not get killed, maimed or damaged for life. Trade unions want to stop that happening, which is the opposite of claims farmers, whose purpose is to prey on people who have been through those experiences.

Dr. Blackman-Woods: I thank my hon. Friend and agree that, of course, the primary activity of trade unions is to provide services for their members, not to pursue frivolous claims.

Mr. Heald: We all agree that trade unions do a useful job, but is the hon. Lady seriously trying to justify what the NUM was doing in the example given a moment ago by the hon. Member for Bassetlaw (John Mann) and in the example that I gave? The union was doing exactly what claims farmers do and taking a cut of the miners' money. Is the hon. Lady saying that that is fine and that we should not regulate trade unions?

Dr. Blackman-Woods: I shall deal with that point in a moment. We should not forget that unions are constantly working to prevent the injuries that lead to claims in the first place. That is a very important distinction between trade unions and claims farmers. Whereas such companies choose to maximise profits, trade unions seek to maximise protection for their members and my constituents.

Trade unions represent more people making personal injury claims than any other body, so it is important that unions are not undermined in the eyes of their members by being lumped together with disreputable claims companies. Trade unions do need regulation, and I shall deal with that. The TUC has outlined a number of reasons why union legal services are usually completely different from claims farmers. First, unions are already heavily regulated. Secondly, when a member makes a claim, the union will work for a fair settlement, often to keep medical and legal costs to a minimum. Thirdly, as my hon. Friend the Member for Blaydon (Mr. Anderson) said, unions' primary task is to protect their members. Fourthly, unions link the work that they do on compensation with work on prevention. Fifthly, unions do not automatically steer their members towards claiming compensation from their employer; many union claims are made to state compensation funds, which is an entirely legitimate task.

It is for those reasons that unions and certain not-for-profits need a specific exemption in the Bill. I applaud the Government's statement that they will be afforded an exemption in regulations, but it is important that in drawing those up it is clear that trade unions have to operate within a code of practice, and that if they act like claims farmers, they must be treated as such. I am sure that all hon. Members would accept that.

I want to say a few words about the Barker ruling on mesothelioma victims, which has acted very much against their interests. The Government have called it "disappointing" and pledged to consider a response to it. I urge them to respond soon. In my opinion, the judgment fails to recognise the realities of the problems that the victims are facing. It is often impossible for them to show which employer caused the disease, so several previous employers are thrown into the frame. The former Association of British Insurers scheme dealt with that complexity, but that is no longer possible. It is impractical for the claimant to trace everyone concerned, especially because, as my hon. Friend the Member for Hendon (Mr. Dismore) observed, they often have only a short time to live after the disease has been identified.

It is important that the Barker ruling does not influence the judgment that we are awaiting on pleural plaques. Like many MPs who represent ex-mining areas, several people who come to my surgeries suffer from such diseases, and we must ensure that they are protected. I urge my hon. Friend the Minister to take action as soon as possible.

5.7 pm

David Howarth (Cambridge) (LD): I should start by declaring an interest, in that I still receive the occasional royalty for the books on this subject that I wrote several years ago. However, I am not a member of the Law Society or a barrister. I completely agree with the speeches by my fellow Constitutional Affairs Committee members, my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) and the hon. Member for Rugby and Kenilworth (Jeremy Wright). Perhaps my speech will be seen as a technical footnote to theirs.

I want to concentrate on my worries about clause 1. Part 2 has been entirely justified by the tales that we have heard today about the extraordinary cases of claims farming in the mining areas. The problem with clause 1 concerns the perception that there is a high risk of being sued when it is not justified. I hope that the people on the other side of the debate who support clause 1 will accept that there are circumstances in which it is justified for one person to be sued by another. When one person is injured and it is another person's fault, there should be a high risk of the person who did the injuring having to pay compensation. That is just and right; it also serves the social purpose of reducing the risk of unreasonable action causing harm.

The perception arises from two sources—legal error and excessive litigation. I will deal with legal error in a moment, but everyone now seems to accept that there is no compensation culture in the sense that the number of claims being made in any part of society is rising fast—it is not. In fact, in most parts of the legal world the number of tort claims is falling.

Interestingly, there is evidence that the number of claims must have risen rather dramatically between the late 1970s and the mid-1990s, when the figures became more widely available—between the Pearson report and the time when national figures became available through the recovery unit. Oddly, during the period

when the number of claims apparently increased, no one seemed to complain about the compensation culture, whereas in an era when the number of claims is falling, complaints about it are common.

Mr. Brazier: Again, the hon. Gentleman is confusing the issue of an overall compensation culture with the specific concern of the public that worthwhile voluntary and sporting activities are being hit. During that period of increase, there was not one of the bad cases to which we have referred. All the cases that have affected the public in a big way have arisen since the mid-1990s.

David Howarth: That is an interesting point, which would benefit from further research. It is difficult to know what was going on across the board during that intermediate period. I have a different view: I believe that what is really going on is that the insurance companies want an excuse, or an explanation, for the vast increase in premiums that they have been imposing during the more recent period. Instead of pointing to their own problems in managing their investments, they point to various claims and start talking about the compensation culture.

The question is whether clause 1 by itself can deal in any useful way with the perception of excessive litigation. The Government repeated today that they are not trying to change the law, which raises the issue of how the clause can make a difference. There is a particular problem in respect of "breach of statutory duty", which was added by the House of Lords and which poses a grave danger that the Bill will change the law, accidentally. "Breach of statutory duty" is a very slippery phrase, covering a wide range of types of legal action. It covers types of liability that do not quite constitute negligence. Reference was made earlier to the test of reasonable practicability. We are talking about something that is not strict liability. I fear that clause 1 will accidentally apply to such actions, and will reduce liability.

The clause attempts to bring statutory form to the law after Tomlinson. It came as no great surprise to most lawyers that the Tomlinson case went the way that it did. The law with which we are dealing dates back to 1946—to the Daborn case, which involved the use of a left-hand-drive ambulance during the war. I think that this answers the points made by the hon. Member for Canterbury (Mr. Brazier). The ambulance was involved in an accident, and the question that arose was whether the fact that we were at war and needed all the ambulances we could get, including American ambulances, could be taken into account in determination of whether the way in which the ambulance had been driven was negligent.

The Court of Appeal decided that there was no liability, because what could be taken into account was what Lord Justice Asquith called

"the importance of the end to be served by behaving this way or that".

That has been the law for 60 years.

When judging whether a precaution is required by the law of negligence, we must judge whether the benefits of the extra precaution that it is claimed should have been taken—including the social benefits—outweigh the costs. There has been no change in the law in that regard. It seems to me that the case raised by the hon. Member for Canterbury is simply a case in which the established rule has been badly applied. The problem is that there is no way in which an extra law can be passed to stop judges from getting the existing law wrong in its application. We cannot make laws about the application of the law. That is trying to do too much; it is expecting too much out of statutes. The legal system is peopled by human beings, who make mistakes. Error is inevitable, which is why there are appeals. Error is inherent in a system where someone is allowed sometimes successfully to sue somebody else for damage caused by their fault. Occasionally the system will go wrong, and a case will get through in which damages are unjustifiably paid. The only way to prevent that is by having no liability at all.

Mr. Brazier: The fact is that these cases do not occur only occasionally—they keep on arising. The Scouts is one of the few voluntary organisations that have the resources to fight such cases. If clause 1 is strengthened, as I and others have argued, so that it states "shall" rather than "may", and it is clear that Parliament wants to point specifically to sport and adventure training and related activities such as educational trips, that will at least send a signal to judges of the relevant calibre.

David Howarth: I was about to come to the point about signals. The claimed benefit of the clause is that it sends a signal, but the question is: to whom? Who reads statutes? Not members of the general public, but only lawyers and judges. If lots of lower court judges have been ignoring the course of the law for the past 60 years, including the most recent judgments of the highest court in the land, what extra benefit will we get by passing a statute? Such people are just as likely to ignore a statute as they are to ignore the House of Lords.

The other supposed benefit is that the clause will fix the law.

Mr. Heald: Does the hon. Gentleman not agree that combining the new declaration in clause 1 with the provision of educational leaflets to the entire public sector would be a useful way of proceeding?

David Howarth: I agree that leaflets would be very useful, but I cannot see what extra good having a new clause provides, apart from its being a starting point for a press release. My main problem with the Bill is that it seems to use statute as a press release; I would rather use a press release than a statute.

Clause 1 makes the law less flexible. The idea that there is a benefit in fixing the law is the opposite of the truth. The fundamental benefit of the common law is that it uses ideas, rather than specific formulae of words. Formulae can become out of date but ideas do not; putting things in statute can make matters worse, not better.

The risk on the other side of the equation is that there will be further litigation. The hon. Member for Canterbury asked: how can that be, given that this is supposed to be a protective clause? The answer is that there will be more appeals, and more cases will be fought in court in the first place, rather than settled, because the law will be unclear. It must be made absolutely clear why that is the case.

[David Howarth]

The phrase "desirable activity", as contained in clause 1, is ambiguous. Because of how the law currently works, there are two ways in which an activity can be desirable. It can be desirable privately—people pay for it and therefore want it—and publicly, in the sense that it gives benefits to society as a whole that are not captured by individuals. The crucial question will be: does the new phrase include either or both those types of benefit? It will take a long time for that very basic point to get through the courts. The benefits of the new clause, which are very minor, are outweighed by its risks and costs. In terms of the law of negligence, putting forward this new clause is itself negligent in the classic sense.

I want to finish by making three points, the first of which has already been made but needs to be re-emphasised. The Health and Safety Executive is the bigger part of the problem of the perception of a compensation culture, and of the fear of organising voluntary events, than is the civil law. I do not know whether the Bill is the right place in which to deal with that problem, but it must be dealt with.

Mr. Dismore: The problem is not so much the HSE but the health and safety industry, which perpetuates the myths about what is and is not required by the law as a self-justifying raison d'être. The problem is not so much the HSE; it is all the people who feed off the misinterpretations of the requirements.

David Howarth: That is right, but the HSE does do some rather odd things in terms of its targets.

The insurance industry has a vested interest in claiming that there is a compensation culture and in trying to reduce the scope of liability. If that happens in a sudden and unexpected way, the industry gets a windfall profit.

Finally, central to my doubts about clause 1 is my view on statutes being used as press releases. I do not think that the clause can do any good, but I suppose it does do some good for the Government, who can say that at least they are trying to do something about a real problem. However, it will not change the real world. We are passing a law and I think the law deserves more respect than that.

5.20 pm

Derek Wyatt (Sittingbourne and Sheppey) (Lab): I have sent my apologies for not being here for the Minister's opening remarks. I want to register that I am a trustee of TimeBank, the largest volunteer organisation in Britain. Before 6 July last year, we were asked to do a volunteering exercise for the Olympics. We registered over 70,000 volunteers before 6 July, when we won the games. We have registered substantially more since. We will have approximately 85,000 to 100,000 volunteers in 2012. What correspondence has there been between the Minister, the Department for Culture, Media and Sport and Lord Coe on whether clause 1 will cover more than 100,000 volunteers? The Olympics will be a high security event and we will be asking volunteers to give up their time. I am not absolutely certain that, as it stands, they will be covered.

I would also like to register that I am an ambassador for the Girl Guides—I shall return to the movement in a moment—and that I am co-chair, with the hon. Members for Canterbury (Mr. Brazier) and for Montgomeryshire (Lembit Öpik), of the all-party group on the matter. The noble Baroness Ashton has given the group exceptional time—more than four hours—to examine clause 1 in huge detail. The Minister also saw us recently and I thank her for that. We cannot complain about the time and access we have had, but we would like the Government to think about "will" and "shall", which the hon. Member for Canterbury mentioned.

I want to mention the iceberg effect. A dear friend who gave evidence in confidence has a small castle. One particular American tourist went over a rough bridge in stiletto heels, and guess what? She twisted her ankle, and sued the owner of the castle. And guess what? Because the owner of the castle is a reasonably famous person, they did not want the law suit and settled out of court for £8,000. This is completely and utterly obscene.

The scouts, guides, yachtsmen and the Territorial Army are sick to death of going to court and spending £15,000 to £100,000 a case; that money is gone but they have had to spend it. The Chancellor has asked for a volunteer community; we want over 500,000 volunteers over the next 10 years. We have to secure the legal framework for these people.

When I went to Oxford as a very old man, a wonderful chap called Andy Widdowson broke his neck playing rugby. When he broke his neck, his parents did not sue the referee, the college, the rugby club or the Rugby Football Union; they were just concerned about the well-being of their son. We were, too, and we raised over £60,000 for him, in 1981 figures. In Wales recently, a boy aged 15 broke his neck playing rugby. Whom did the parents sue? Was it the Welsh Rugby Union? No; amazingly. Was it the Welsh Schools Rugby Union? No; extraordinarily. Was it the school? No. Was it the coach? No. It was the referee, and they won. This is ridiculous and absurd. We have to allow risk in life and we have to find a way in clause 1 to cover exercise.

We have all talked about obesity rates and there is 70 per cent. less activity among schoolchildren than there was 30 years ago. How on earth are we going to solve that if we do not solve the risk element of clause 1? That is fundamental.

The Girl Guides has 600,000 members, and there are 50,000 girls on the waiting list because it needs 8,000 more volunteers. There are not the volunteers to come forward for the Girl Guides, which is crackers—absolutely nuts. We must resolve this issue in clause 1.

Finally, the hon. Member for Canterbury and I have looked at the American states, Western Australia and so on. Philosophically, at some other stage, we must come back and redefine what we mean by national insurance. We established it in the 1940s, and it is inappropriate for a modern society not to take a legal position on insurance for covering volunteers.

5.25 pm

Mr. Kevan Jones (North Durham) (Lab): I rise to support strongly this important and long overdue Bill. In particular, I want to direct my remarks to part 2, which will regulate claim farmers. In my constituency, they are preying on the vulnerable and weak.

I also put on record my thanks to the Minister and her civil service team for engaging with me and other constituency Members who are dealing with chronic obstructive pulmonary disease claims and have experience of claim farmers in relation to the framing of the Bill.

I want to concentrate on three points. The first is the need to regulate claim farmers, and the second is who should be the regulator. The final point relates to the legislation covering, in particular, the reference to trade unions and solicitors.

Claim farmers are simple middle men and nothing more. In my constituency—my hon. Friend the Member for Bassetlaw (John Mann) has already referred to this—firms have been created simply for the purpose of raping the COPD scheme. People have been forced to sign agreements they do not understand, and claim farmers have also made bogus claims in advertisements. Also, when they have been talking to people, they have given the impression that they are solicitors or legally qualified when clearly they are not.

Some of the most disgraceful individuals are former National Union of Mineworkers activists, who are working for these claim farmers. They have tried to blur the edges with the implication that they are somehow still connected with legitimate trade unions. I deplore those former activists, who have thrown their lot in with greedy claim farmers and clearly have prostituted any principles that they had, simply to make a quick buck for themselves and their new employers.

I want to refer to two cases in my brief contribution. My hon. Friend has already referred to IDC, or FreeClaim IDC, as it is now called, which is a claim handling firm that was set up in the last 10 years and is based in Ashington, Northumberland. I want to refer to a case that involves Mr. Jobes, my constituent, who was approached by the firm and filled in an agreement with it. It did what all claim handling firms did, and passed his case on. It went to a Liverpool-based firm called Silverbeck Rymer.

At the conclusion of the case, Silverbeck Rymer deducted £3,600 of the compensation given to Mr. Jobes and passed it on to IDC to cover "IDC's costs". As my hon. Friend has already said, no costs were involved in the case because the Government paid them all. IDC and Silverbeck Rymer knew that at the time. My problem was how to address that.

I could not go for IDC because it is not regulated, so I went after Silverbeck Rymer through the Law Society. I pay tribute to the case officer who dealt with this. In a highly critical judgment, the adjudicator said of the case:

"I have concluded that they"—

that is, Silverbeck Rymer—

"did not explain matters to Mr. Jobes so that he could properly understand the funding arrangements and he was not, therefore, in a position to give informed consent to the deductions made".

The key point, which my hon. Friend also made, is that those claim farmers could not have operated without collusion with solicitors. Mr. Jobes could not have been defrauded or robbed without the collusion of Silverbeck Rymer with a claims handler.

I challenge the Law Society to examine Silverbeck Rymer's books, as well as those of every single solicitor who has had dealings with IDC, to see how much they have deducted and force them to pay it back. That is the only way to ensure that those people get justice. I will follow up that challenge and I hope that my hon. Friend the Minister can assist.

Firms are not being honest with people about the courses of action open to them, such as help from legitimate trade unions that do not charge anything or home insurance policies. Under the scheme, there is no reason why any legitimate law firm should charge clients a single penny.

I also welcome the removal of the regulation of claims from the industry. The Claims Standards Council was a joke, although it tried to claim that it was an independent adjudicator. FreeClaim IDC was on the council—the same company that defrauded and robbed my constituent, Mr. Jobes.

It has been argued that trade unions should be excluded from regulation by the Bill, but I do not agree. Most trade unions, which are ethical and well run, should not be constrained by burdensome regulation. However, my hon. Friend the Member for Bassetlaw has already pointed out that the UDM, which has been running a claims farm operation, would not be covered if we excluded all trade unions.

It saddens me to say that Thompson's, a trade union solicitor, is doing the same thing, in league with the Durham NUM. The firm sent all MPs a briefing note this week asking us to argue for trade unions to be excluded, which states:

"Trade unions should be specifically excluded from regulation in Part 2. The suggestion that unions will be excluded as long as they can show that they comply with certain conditions is an unnecessary and overly complex formulation."

But in Durham Thompson's has been involved in a con. Individuals with COPD claims, many of whom have never been members of the NUM—such as widows or other relatives—have been asked to join as associate members for £20 a year. That money—and some cases go on for five or more years—does not give them many rights and they are not covered by the certification officer rules. People pay the £20, fill the form in and it is then passed to Thompson's solicitors, so it appears to be a joining fee to access the scheme. Some people have been threatened that if they stop paying the £20, the action will be stopped.

In addition, and even more scandalously, people have been asked to sign a form allowing 7.5 per cent. to be deducted from the final settlement. That money is not kept by Thompson's, because of course its costs are paid by the Government, but passed to the NUM. The agreement states that that is done to "indemnify" the individual against any costs, but we all know that there are no costs for the trade union or the lawyers, because the Government pay them. As in the Silverbeck Rymer case, the NUM is acting as a claims handler.

I congratulate my hon. Friend on his tenacious work on the Raleys case. The judgment a few weeks ago stated clearly that Raleys was acting as a claims handler and could not justify the deductions that it had made and passed on to the NUM in Yorkshire, and I think that that also applies to Thompson's in Durham. I challenge Thompson's to pay back every penny that it has deducted from my constituents.

[Mr. Kevan Jones]

One of the reasons given for deducting the money is that the NUM needs the money to pursue further claims and continue its activities. But under the scheme Thompson's alone has received £92 million in fees, £2.5 million of which was for constituents of mine. If further test claims are necessary or the NUM in Durham needs money to keep going, Thompson's should pay, instead of poor claimants, such as some of my constituents, who have struggled to understand the complexities of the scheme and been bemused by some of the sharp practices involved.

I expect better from a company such as Thompson's. I dealt with it in my time as a trade union officer, and have the highest regard for it, but its actions in Durham are nothing short of a disgrace. The TUC should take steps immediately to ensure that the money is paid back.

I welcome the claims handling regulations, as anyone who does not conform to the code of conduct will be classed as a claims handler. The hon. Member for North-East Hertfordshire (Mr. Heald) asked whether trade unions should be covered by the Bill if they act as claims handlers. I believe wholeheartedly that they should be.

5.35 pm

Helen Goodman (Bishop Auckland) (Lab): I strongly support the Bill, because I believe that an increasingly litigious culture is destroying voluntary and community activities in this country. In particular, I want to speak in favour of part 1 of the Bill.

I worked in the voluntary sector before I came to the House. My experience there, and with the community initiatives that my constituents in Bishop Auckland have tried to take, demonstrates to me that the fear of litigation and punitive levels of insurance deter small-scale but worthwhile activities.

Many hon. Members will know that the annual miners' gala—the "Big Meeting"—has been going for 121 years. Indeed, many will have taken part in that wonderful cultural festival, which is rooted in the history and traditions of mining in Durham and across the north. It begins early in the morning, when people in villages across the county march behind their own banner and band and listen to the miners' hymn. Then they get on the bus and go into Durham for the Big Meeting.

This year, there will be a parade of 100 banners and bands. It will end at the race course, where people will listen to speeches and enjoy the fairground. The whole day is an affirmation of the human spirit. Life and leisure are not about shopping—they are about history, music and the values of solidarity and community.

The event is highly valued. In my constituency, the people of Spennymoor this year raised money for a new banner, which will be taken to the cathedral and blessed by the bishop. I am sure that the House will join me in congratulating my hon. Friend the Member for Bolsover (Mr. Skinner), whose portrait is on the banner.

However, local village events are threatened by the dreaded compensation culture. A so-called health and safety expert belonging either to the county council or the police—I do not know which, because both organisations blame each other—has said that, although the village parades last only 20 minutes, they must fulfil the appropriate requirements. That means that they must put up notices of road closures two or even three weeks before the event. Moreover, the notices must be made to a particular specification by a traffic management company, and they must be put up by trained operatives because of the alleged risks that crossing the road poses to ordinary citizens.

The cost is proving to be astronomical. After last year's gala, I received a list of complaints from people throughout the county. The County Durham Association of Local Councils carried out a survey, which found that the costs sometimes amounted to hundreds of pounds. For example, they came to £294 in Shildon, and to a staggering £1,580—plus value-added tax!—in Peterlee. As a result, 10 per cent. of villages have said that they have cancelled events already because of the problem, and 70 per cent. have said that the costs involved might dissuade them from holding an event in the future.

There are many rural villages in the west of my constituency. They hold carnivals along traditional lines, and are facing the same problem. For example, at last year's remembrance service in Middleton in Teesdale, a veteran was told that she could not carry the Union Jack because she was over 60 and would not be safe in the traffic.

The Bill will be helpful because the present situation is unbalanced. Costs, problems and risks are taken into account, but not benefits. We are destroying not only enjoyable days, but communities. Communities are like families: they need to do things together—they need to meet to maintain social cohesion. We are in a crazy situation where we are paying people to set up community development offices and to run initiatives, while we are destroying the home-grown ones with that ridiculous culture.

Given that other hon. Members want to speak, I will not talk about my other experiences—I will write to the Minister—but I hope that, despite the blandishments of my colleagues, she will hold fast to the content of clauses 1 and 2.

5.40 pm

Mr. David Anderson (Blaydon) (Lab): It is a long time since we came in here. I was going to mention part 1, but I will not now, except to say that the phrase "desirable activity" could well include playing croquet, so a lot of issues need to clarified there. Indeed, it is a thriving sport in my area. I will focus very much on part 2 and want to say up front that I am proud and pleased to be standing here as someone who has been a member of the National Union of Mineworkers for 20 years. *[Interruption.]* Yes, hon. Members can cheer—I do not mind. I am also an honorary life member of Unison.

I welcome the fact that the Minister recognises that there is a serious difference between genuine trade unions doing their jobs for their members and claim farmers. To treat them the same would be little short of an insult, because the work done by trade unions in supporting their members in legal cases is in many ways the best example of voluntary work in this country.

The vast majority of cases—believe you me, I have been involved in literally hundreds of individual cases

and thousands on a collective basis—are begun by shop stewards or other local officials who carry out their roles professionally, without payment or reward, and they do so by being properly trained and accredited. Without their knowledge and skills, they could not do that job. Their work is part and parcel of the day in, day out work of representing their colleagues at work to the best of their ability. Most of them would be over the moon if they did not have to do that work, because that would mean that their members were not getting killed, maimed, injured or stressed out. Their members would not face a life of penury, illness and injustice Those people would not have to worry about how they will provide for their partners and children, about how they will pay their mortgages or about what the future would bring.

As was said earlier, more than 64,000 new claims were laid through trade unions—that is 64,000 men and women who face an uncertain future, and 64,000 cases that may not have been taken up, for the reasons given earlier by my hon. and good Friend the Member for City of Durham (Dr. Blackman-Woods), if local trade unions had not supported those people through those very traumatic times.

I am certainly not suggesting that those claims should go through a system with no control—I would never suggest that. Indeed, I believe that the present trade union legislation strictly controls the behaviour of trade unions in many ways. That is exactly what we are trying to do today. In those claim cases it is clearly necessary to use the legal profession. Those legal people are controlled by their professional society. If their society is not doing its business, as has been said today, perhaps that is the real issue that we should be debating in the House, not what trade unions are doing.

There is a fundamental difference between people whose job in life is to rip people off and other people whose job in life is to represent people. Trade unions do not want to be involved in rip-off work; they do not want their members to be treated negligently or their lives to be ruined. Genuine trade unions do not want to play any part in the get-rich-quick operations that some of the rip-off merchants engage in. That is why trade unions put so much emphasis on health and safety legislation—red tape as it is often disparagingly called in the House—and why they campaign long and hard to get proper protection for their members at work.

Trade unions do not want to do such work on behalf of their members—to be honest, they do not really need it—but they will keep on doing it to defend their members as long as they are being abused at work. Legal cases are time-consuming, usually costly and drain resources, and they are in many ways a sign of failure—the failure of the employer to look after the worker properly, the failure of the unions to negotiate proper health and safety legislation and the failure of hon. Members to ensure that we provide a safe working environment for people.

Union reps could spend their time and effort on much more productive and rewarding work, but they accept their responsibility and they do whatever it takes to help their members. There is no pleasure in winning compensation cases for members, except the knowledge that those members should be financially secure for the rest of their lives. But all the money in the world will not give workers their lives back.

People who have lost limbs, people who have suffered from asbestos-related diseases or people burnt out with stress and workers with back problems or any of the multitude of problems that are dealt with day in, day out by trade union reps cannot turn back the clock just because a cheque drops through their letterbox.

Unions are representatives acting for the collective good. They are a world away from get-rich-quick cowboys who are little better than ambulance chasers. They have experience in the workplace where their members work that lawyers will never be able to replicate. They know first hand what life in the workplace is like. They do not have to be drawn a map or told what is going on: they know. If we insist on lumping trade unions into the legislation, that knowledge will be lost. It will give greater clarity if the clear exemption for trade unions is built into the Bill as laid out. They are not claims farmers in any way.

The Barker ruling is a disgrace to the House. Trade unions and their legal services teams should be able to work through us in this House to overturn that disgraceful decision taken in the other place. It is about real people. I support our work with the asbestos mesothelioma support groups. It is a disease that lies dormant for 30 years and then sparks off. People suffer horribly and then die—nothing else, that is the story. Okay, drugs like Alimta may help and let us hope that we can make progress with that, but if we do not overturn the Barker decision, the reality will be that of a man facing a firing squad armed with five guns. A bullet pierces his heart. Nobody knows which gun fired the bullet, so nobody is found guilty, but the truth is that they should all be found guilty.

5.46 pm

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): This has been an interesting debate. We have covered a range of issues, not necessarily all directly connected with the Bill before us. It has been a good debate for that. Several hon. Members have raised points related to the Bill, to which I shall shortly respond, but first I shall reiterate the benefits that it will have.

I should declare an interest, as everyone else seems to have done. From 1978 until 1992 I was a branch secretary of the Transport and General Workers Union, and in 1986 I received £1,500 in compensation for an industrial injury, which was negotiated for me by the union.

The provisions on negligence and statutory duty will provide much-needed reassurance for the voluntary sector and for others who are concerned about possible litigation. They will ensure that all courts, including the lower courts, are aware of the guidance given by the higher courts. They will serve a valuable purpose in improving awareness of this aspect of the law and ensuring that normal activities are not prevented by the fear of litigation and excessively risk-averse behaviour.

All hon. Members have agreed on the importance of regulating claims management services and putting in place vital safeguards for consumers. My hon. Friend the Member for Blaydon (Mr. Anderson) and others, especially those representing coal mining constituencies, have described some of the problems—to put it mildly—that arise with those intermediaries and the way in which they mislead people who make claims. The regulatory

[Nick Ainger]

framework that we have set out is both proportionate and targeted at the areas where there is the greatest potential for consumer detriment. It is consistent with the Government's better regulation agenda, and will ensure that standards are raised in the industry.

The regulation of claims management services is a necessary step for protecting consumers. The safeguards that we propose will ensure that bad practices stop and the era of unregulated claims management companies misleading consumers and leaving them out of pocket will be brought firmly to a close.

A number of hon. Members have raised the Barker decision in the House of Lords relating to mesothelioma. I reiterate what the Under-Secretary of State for Constitutional Affairs, my hon. Friend the Member for Lewisham, East (Bridget Prentice) said: it is the Government's intention to address this issue as soon as possible. Hon. Members have stressed the importance of speed, because of the nature of the disease. My hon. Friend the Member for Hendon (Mr. Dismore) made the good point that unless new legislation is introduced, if we leave it to the courts, it could be years and years before the matter is properly resolved. Colleagues will be reassured not just by my words but by those of my hon. Friend the Under-Secretary of State for Constitutional Affairs in opening the debate, and those of the Prime Minister the other day.

In the same vein, we await the decision of the House of Lords on pleural plaque—a subject that was raised by my hon. Friend the Member for Sherwood (Paddy Tipping). It is not appropriate to say what we will do until we have heard the final decision.

Mr. Heald: One concern is that it is not only insurers but the Government, too, who have substantial liabilities. Is the hon. Gentleman aware of the estimated costs of those liabilities in respect of the Ministry of Defence and the Department for Education and Skills, both of which could have significant liabilities for mesothelioma?

Nick Ainger: The hon. Gentleman is right. Other Departments have, or will have, significant liabilities, but the fact remains—*[Interruption.]* The judgment is not that old, but all Departments are considering it. Our position is that we want to try to assist claimants who are, rightly, arguing for joint and several liability.

Several Members spent time on clause 1, and I shall try to address some of the many points that were raised. The Government do not believe that putting a definition of desirable activity into the Bill is appropriate. The provision gives the court the flexibility to consider all the relevant circumstances in the case, to reach a fair and just decision. Including a definition of "desirable activity" could imply that certain types of desirable activity had more weight than others.

Clause 1 addresses a misperception of how the law works, which has taken hold to such an extent that it affects behaviour. It is a legitimate function of legislation to address such matters. The law may be familiar to lawyers and insurers, who deal with it on a daily basis, but it is not familiar to people and organisations concerned about possible litigation. The clause will show them the importance that the Government attach to the issue and will make the law more widely known.

My hon. Friend the Member for Hendon and the hon. Member for Cambridge (David Howarth) believe that the inclusion of clause 1 will lead to a tsunami of litigation—I think that was the phrase that my hon. Friend used. The Government do not believe that will be the case. The clause reflects the existing law and the guidance given by the higher courts, and should not fuel any increase in litigation. It will discourage the bringing of claims based on the proposition that reasonable care involves all steps required to prevent accidents in any conceivable circumstances, regardless of the effect of requiring those steps.

Mr. Dismore: A few moments ago, my hon. Friend said that the interpretation of the phrase "desirable activity" would be a matter for the courts, thereby implying that the courts would have to try cases to decide what it was. He has now said that there will not be more litigation as a result of the clause. How can he square those two arguments? If the courts have to interpret the phrase, more cases will go to trial and there will inevitably be more litigation.

Nick Ainger: Every court that has to settle a claim will have to decide on the facts. The provision will not increase the number of cases; it merely notes that desirable activity is an important factor.

David Howarth: The point we are trying to make is that there will be more appeals, and more cases forced to trial rather than settled. That is where the extra costs will arise.

Nick Ainger: I appreciate that point, but the Government do not take that view. I am sure that the matter will be debated in Committee. I hope, for the sake of my hon. Friend the Minister who will be there, that it will not be debated at quite such length as it was in the House of Lords, but I am sure that Members will spend some time on it.

Mr. Brazier: The point that the splendid legal adviser to the Scouts, Andrew Caplan, made to us is not only that he welcomes the clause, but that it may encourage other organisations to show the courage that the Scouts showed in fighting those wretched people when an unjustified vexatious claim is put forward.

Nick Ainger: The hon. Gentleman makes his case very well.

The concept that we have sought to capture by the term "desirable activity" is the well-established one of taking the wider social value of activities into account. That reflects the existing law. The courts are already able to—and do—take these matters into account when considering all the circumstances of an individual case.

My hon. Friend the Member for Sherwood raised his concern, and the concerns of the TUC, in relation to the impact of clause 1 on certain employees. May I try to reassure him? It is suggested that clause 1 would change the law so as to put at a disadvantage those who are employed in public service occupations that are arguably desirable, such as firefighting, compared with those employed in commercial operations such as retail sales, which may not be seen as desirable. However, that

is not correct. It appears to be based on a misconception, first, as to the purpose and meaning of the term "desirable activity" and, secondly, as to the existing law. That is to say that the approach of the courts is to balance risk and the effect of preventive measures on an activity. On the first point, "desirable" was expressly chosen by parliamentary counsel as a term wide enough to encompass the wide range of existing case law—in contrast to terms such as "socially useful".

Mr. Dismore: Will the Minister give way?

Nick Ainger: I have covered the point that my hon. Friend made in his speech.

The hon. Member for Rugby and Kenilworth (Jeremy Wright) raised the need for a good communications strategy. The Government recognise that. There is a ministerial working group, together with a stakeholder group, which is developing that communication strategy with the idea of using champions in the volunteering sector. Volunteering England is involved. There will be that communications strategy in relation to part 1.

I am grateful that colleagues have endorsed the usefulness of clause 2 and the benefits that it will bring. I can assure the House that we have no intention of removing or amending that clause in any detrimental way. On the point made by my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt), I am assured that clause 1 will apply to volunteers working during the Olympics.

All Members welcomed part 2. The only dissenting voice that I could hear was from the Opposition Front Bench in relation to the exemption for trade unions. I reiterate that trade unions will be subject to a code of conduct, and that if they are found to be acting like claims handlers, their exemption will be removed and they will be subject to the same regulation as a claims handler. In relation to the abuses of the coal health scheme, as chairman of the coal health monitoring group in Wales, may I reiterate the call of my predecessor that the parasites living off the back of what is undoubtedly the biggest industrial claims scheme ever—we have paid out £3 billion to miners and their relatives—should return all the fees that they have claimed from the claimants?

I am sure that there will be further, and perhaps lengthy and interesting, discussion in Committee on the provisions in the Bill. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

COMPENSATION BILL [*LORDS*] (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Compensation Bill [*Lords*]:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to conclusion on Tuesday 27th June 2006.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including proceedings on any message from the Lords) may be programmed.—*[Mr. Cawsey.]*

Question agreed to.

COMPENSATION BILL [*LORDS*] *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connections with bills),

That, for the purposes of any Act resulting from the Compensation Bill [*Lords*], it is expedient to authorise the payment out of money provided by Parliament of expenditure of a Minister of the Crown attributable to the Act.—*[Mr. Cawsey.]*

Question agreed to.

COMPENSATION BILL [*LORDS*] *[WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Compensation Bill [*Lords*], it is expedient to authorise the charging of fees by the regulator appointed under the Act.—*[Mr. Cawsey.]*

Question agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

CRIMINAL LAW

That the draft Serious Organised Crime and Police Act 2005 (Amendment of Section 61(1)) Order 2006, which was laid before this House on 3rd May, be approved.—*[Mr. Cawsey.]*

Question agreed to.

NORTHERN IRELAND GRAND COMMITTEE

Motion made, and Question put forthwith, pursuant to Standing Order No. 115(1) (Northern Ireland Grand Committee (delegated legislation)) and Standing Order No. 116(1) (Northern Ireland Grand Committee (sittings)),

That—

(1) the draft Budget (No. 2) (Northern Ireland) Order 2006 be referred to the Northern Ireland Grand Committee;

(2) the Committee shall meet at Westminster on Tuesday 20th June at Four o'clock; and

(3) at that sitting—

(a) the Committee shall take questions under Standing Order No. 110 (Northern Ireland Grand Committee (questions for oral answer)), and shall then consider the instrument referred to it under paragraph (1) above; and

(b) at the conclusion of those proceedings, a motion for the adjournment of the Committee may be made by a Minister of the Crown, pursuant to paragraph (5) of Standing Order No. 116 (Northern Ireland Grand Committee (sittings)).—*[Mr. Cawsey.]*

Question agreed to.

PETITION

Overseas Aid

6 pm

Helen Goodman (Bishop Auckland) (Lab): I wish to present a petition on global justice, trade, aid and debt on behalf of the residents of the Bishop Auckland constituency and others.

The petition states:

Declares that the campaign for global justice on trade, aid and debt must continue in 2006 even more strongly than in 2005. The Petitioners further declare that it is vital that the Government continue to increase aid for developing countries in order to Make Poverty History and reach the UN Millennium Development Goals.

The Petitioners therefore request that the House of Commons pass the International Development (Reporting and Transparency) Bill 2005-06 which would enshrine a target of 0.7 per cent. GNI for spending on overseas development aid and create a requirement for an annual report to Parliament on the UK's international development assistance.

And the Petitioners remain etc.

The petition was initiated in fair trade week. Churches, citizens and the Oxfam in Barnard Castle were instrumental in collecting the signatures.

To lie upon the Table.

Manor Hospital (Walsall)

Motion made, and Question proposed, That this House do now adjourn.—*[Huw Irranca-Davies.]*

6.1 pm

Mr. David Winnick (Walsall, North) (Lab): I am pleased to have the opportunity to talk about the Manor hospital. I should explain that I applied for the debate because of the urgent and pressing need for major development work at the hospital, which is in my borough of Walsall. Until recently, it was expected that a private finance initiative contract would be agreed and that the work would begin early next year. Unfortunately, that has turned out not to be the case and there has been some delay. It is because it is essential for the work to be agreed so that it can begin in early 2007 that I thought it necessary to apply for a debate on the Floor of the House.

As I am sure the Minister knows, the three Members for the borough met the Secretary of State on 3 May. We briefly explained the situation to her and, of course, strongly urged that the work should be allowed to proceed. I should point out that the Manor hospital, which is the only acute hospital in the borough, provides a full range of hospital services for a population of some 253,000. It has 620 beds. The last major work took place 12 years ago when a new maternity unit was built, which was welcomed since it was essential. However, the rest of the site was built on a piecemeal basis from 1830 onwards. Given the deficits that some hospital trusts have experienced in recent times, I am sure that the Minister will be pleased to know that the Manor balanced its budget in the past financial year.

I am pleased that my right hon. Friend the Member for Walsall, South (Mr. George) is in the Chamber. He will be emphasising the same point as me. At present, 40 per cent. of the buildings on the hospital site are—to use a phrase that has become familiar in the past few weeks—not fit for purpose. It is a tremendous job maintaining those buildings and, obviously, a very expensive one as well.

I give the example of the hospital's east wing, which was built in the late 19th century. It houses children's services, women's surgical wards, dedicated theatres and diagnostic facilities. The wing has a fire certificate until next year, and all the indications are that it is unlikely to be renewed. The three Members of Parliament, my right hon. Friend the Member for Walsall, South, the hon. Member for Aldridge-Brownhills (Mr. Shepherd) and myself, have seen for ourselves wards on the first floor of the east wing that can no longer be used because of their defects and lack of safety. It is most unfortunate that such accommodation lies empty for those reasons.

Coming to the present, much detailed work has been carried out by the hospital management in drawing up a scheme in line with PFI requirements. That was done so that, as I said, major investment work can start next year. Unfortunately, in the last few months, the hospital has learned that Treasury rules have been changed and that the contracts that everyone expected to be agreed have been delayed. That has, understandably, caused much anxiety. Will the work go ahead? Will we go into next year with no contracts signed and with the east wing as I described? One can understand the strong concern in the borough.

We are a borough known to some extent for our quarrels and difficulties—which sometimes reach national level—not only between political parties but, in some cases, within them, but we are unanimous in our view that this work should be carried out. We are very devoted to the Manor hospital. Even if this was not the case I would be saying the same, but I happen to be a former patient. When I suffered a heart attack in 1995, the hospital helped to save my life. I speak now as a Member of Parliament for one of the three constituencies in the borough served by the hospital, but I just put that on the file, so to speak. I know that my right hon. Friend the Member for Walsall, South has been an out-patient at the hospital on various occasions.

A hopeful sign—no doubt the Minister will deal with this—is the visit on 22 and 23 May of officials from his Department's PFI unit. My understanding is that the hospital has proposed some variation in the scheme that would reduce capital cost, and some of the proposals discussed by the unit and the hospital management would mean that some of the work due to be covered by the PFI contract would be outside it. That is welcome. I should add that I am not a devotee of PFI contracts. I would rather things were different, but I am a realist, and if the only way major work can be undertaken is through PFI, so be it.

I hope that the Minister will be in a position today if not to say yes—it would be too optimistic of me to believe that—then to give some reassurance to the people in the borough that there is every possibility that the PFI contracts will be agreed to, with the fact that some of the work will be outside the contracts making the whole scheme more affordable. That is a hopeful sign, and I hope that the Minister will be able to take up what I have just said.

There is a wish that the matter should be finalised before Parliament goes into the summer recess, which will be in about five to six weeks' time. Perhaps the Minister will be able to indicate whether the information, one way or the other, will be known to us by that time.

The three Members involved have met the Secretary of State, this debate is now taking place and we will continue to do whatever we can to sustain the pressure so that this vital work—I repeat myself deliberately because it is essential—can be started next year. No further delay can possibly be justified. I look forward, with some optimism, to the Minister's response.

6.11 pm

Mr. Bruce George (Walsall, South) (Lab): I am grateful to my close colleague, my hon. Friend the Member for Walsall, North (Mr. Winnick), for introducing this short debate. Our colleague, the hon. Member for Aldridge-Brownhills (Mr. Shepherd), has sent his apologies. This is a cross-party endeavour to ensure that a proper decision is made.

I know that the route towards PFI is strewn with delays and side-tracking. I can understand that. There is a history of rather difficult negotiations. I hope that at the end of the day, and pretty soon, the Department will acquiesce to the scheme proceeding. It is pretty obvious that there have been some disastrous PFIs. I understand why the Minister must be cautious. However, the problem is acute. As my hon. Friend the Member for Walsall, North has said, there is a crisis.

[Mr. Bruce George]

Half of the buildings currently in the hospital could be annexed by the black country museum. They are part of the black country's history. Yet the fire department has stated clearly that these buildings, despite new buildings over the past decades, will not be granted a certificate. It will be impossible for the hospital to continue to be occupied with buildings that could be open to being sued or brought to court. It has been put on a warning.

Not long after I was elected to this place in 1974, I recall beginning a campaign for a new Walsall hospital. In 1975, I think that it was David Ennals, who was from Walsall—the late Lord Ennals—who said that there would be a hospital. About 12 years later a new building was put up. It was an incredibly good addition to the site, which was getting rather elderly. Now, there is a crisis. The primary care trust and the hospital have got together on a number of important projects. It would be remiss of me not to say clearly and with pleasure that enormous improvements have been made since 1979.

However, there will be a crisis. The Government and the Treasury have changed the rules, in my view. Where Walsall hospital thought that it was on target to meet the Government's requirements, now it is not. I spoke to Lord Warner a month or so ago, and I spoke also to the then Minister, my right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy). I was led to believe that my right hon. Friend would offer to meet not a delegation of Members putting an emotional case—the Secretary of State has already met the three Members involved—but a small delegation of specialists. I was told that there was a distinct possibility of that happening. There was to be a delegation of specialists—the chairman of the hospital, the chief executive, someone from the primary care trust and someone from the region—who could argue the case in detail for what we hope will happen.

We urge the Minister to use all the influence that he has with his colleagues to ensure that there is a continuation of negotiations with the hospital—there is an excellent team of people—to ensure that whatever is necessary is done, however rearranged, so that building work can begin. There is relatively high unemployment in the area and every index of poverty and deprivation is present in different wards. It would be appalling if the good work that the Government have been doing so far to enhance health provision in Walsall hit a brick wall—a brick wall that I believe has been put up unnecessarily.

I know that my hon. Friend the Minister has been well briefed. I hope that the pleas of two Members, together with those of our Conservative colleague, are seriously heeded and that the Minister, will make arrangements for a senior Minister, together with officials from the Department, to meet a delegation from Walsall, minus Members, to discuss the technicalities. I know that there have been meetings in Walsall with officials from my hon. Friend's Department.

I hope that the promise that I believe was given by other Ministers will be kept and that we will be able in the few months that lie ahead to say that the building is on target. I hope that we shall see the good work of the Government enhanced even further, and that finally we shall have, for the first time ever, a hospital network and health services that are fit for purpose and meet the requirements of our constituents. I once again thank my colleague, my hon. Friend the Member for Walsall, North, for permitting me to participate in the debate.

6.16 pm

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): May I begin by congratulating my hon. Friend the Member for Walsall, North (Mr. Winnick) on securing this debate? Both he and my right hon. Friend the Member for Walsall, South (Mr. George) have a long track record of promoting the proposed private finance initiative scheme for the Manor hospital site. As they said, together with the hon. Member for Aldridge-Brownhills (Mr. Shepherd), they recently met the Secretary of State to discuss the latest developments—a subject to which I shall return.

First, however, may I reiterate my Department's continuing support for the modernisation of the Manor site? That support is not in dispute. The Manor hospital began life as the local Poor Law Infirmary, and it retains key buildings such as the east wing, which houses women's and children's services, and St. John's block, both of which both date back, as my hon. Friends said, to the 1850s. The remainder of the site has been developed piecemeal over the decades, resulting in poor clinical relationships and functional unsuitability. More than 40 per cent. of the building stock is in an unacceptable physical condition and fails to meet health and safety requirements.

As my hon. Friends pointed out, West Midlands fire service has told the trust that it is unlikely to be able self-certify fire safety arrangements on the east wing after December this year. Even now, the wards on the first floor of the building cannot be used because of concerns about structural safety. The situation has increasingly hampered the trust's efforts further to improve patient services and efficiency. Walsall Hospitals NHS Trust has an impressive track record of maintaining low waiting times for out-patient consultations and elective surgery. Indeed, it has the lowest waiting times in the west midlands, which should be a source of pride to my hon. Friends. The trust has had its busiest year ever, treating 20,000 more patients. As my hon. Friend the Member for Walsall, North said, it is financially stable and broke even in 2005-06 after it repaid some of its brought-forward deficit.

As everyone agrees, the key to further improvements lies in the more efficient working practices that have been designed as part of the new scheme, but they are unlikely to be realised until the new facilities are in place. That is why, in early 2001, the Government approved the initial strategic outline business case for the redevelopment plans that will be taken forward under the PFI initiative. There was a delay in moving to the next stage—approval of the outline business case—as the scheme had to be reconsidered as part of a wider Wolverhampton and Walsall joint service review. As a result, a revised proposal was submitted, which was approved by Birmingham and The Black Country strategic health authority, resulting in the scheme going to the market in October 2004. Despite further detailed service development work, the trust was able to issue invitations to tender and received two successful compliant bids just over a year later in October 2005 from the major consortiums Skanska Innisfree and Carillion. Following

further evaluation and negotiation, the trust was poised to appoint its preferred bidder just before Christmas.

As my hon. Friends mentioned, at the beginning of this year we announced a review of all the major PFI schemes currently in procurement, which included Walsall. We did this in spite of the proven track record and success of PFI to date, because we wanted to make sure that the latest schemes properly took account of the current reforms to the NHS, such as the choice agenda, the movement of services into primary and community care settings, the new financial regime—the national tariff—and assumptions about efficiency gains and long-term affordability. A team from the Department has therefore been visiting every relevant trust to work with it on this task. As hon. Members know, the team first visited Walsall in early April and a follow-up visit, as we heard, took place at the end of May.

That brings me back to the latest developments. The trust had concluded that, as previously configured, the scheme was unaffordable. It thus undertook a root and branch review to ensure maximum flexibility and, wherever possible, to reduce costs. As my hon. Friends know, the outcome has been very encouraging, as the trust's new proposals significantly reduce the annual payment to the private sector partner, with minimal disruption to the core service elements of the scheme.

It is worth reflecting what the key savings are. They arise, first, from postponing the permanent replacement of wards in the south wing and instead, using a high quality modular building to provide a short-term replacement for a minimum of five years, which will allow the trust to make further efficiencies in bed numbers or totally review its requirement at phase two; secondly, from working with the primary care trust with the aim of the PCT contributing to the funding of the diagnostic and treatment centre element of the scheme or delivering some of this activity in the community; and thirdly, from removing some of the support work and services from the scheme, such as the managed equipment service and ancillary services, which will continue to be provided in-house by the trust.

It is important to emphasise to my hon. Friends and to the House that these are only proposals at this stage. More work is needed on finalising costings and seeking agreement with key stakeholders such as the PCT, as I have mentioned. The success of the proposals also depends on securing an alternative source of capital for the new modular building and the demolition of the south wing—a total of £13 million, to be specific.

I am delighted to be able to announce in the course of the debate that the Department yesterday agreed to make £13 million available for this purpose, and we have written to the trust and the SHA this morning to that effect. Release of this funding will, of course, be conditional on the submission of a robust and affordable business case. I know that my honourable Friends will be very pleased to hear this news, as it also addresses a matter about which I know they are concerned—the urgency of the situation, which they mentioned in their contributions. I know that uppermost in their minds is the condition of the east wing, which, as I said earlier, the trust may not be able to self-certify for fire safety beyond the end of this year. The aim is for the women's and children's services to decant from the east wing to the new modular buildings replacing the south wing. That can now go ahead as part of the main PFI works programme or separately and sooner, should that be necessary.

The fact that the money has been released owes much to the advocacy of my hon. Friends and their championing of the cause directly to the Department and to Ministers in recent months. I know that the community in Walsall, which cares passionately about the hospital, will be pleased with the early good news.

Under the PFI review we expect the more advanced schemes such as Walsall to have finalised their revised proposals within a month or so. Those will then be considered by the Department of Health and the Treasury, alongside the progress that trusts have made in securing the best commercial and contractual terms with their bidders, which of course influences the overall cost of a scheme. We expect to be able to announce our decisions before the end of the summer.

In conclusion, as a consequence of the debate this evening, I will log the request by my hon. Friends for a meeting of representatives of the hospital with Ministers and officials in the Department, but we want that meeting to go ahead only if it is absolutely necessary. The ideal scenario, in terms of the progress that has been made in recent weeks, would be for the local partners to continue doing exactly what they have been doing and to finalise a bid with the Department, with all the necessary component parts, as quickly as possible.

Mr. Winnick: My right hon. Friend the Member for Walsall, South (Mr. George) and I are very pleased by the Minister's announcement of the £13 million. It goes without saying that that is good news much to be welcomed by the hospital and the wider community. The Minister referred, as expected, to the east wing. While the £13 million is useful, and we are very pleased, grateful, and whatever other words are appropriate, it is essential that the major investment—about £160 million in total—starts next year. When are we likely to have the information? What does the Minister mean by the end of the summer—the beginning of the summer recess, a little later, or what? Can he give more precise details?

Mr. Lewis: I should make it clear on behalf of the Government that we would not wish to establish a precedent whereby whenever hon. Members ask for an Adjournment debate, £13 million is made available within 24 hours.

The serious point is that I would like this matter to be resolved before the summer recess. That is my hope and objective. We want to respond positively to the representations that my right hon. and hon. Friends have made on behalf of their communities and constituents, and we will do everything possible to make that happen. However, we depend on the local partners playing their part in ensuring that all the required work is done appropriately. If that happens, I assure my hon. Friend that we will do everything possible to ensure that we can give my hon. Friend the news that he requested before the summer recess.

I believe that the news for Walsall is very positive. There is a little way to go, but a lot of progress has been made in recent months, and there is every cause for optimism.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes past Six o'clock.

House of Commons

Monday 12 June 2006

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Incapacity Benefit

1. **Mr. Rob Wilson** (Reading, East) (Con): If he will make a statement on his Department's plans to reduce the number of people claiming incapacity benefit. [76092]

The Secretary of State for Work and Pensions (Mr. John Hutton): The welfare reform Green Paper that we published in January set out our proposals to reduce the numbers claiming incapacity benefit by 1 million over the next decade. The proposals include extra investment in the successful pathways to work schemes, as well as replacing incapacity benefit with a new employment and support allowance in 2008.

Mr. Wilson: I thank the Secretary of State for that answer. Has he seen the recent KPMG labour market research, which shows that a large minority of employers will not appoint incapacity claimants with a history of mental illness? What is his Department doing to help educate employers about the employability of previous sufferers from mental illness and has he considered offering grants to help employers with assessment, training and skills development for potential recruits?

Mr. Hutton: I have seen the report to which the hon. Gentleman referred. It is an important issue; about 40 per cent. of people claiming incapacity benefit cite mental health as the reason for being unable to work. Pathways to work, as it is at present, will successfully address that issue. Conditioned management support is one way through the issue, but we stand ready to work with the private and voluntary sectors, and other parts of the public sector, to make sure that the reforms are a success for people with mental illness.

Roger Berry (Kingswood) (Lab): My right hon. Friend has allocated £360 million so far for the national roll-out of pathways to work, which I warmly welcome. However, concerns have been expressed, not least by the Select Committee on Work and Pensions, as to the adequacy of those resources if we are to meet the Government's laudable objective of taking 1 million people off incapacity benefit over 10 years. Given that enabling someone to work reduces benefit payments and increases tax revenue and national insurance contributions, is my right hon. Friend working closely with the Treasury to ensure that the savings from more people achieving employment will result in more investment in pathways to work?

Mr. Hutton: Yes, I work very closely with the Treasury on all such matters. May I express my appreciation for my hon. Friend's work in supporting many of the reforms? I draw his attention to the part of the Green Paper that set out our plans in relation to the new city strategy, which is one area where we will be able to make progress in the direction to which he referred.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): Can the Secretary of State tell the House on what basis the £360 million for pathways to work was calculated and whether all that sum will actually be spent on the national roll-out of pathways to work, given a recent written answer that I received from one of the right hon. Gentleman's ministerial colleagues, which suggested that only a proportion might be spent on the roll-out of pathways to work?

Mr. Hutton: The lion's share of that £360 million will be spent on the roll-out of pathways. We are funding the national roll-out of pathways properly and fully and over the next few years we shall be looking to deliver more of the scheme through the private and voluntary sectors, which will, I hope, provide scope for more efficiency and more effective use of public money. I can assure the hon. Gentleman and the House that pathways will be properly and fully funded; to do anything less would undermine potential for the success of the reforms, and we do not intend to do that.

Chris Bryant (Rhondda) (Lab): Surely, it is not just about getting people off incapacity benefit and into work, but also about trying to make sure that fewer people end up on incapacity benefit. Has my right hon. Friend looked at the number of occupational health professionals working in the private sector and, if so, has he noticed that the level is one of the worst of any European country? Do not we need to move forward on that agenda, too?

Mr. Hutton: Yes, we certainly do, and the Green Paper set out a number of areas where we hope to make such progress. I want to work closely with my colleagues in the Department of Health, where, together, we can make the biggest impact. It is also worth bearing in mind the fact that a third fewer people claim incapacity benefit than a decade or so ago; we are just beginning to see year-on-year reductions in the total number of people claiming it. I have no doubt that the reforms are working. My hon. Friend referred to prevention and I am quite sure there is more that we can do in that regard. We set out our intention to do more in that area in the Green Paper.

Mr. David Ruffley (Bury St. Edmunds) (Con): Over the weekend we saw another report of Department for Work and Pensions Ministers running scared of their

Back Benchers—this time, over US-style workfare policies. In evidence to the Select Committee, the Secretary of State said:

"We are not proposing at the moment to sanction failing to take work-related activities...It might become so in the future."

Can the Secretary of State come clean and tell us if in principle he supports such a workfare-style approach? If he does, when will he tell the parliamentary Labour party?

Mr. Hutton: I am afraid that it is the hon. Gentleman who needs to grow up. We set out our proposals in the welfare reform Green Paper. I shall let the hon. Gentleman read a copy of it to refresh his memory.

Child Poverty

2. **Dr. Roberta Blackman-Woods** (City of Durham) (Lab): If he will make a statement on trends in the level of child poverty since 1997. [76094]

The Secretary of State for Work and Pensions (Mr. John Hutton): In the two decades prior to 1997 the number of children living in poverty in the United Kingdom more than doubled. However, in absolute terms there are now 2 million fewer children living below the poverty line than when we came into office. This has been the result of investment in the new deal for lone parents, the introduction of tax credits, the introduction of the national minimum wage and our success in creating stable economic growth.

Dr. Blackman-Woods: I thank my right hon. Friend for that response. I hope that he will agree with me that constituencies such as mine in Durham have benefited enormously from measures that the Government have taken to tackle child poverty, with literally thousands of children being lifted out of poverty since 1997. Nevertheless, poverty is still disproportionately higher in the north-east than elsewhere. Will my right hon. Friend tell the House what the Government are doing to tackle regional inequalities in child poverty?

Mr. Hutton: Yes. The new deal has been a huge success in my hon. Friend's constituency and throughout many parts of Britain that suffer from high levels of unemployment. The city strategy that we set out in the Green Paper will, I think, provide further targeted help in tackling worklessness in some of the most deprived parts of the country. Together with the other reforms in the Green Paper, I am sure that we will continue to make a significant impact on improving the opportunities for families with children to share in rising national prosperity.

Alistair Burt (North-East Bedfordshire) (Con): In a debate on social exclusion in Westminster Hall at the end of last year, I asked whether the Government's social exclusion unit could examine the relationship of long-term family and relationship breakdown with long-term deprivation. Will the Minister make the same request in relation to child poverty? Will he also examine the work that is being done by many faith, independent and voluntary groups in supporting relationships that are in trouble? As a nation, it costs us a fortune to deal with the consequences of relationship breakdown in child poverty terms, yet we spend so little in trying to support those relationships.

Mr. Hutton: I agree with a great deal of what the hon. Gentleman has said. I have decided to make the pursuit of the child poverty targets that have been set for my Department the No. 1 priority for the Department. I think that that is right if we are to break the cycle of deprivation and poverty between the generations. The social exclusion unit is the responsibility of my right hon. Friend the Chancellor of the Duchy of Lancaster. I will be working closely with her and the Minister of State to ensure that we make progress in this general area.

Mr. Frank Field (Birkenhead) (Lab): I congratulate the Government on nearly achieving their target of reducing the number of poor children by a quarter in five years. Does my right hon. Friend accept that probably the major reason why the Government have scored success in this area was the impact of tax credits, which cost the equivalent of a 5p reduction in the standard rate of tax? Given that that sort of money will not be available for the next five years, might my right hon. Friend, at some suitable opportunity, set out before the House how he intends to achieve another quarter's reduction in the number of poor children in the following five years?

Mr. Hutton: Yes, I will certainly be doing that. I am grateful to my right hon. Friend for his support in this area. We shall have to focus our attention in a number of areas if we are to make continuing progress, not least in relation to how we can improve the operation of the child support arrangements. That is a piece of work currently being carried out by Sir David Henshaw.

We will certainly have to consider how we can continue to make the new deal for lone parents effective. It has been hugely effective and we have seen a huge increase in the employment rate of lone parents—about 11 percentage points. We should continue to explore all these areas and avenues to ensure that we can improve the household income of families with children.

Mr. David Laws (Yeovil) (LD): On the issue of tax credits and poverty, has the Secretary of State had a chance to read the research produced by his Department last year, which concluded that the problems in the administration of tax credits had lent an unwelcome unpredictability to a key element of financial support. It went on to talk about the profoundly negative effects on more financially vulnerable households?

Earlier, the Secretary of State indicated that he is working closely with the Chancellor of the Exchequer. May I encourage him to ask the Chancellor to consider that, as tax credits are no more than means-tested benefits, it would make far more sense to administer the credits from his Department than from the Treasury? Does the right hon. Gentleman accept that his Department could hardly do a less effective job of that?

Mr. Hutton: Answer that one.

I read a great deal of research and many reports. The particular report to which the hon. Gentleman refers,

apparently from my Department, I have not yet managed to read. I will need to ask the hon. Gentleman for the reference number of the report. We examine carefully the administration of tax credits. It is wrong to suggest that somehow they have not been a significant benefit to millions of families with children. They have been a huge boon to millions of households. The Department currently has no plans to take on the administration of the tax credits system.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Is my right hon. Friend aware that London is the only region where no significant progress was made in reducing child poverty for the first milestone in 2004? Does he accept that one of the key reasons for that is high housing costs? Typical of that is a constituent who came to me on Friday, who is in temporary accommodation—one of 3,000 families in temporary accommodation in my borough—who faces a rent bill of £430 every week. That is a ludicrous disincentive to work. Will he therefore take urgent action, with the Department for Communities and Local Government, to tackle the housing costs for those in temporary accommodation? Will he also agree to meet the London—

Mr. Speaker: Order. One supplementary question is fine.

Mr. Hutton: I will certainly pass on my hon. Friend's concerns to the Secretary of State for Communities and Local Government. I remind my hon. Friend that the Prime Minister recently announced two significant projects covering the east of London and the west of London to try to bring more resources to improving employment prospects and to make the impact greater, but she is quite right to say that, sadly, it is still true today that 50 per cent. of children born in inner London are born into poor households—that is households that have 60 per cent. or less of the median income. That is not acceptable for us and we will continue to work across Government in ways that I hope that she will find sensible and an effective response to the problem that she has highlighted.

Mr. Jeremy Hunt (South-West Surrey) (Con): The Secretary of State knows that one in four children in poverty have a long-term sick or disabled parent. Does he also know that there are 13,000 children with caring responsibilities greater than 50 hours per week? That is a situation that can greatly aggravate the negative consequences of child poverty. In the context of eliminating child poverty, and given that we are at the start of national carers week, what specific measures does he propose to deal with the problems facing child carers?

Mr. Hutton: The Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Stirling (Mrs. McGuire), who is the Minister with responsibility for disabled people, and I are currently developing a series of new proposals that will address some of the concerns that the hon. Gentleman has raised. I think that that was the first time that he has contributed to Work and Pensions questions, so I am grateful. *[Interruption.]* It may not be, but it felt like perhaps it was. *[Laughter.]* I hope that that is in no way disrespectful to the hon. Gentleman, whom we hold in high regard on this side of the House. My right hon. Friend the Secretary of State for Health also has responsibility in this area, and we are also addressing the issue through the spending review settlement.

National Insurance Numbers (Illegal Immigrants)

3. **Mr. Andrew Robathan** (Blaby) (Con): What representations he has received on the allocation of national insurance numbers to illegal immigrants. [76095]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): I have had a number of representations from hon. Members. Since the inception of the national insurance system in 1948, the allocation of a number has never been designed to confirm that an individual has the right to live or work in the United Kingdom. However, in order to tighten the system further and to build on improvements that we already made in 2001 and again in 2004, we propose to introduce a right-to-work condition that will have to be satisfied before a number is issued.

Mr. Robathan: I am pleased that the Government have finally taken note of this matter, but it was six years ago, in May 2000, that Lord Grabiner brought out his report, which highlighted the issue of illegal immigrants making national insurance applications. Why has the change taken six years? Why has it taken the Home Office scandals and fiasco to bring focus to this matter? I hope that the Minister will not tell us that the Government did act in 2000 and that everything was rosy, because if it was, why did they need to change the rules last week?

Mr. Plaskitt: The hon. Gentleman should refresh his memory of what Lord Grabiner actually said. In paragraph 4.15 of his report, he said:

> "It is unlikely that a large proportion of illegal immigrants claim benefits...However, to the extent that they do...this is likely to be linked to...identity fraud."

His specific recommendation was about identity fraud. We enacted it within a year by the introduction of the enhanced national insurance allocation system. In 2004, we amended his Government's legislation to strengthen the controls that employers have an obligation to put into place. The third improvement that we are making is to introduce the right-to-work condition. He should welcome that.

David Taylor (North-West Leicestershire) (Lab/Co-op): In relation to individuals whose asylum application fails although they are granted a national insurance number, would it be possible to incorporate in the number a field or pair or digits that showed their status so that the number could be de-registered when their application is refused? Is that not the way forward, as long we do not give the project to the Accentures, the EDSs and the Capitas of this world to mess up?

Mr. Plaskitt: We do make records of such information at the point of dealing with the application, and that information is passed on to the immigration and nationality directorate.

Peter Viggers (Gosport) (Con): I am reliably informed that in official circles there is widespread concern about the issue of temporary national insurance numbers and, indeed, multiple national insurance numbers to the same individual. On 2 March, however, the Department answered a question, saying that no temporary national insurance numbers were issued. Can he explain that apparent discrepancy?

Mr. Plaskitt: Temporary numbers are issued in certain circumstances, but if there is doubt about an applicant's immigration status—as I said, if they are in employment a national insurance number is issued, and that has always been the case—the matter will be referred to the IND. If they are not in employment, or if we suspect that their documentation is false, a national insurance number is not issued.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): We welcome the fact that the Minister has announced plans to introduce a test of legality before issuing NI numbers from next month, but what plans does he have to recall for interview with a view, if appropriate, to cancelling national insurance numbers, the 1,712 applicants whom he recently told the Chairman of the Select Committee on Home Affairs had been referred to IND over the period April 2005 to February 2006 as potential immigration offenders, but who were issued with national insurance numbers anyway?

Mr. Plaskitt: Last year, we referred 2,537 cases to IND on the grounds of immigration irregularities. We also reported 772 suspect document cases, and my Department brought 773 prosecutions for false documentation.

Mr. Hammond: That is very interesting, but the Minister omitted to tell us that he gave all those people national insurance numbers.

Mr. Plaskitt *indicated dissent.*

Mr. Hammond: The Minister shakes his head, but the Chairman of the Home Affairs Committee certainly understood that to be the case. Let me ask him another question. In 2001, shortly after the Grabiner report, Jeff Rooker, the then social security Minister, said in Standing Committee in 2001 that techniques developed in the Balham project

"of in-depth analysis and more systematic questioning about NINOs are being rolled out across the country, virtually as we speak"—[*Official Report, Standing Committee A*, 9 April 2001; c. 74.]

Bearing in mind that commitment, will the Minister confirm that the amount of time allocated for interviews with national insurance number applicants has been cut from one hour to 45 minutes, and that interviewers have been instructed to accept photocopies of passports and other documents, instead of the originals? Despite the message from the Balham project, Lord Grabiner's warnings, and Jeff Rooker's commitment to the House, the Government have continued to weaken controls over the issue of national insurance numbers to foreign nationals.

Mr. Plaskitt: There were a great many points in the hon. Gentleman's question, but I shall respond to one or two. He said that national insurance numbers were issued willy-nilly: that is simply not the case. If our officials are aware of false documentation, national insurance numbers are not issued. He should bear in mind the fact that 20,000 applications for national insurance numbers were declined last year. The powers to which he referred in his long question are more robust following our implementation of Grabiner's recommendations, as there is now a four-stage process, which did not exist under the previous Administration. For third-country nationals, the first stage covers telephone discussion; the second stage establishes residency; the third stage involves a face-to-face interview for identity purposes; and the fourth stage involves additional evidence. An applicant may be required to submit up to 20 documents as proof of their identity.

Incapacity Benefit (Nottingham)

4. **Mr. Graham Allen** (Nottingham, North) (Lab): What discussions he has had with One Nottingham regarding the establishment of a city strategy on incapacity benefit; and if he will make a statement. [76096]

The Secretary of State for Work and Pensions (Mr. John Hutton): Earlier this year, at the invitation of my hon. Friend the Member for Nottingham, North (Mr. Allen), I attended a conference held by One Nottingham where local plans for helping people on incapacity benefits return to work were discussed. We intend to announce next month the first wave of cities to take forward the new approaches outlined in the Green Paper.

Mr. Allen: I thank the Secretary of State and the Minister for Employment and Welfare Reform for their personal interest in pursuing that application. We promise them that that will be forthcoming in the very near future. There are over 30,000 people in Nottingham on incapacity benefit and related benefits, and the strategy presents a great opportunity to impact upon that. Does my right hon. Friend agree, though, that the strategy must lie alongside other strategies on deprivation and regeneration, such as teaching youngsters social behaviour at school and tackling the 50 most difficult families, which One Nottingham is doing? Further to the question from the hon. Member for Reading, East (Mr. Wilson) about cognitive behavioural therapy and helping people get back on the bridge into to work, it may produce tight bottlenecks in the national health service as we try to tap into the supply of those therapists. Will my right hon. Friend ensure that there are sufficient cognitive behavioural therapists available to make his strategy a success?

Mr. Hutton: I am grateful to my hon. Friend for the leadership that he is showing in his own city, taking

forward those proposals. I have no doubt at all that Nottingham will provide a high quality bid when the process for applications has come to an end. There is a strong local partnership in Nottingham, and one of the things that struck me when I was there was the appreciation of the extent to which any successful strategy must be based on a broad approach. I agree with my hon. Friend about the importance of cognitive behavioural therapy. In the neighbouring pathways to work scheme to his in Derbyshire, the same problem of access to CBTs was encountered and the solution was to contract that service from the private sector. Where that can deal with the bottlenecks that my hon. Friend mentioned, it is the sensible way to proceed.

Remploy (Dundee)

5. **Mr. Jim McGovern** (Dundee, West) (Lab): If he will visit the Remploy factory in Dundee to discuss funding. [76097]

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): We announced to the House on 16 March 2006 the Government's intention to appoint independent consultants to conduct a strategic review of Remploy's future business options. I have no current plans to visit the Remploy factory in Dundee.

Mr. McGovern: Last Tuesday the Minister announced that the review of the Remploy organisation is to be extended. The review has been extremely controversial in Dundee, where many of the Remploy workers feel that it is no more than a convenient cover to close down the Remploy factory network, particularly the Dundee factory, which has one of the best business cases not only in Scotland, but in the UK. Will my hon. Friend agree to visit the factory with me to reassure those workers and reaffirm that the review is not simply about closing their factory?

Mrs. McGuire: I know of my hon. Friend's great interest in the Remploy factory in Dundee, both as a Member of Parliament and previously as a full-time officer of the GMB, which is the predominant union in the Dundee factory. Working closely with the trade unions and other stakeholders, we have tried to ensure that there is no pre-judging the outcome of the review. I await the result of the PricewaterhouseCoopers review, and at an appropriate time I will be delighted to visit Dundee and to include a visit to my hon. Friend's factory.

Dr. Brian Iddon (Bolton, South-East) (Lab): Over 80 towns and cities in Britain have Remploy factories. Does my hon. Friend agree that those considerable assets in terms of buildings and the skills of the staff there could be used to establish a much closer relationship than has existed hitherto between Remploy and the other Department for Work and Pensions agencies, such as pathfinders to work?

Mrs. McGuire: That depends very much on the local relationships. In some areas there is a close relationship between Remploy and its interwork, as well as its factory network, and Jobcentre Plus or pathways to work. We want to ensure that we maximise the impact of the support that we give to disabled people seeking employment. I certainly take my hon. Friend's comments on board and will ensure that as far as possible we have a close working relationship not just with Remploy, but with other supported factories and workstep through the country.

Incapacity Benefit

6. **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): What percentage of incapacity benefit recipients have had a full medical examination in each of the past five years. [76098]

The Minister for Employment and Welfare Reform (Mr. Jim Murphy): We carry out periodic reviews to monitor ongoing eligibility for benefit. The frequency of those reviews depends on claimants' circumstances and conditions. Approximately 65 per cent. of new claims involve medical examination.

Mr. Lancaster: Citizens Advice has warned that plans to reform incapacity benefit in the welfare reform Green Paper will fail unless changes are made to the way in which people are assessed. Will the Minister concede that significant improvements are needed to the medical assessment gateway?

Mr. Murphy: I am tempted simply to say yes, but that would do the hon. Gentleman's question a disservice. Citizens Advice has carried out its work thoroughly, and it welcomes the approach in the Green Paper. We need to review the personal capability assessment, because we need to assess every individual's ability not to rely on benefit for life, but to get closer to the labour market and participate in active employment.

John Robertson (Glasgow, North-West) (Lab): As the Minister knows, the tests of people on incapacity benefit sometimes consist of no more than a chat across a table, after which claimants are sometimes refused incapacity benefit. Will he allay my fears and assure me that doctors will do the job properly and that proper guidelines will be introduced to ensure that people are not called to tests for the sake of it?

Mr. Murphy: My hon. Friend is right. If he has particular examples of the practices that he has described, I would obviously be willing to meet him and discuss them. Doctors have conducted more than 493,000 examinations of incapacity benefit claimants, and the number of complaints about their conduct is very small—in extreme cases, such complaints have led to doctors being struck off. We must get the matter absolutely correct, and we intend to do so as we move towards the introduction of the employment and support allowance, which is identified in the Green Paper.

Dr. Vincent Cable (Twickenham) (LD): In many cases, NHS examiners directly contradict claimants' GPs and consultants. Since half of appeals are upheld, surely more radical action is required to raise the professional standards of the people who carry out those examinations for the NHS.

Mr. Murphy: The medical profession is involved in different ways in such cases—the individual's GP carries out the diagnosis and the medical examiner assesses the impact of that condition on that person's ability to work. As Citizens Advice has pointed out, we must get such cases right first time. About 8 per cent. of cases end up going through the appeal process. That percentage is too high, and we intend to act further to reduce it as we move forward with proposals in the Green Paper.

Miss Anne Begg (Aberdeen, South) (Lab): On Friday, I discussed that issue with a GP in my constituency, who made it clear that he does not want a role in assessing whether someone is fit for work, because he thinks that that might ruin his relationship with his patients, but he would welcome others working alongside his practice to encourage people into work. Will my hon. Friend consider redesigning the personal capability test to make it wider than a medical examination and to take into account social factors, which is what disabled groups are calling for?

Mr. Murphy: My hon. Friend has correctly identified some of the past weaknesses in the assessment process. We are involving stakeholders and professionals in order to ensure that we get the review of the personal capability assessment absolutely right. Again, if my hon. Friend knows about case studies from her constituency or wants to feed in the experience of local GPs, I am happy to listen. She has made the important point that GPs are involved in diagnosis with patients while medical examiners currently assess the impact of a condition on a person's ability to work, and we remain committed to that important distinction. We must work more closely with GPs, and we will.

Child Support Agency

7. **Mr. Adam Holloway** (Gravesham) (Con): If he will make a statement on the recent performance of the Child Support Agency. [76099]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): As my right hon. Friend the Secretary of State has already said, the overall performance of the agency is still not acceptable. However, there have been improvements in some areas. The agency's operational improvement plan, published in February, set out the immediate priorities for improvements in client services and enforcement. Also, as we have already announced, Sir David Henshaw has been asked to report on his proposals for a redesign of child support policy and delivery before the summer recess.

Mr. Holloway: Staff at the agency say that the current reorganisation will lead only to more backlog. When Sir David Henshaw concludes his report, that may lead to further disarray. This situation has been an absolute nightmare for many of my constituents and, I guess, those of Members on both sides of the House. When do the Government think that they are finally going to sort out this farce?

Mr. Plaskitt: I know that many of the hon. Gentleman's constituents are frustrated about the state of the CSA, and I think that that feeling is shared by our constituents across the country. However, the staff inside the agency, who work very hard to deliver its services in difficult circumstances, are right behind our drive to improve its performance. They want to be part of a successful Child Support Agency.

I reject the hon. Gentleman's comments on the backlog. Although it is still considerable, at more than 300,000, it has fallen over the past year. The additional staff whom we are putting in should enable us to bring down that backlog even further as we move forward with the improvement programme.

Mr. Mark Francois (Rayleigh) (Con): Many of us have come to the reluctant conclusion from our constituency casework that the CSA is essentially broken. That being the case, and as we await the Henshaw review, can the Minister give us an absolute guarantee that Ministers will come to the House prior to the summer recess and give us a statement about exactly what the Government plan to do, bearing in mind that their previous statement promised only yet another review?

Mr. Plaskitt: As I said in my initial answer, we have asked Sir David Henshaw to report before the summer recess, and we intend to make a statement to the House about that.

8. **Andrew Selous** (South-West Bedfordshire) (Con): If he will make a statement on the length of time taken by the Child Support Agency to secure court hearings for non-resident parents who are not making the child support payments required of them. [76100]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): The operational improvement plan sets out the immediate priorities, including improved enforcement. The agency has already established a working group with the Magistrates Association, the Department for Constitutional Affairs and the Justices' Clerks Society, aiming to develop a faster and more effective court referral process. As a further step in speeding that process, we will pilot the centralisation of magistrates courts' cases.

Andrew Selous: My constituent, Lorna Leech, has sought justice from the CSA for more than 10 years. She is owed more than £30,000 of child support, and now her children are nearly grown up. Does the Minister think it acceptable for the CSA to wait for more than eight years to take that case to court, and then to seek an adjournment of a subsequent hearing? Does he agree that children are only young once, and that justice delayed is justice denied?

Mr. Plaskitt: I agree with the hon. Gentleman—that is an unacceptably long wait for action. I am aware of some of the details of Miss Leech's case. I understand that the agency has brought four separate liability orders in respect of her case, over a considerable period, but there is still no action in the courts. That is an unacceptable delay. I hope that the process will be speeded up. I am happy to meet the hon. Gentleman to go into the case in more detail, and I will offer any help to him and his constituent that I can.

Mr. Philip Dunne (Ludlow) (Con): Is it not the case the Sir David Henshaw's brief has been restricted, and that he is therefore unable to undertake the root-and-branch review of the CSA that would allow him to consider the entire structure of child support in this country? He could, for example, look to other countries with a much more successful record in payment, such as Australia. Is that part of his brief, or not?

Mr. Plaskitt: I do not know where the hon. Gentleman got his information, but it is nonsense.

Jobseeker's Allowance

9. **Mr. Jim Cunningham** (Coventry, South) (Lab): How many people have outstanding claims for jobseeker's allowance in Coventry, South and the west midlands. [76101]

The Minister for Employment and Welfare Reform (Mr. Jim Murphy): For the week ending 2 June, there were 153 people with outstanding claims for jobseeker's allowance in the Coventry and Warwickshire district, and 5,291 in the west midlands.

Mr. Cunningham: I thank my hon. Friend for that answer, but can he tell me what he is doing to reduce the waiting time in relation to the processing procedures for those claims?

Mr. Murphy: Specifically in the west midlands, we are using facilities and staff in other parts of the country to clear the backlog to which my hon. Friend persistently, and very effectively, refers. The new figures from Jobcentre Plus on the clearance and processing of benefits will be out tomorrow. If they have not improved to the extent that he and I wish and expect them to, I am happy to meet him to discuss what further can and should be done.

National Insurance Numbers (Illegal Immigrants)

10. **Mr. David Jones** (Clwyd, West) (Con): What estimate he has made of how much has been paid in benefits to illegal immigrants issued with national insurance numbers in the past five years. [76102]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): An employment-related national insurance number would usually be issued to third country nationals only if they presented proof of employment. If our officials had grounds to suspect illegal working, the matter would be referred to the immigration and nationality directorate. Our proposed right-to-work check will strengthen those arrangements.

Furthermore, possession of a national insurance number in itself is insufficient evidence to gain access to social security benefits. Robust checks to confirm identity, as recommended by the Grabiner report, are in operation.

Mr. Jones: The Minister has already quoted Lord Grabiner. However, is he aware that last week Lord Grabiner said:

"One of my key concerns was that if you got hold of an NI number then it gave you access to all kinds of benefits—everything that was going."?

Is not the Minister's inability today to give an estimate of the benefits paid to illegal immigrants a further indication of the utter incompetence with which the Department has handled the issue?

Mr. Plaskitt: I will again refer the hon. Gentleman to what Lord Grabiner said in his report, which is that

"it is inherently difficult to give an accurate estimate of the numbers involved".

That was his opinion in 2000. His report did not refer to individuals' right to work in this country being part of the national insurance application process.

Mr. Philip Hollobone (Kettering) (Con): May I draw the Minister's attention to illegal immigration in Kettering and the problem of legal migrants being subject to illegal terms and conditions of employment? Responsibility for those issues appears to fall somewhere between the IND, the Paymaster General and the Department. Is the Minister satisfied that there is effective Government co-ordination between all three Departments on those matters?

Mr. Plaskitt: There is some sharing of responsibility. However, the Conservative Government's legislation—the Asylum and Immigration Act 1996—placed considerable responsibility on employers to establish whether people applying for a job had a right to work in the United Kingdom. We strengthened that legislation in 2004 and we also implemented the Grabiner report's recommendations. The system is therefore far more robust now than the one we inherited. We recently announced a further improvement.

Pension Provision

11. **Chris McCafferty** (Calder Valley) (Lab): From what date carers will be credited with basic and second state pension entitlements under the proposals in the White Paper. [76103]

The Minister for Pensions Reform (James Purnell): We propose that the new crediting arrangements for carers will apply from 2010. On its own, the new carers credit will mean that approximately 70,000 more carers could gain credit to the basic state pension. It will also help around 110,000 more women and 50,000 more men to gain credits to the state second pension.

Chris McCafferty: I thank the Minister for that reply. The White Paper is a bold move forward and will ensure that many carers get increased pension rights. However, does my hon. Friend know that a quarter of all women between the ages of 50 and 59 are in a caring role? Much of the time that they have spent caring has been before the introduction of home responsibilities protection and credits. Will he ensure that those women will not lose out when the excellent proposals are implemented?

James Purnell: That is the key group at which the reforms are aimed. They will be helped especially by the reduction in the number of qualifying years to 30. Approximately 30 per cent. of women currently reach retirement age with full entitlement to a basic state pension. In 2010, the figure will be 70 per cent. and it will be 90 per cent. in 2020. That will help exactly the group that my hon. Friend mentioned.

Jobseeker's Allowance

12. **Andrew Rosindell** (Romford) (Con): What recent assessment he has made of the level of overpayment of jobseeker's allowance; and if he will make a statement. [76104]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): I am grateful for that question. We have significantly reduced the level of overpayment of jobseeker's allowance. The overpayment level that we inherited in 1997 represented 13.2 per cent. of JSA expenditure. I am happy to tell the hon. Gentleman that the latest estimate is that, thanks to our measures, the loss is down to 6 per cent. of JSA expenditure. We will not stop there—we shall continue to strive to reduce that even further.

Andrew Rosindell: I thank the Minister for his response, but is not the true story that, since the 1997 general election, 910 million overpayments have been made? Will he reassure hon. Members that, with rising unemployment—44,000 jobs lost in the previous quarter ending in March—JSA overpayments will be reduced further? The Department appears to be managed incompetently when so much money is being given away unjustifiably.

Mr. Plaskitt: I think that our record speaks for itself. When the Conservatives were in government, they did not accurately measure what was going on—that is how bothered they were about the issue. We have far more robust systems of measurement in place, however. The hon. Gentleman has asked me for more information and reassurance, so let me break down the figures for him. The level of loss in jobseeker's allowance to fraud in 1997 was £300 million; last year, it was £50 million. In 1997, the level of loss in JSA to official error was £150 million; last year, it was £50 million. That illustrates the progress that we are making, and we shall continue to make it.

Pension Provision

13. **Lynda Waltho** (Stourbridge) (Lab): If he will estimate how many women will be entitled to a full basic state pension by 2025. [76105]

The Minister for Pensions Reform (James Purnell): Almost 5.5 million women will be entitled to a full basic state pension by 2025.

Lynda Waltho: I thank the Minister for his answer. On Saturday, at the start of carers week, I visited a massive display of all the carers' associations and organisations within Dudley. Many of the carers that they represent are women, and I was lobbied quite specifically about pension entitlement. Those women will be happy to hear the answer that the Minister has just given me. Will he undertake to visit Dudley to meet some of them, to explain their entitlements and to listen to the significant issues that some of them have about the substantial care that they provide?

James Purnell: I would be delighted to visit Dudley to do exactly that. I am going to King's Lynn later this week in the context of carers week to explain our proposals, which will be extremely good news for carers. We are modernising the contributory principle because we need to recognise the contributions that people make, not only through work but through child care and other forms of care. That is exactly what we are doing.

Benefit Entitlements

14. **Mr. David Heathcoat-Amory** (Wells) (Con): What discussions he has had with the Treasury on departmental responsibilities for the benefit entitlements of those in work. [76106]

The Minister for Employment and Welfare Reform (Mr. Jim Murphy): There are regular discussions between departmental officials and officials in the Treasury on the operation of the tax credit scheme and its interaction with Department for Work and Pensions benefits.

Mr. Heathcoat-Amory: As the Minister knows, the tax credit system is a complete shambles from start to finish—so much so that some of my constituents have been sent a letter stating:

"Unfortunately the forms"—

about how to complain—

"are not available but will be sent to you as they become available."

So, people cannot even complain about this mess, which has been caused by the Treasury's power grab for this aspect of policy and by the Chancellor's obsession with gaining control of every aspect of domestic policy. Will the Minister's Department now assert itself and get back under its control this aspect of policy that is vital for so many people on low incomes?

Mr. Murphy: The right hon. Gentleman will be aware that tax credits are benefiting 6 million families and about 10 million children throughout the United Kingdom. They have also played an important part in helping to lift 700,000 children out of poverty. Of course, I reiterate the apology that has been offered by other Ministers for the mistakes that have been made in the operation of the tax credit system and for the difficulties that they have caused. However, I do so, in the expectation that Conservative Members will offer an apology for voting against the creation of the system in the first place. Of course it is regrettable that the right hon. Gentleman's constituent has to wait for the forms, but if we were relying on him and his party, they would still be waiting for the creation of the tax credits themselves, and for the alleviation of poverty that they have brought about.

Financial Assistance Scheme

15. **Mr. Henry Bellingham** (North-West Norfolk) (Con): What further plans he has to extend the financial assistance scheme. [76107]

The Minister for Pensions Reform (James Purnell): As we announced in the White Paper on pensions reform, eligibility for the financial assistance scheme will be extended to all those who meet the other qualifying conditions and were within 15 years of their scheme's pension age on 14 May 2004. This means that about 40,000 people will receive assistance totalling more than £2 billion over approximately 50 years.

Mr. Bellingham: Is the Minister aware that many of my constituents lost their company pensions when Albert Fisher went into receivership? At first, they welcomed the announcement to extend the Financial Services Authority scheme and assumed that they would be entitled to 80 per cent. of their original pensions. However, the company pension expert, Ross Altmann, has looked into various matters, including the non-indexation of capital sums, and it would appear that my constituents may only get 20 per cent. of their original entitlement. Is that the case?

James Purnell: No, that is rubbish, actually. We made our proposals, and the fact that there would be taper, absolutely clear. That will help us to reach more people and it amounts to a significant extension of the scheme from £400 million to £2.3 billion. Unless the Conservative party is going to provide more funds to extend it even further, it should accept what we have done and welcome it.

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission was asked—

House Staff

20. **Mr. Andrew Robathan** (Blaby) (Con): What checks are undertaken into the immigration status of people working for the House. [76112]

Nick Harvey (representing the House of Commons Commission): The Department of Finance and Administration carries out checks on the immigration status of all candidates at the interview stage of the recruitment process for prospective employees. Candidates must provide original evidence of their eligibility to work in the UK based on a limited list of acceptable documents, which follows Home Office guidelines.

Mr. Robathan: I thank the hon. Gentleman for that answer, but there has been some regrettable publicity surrounding the Home Office and the way in which it has recruited illegal immigrants, often to work as civil servants. As I wander around the House early in the morning, I discover people from Francophone Africa, working for contractors—*[Interruption.]* I come into work very early. They are working for contractors to clean the offices, which they do perfectly well, but I suggest that it would be very embarrassing if they were found to be illegal immigrants. I trust that such people will be investigated.

Nick Harvey: I hope that the hon. Gentleman is not jumping to any conclusions about people's immigration status simply because he encounters them working in the House. The contractors and agencies that supply temporary staff are responsible for checking the immigration status of staff and guidance has been given about how to do so. They have to sign a declaration to confirm that they have carried out the necessary checks and they have to provide the relevant documentation. The hon. Gentleman should therefore rest easy, as the proper checks are in place.

LEADER OF THE HOUSE

The Leader of the House was asked—

House of Lords Reform

21. **Simon Hughes** (North Southwark and Bermondsey) (LD): What the timetable is for the cross-party talks on the future of the House of Lords. [76113]

The Leader of the House of Commons (Mr. Jack Straw): The hon. Gentleman will be aware that the Joint Committee on Conventions has now been set up and is receiving evidence. Tomorrow, my ministerial colleagues in the House of Lords and I will appear before it. I am also arranging to bring forward an order to extend its deadline from the end of July to the end of this Session. An order to that effect has already been laid in House of Lords and will come before this House, assuming that it is passed, as soon as possible. Meanwhile, I will hold informal consultations with the other parties, Cross Benchers and bishops. The hon. Gentleman knows that I am meeting him and other members of the cross-party group to discuss the way forward next week.

Simon Hughes: I am grateful for that answer, but I seek clarification of what now appears to be the timetable. The Joint Committee is likely to work until

the autumn and then report. Should there be a chance for the cross-party discussions to take that advice, information and recommendations into account? Should the House of Commons then be able to deliberate and then the Government formulate their views, hopefully before next year and on a consensus basis, before putting them to both Houses of Parliament?

Mr. Straw: The hon. Gentleman is right to say that we all hope and pray to find a consensus on this matter, but we never know. It is the failure to find such a consensus in the past that has left us with a less than satisfactory status quo. As to the time scale, we will have lost some months by extending the deadline for the Joint Committee. My intention is to run the all-party discussions, including within the group, in parallel with the Joint Committee's sittings, but not in a way that pre-empts the conclusions. We should gain a fairly clear idea about the direction in which it is moving towards October and November, and I hope that we can try to bring all these issues together either this side of the turn of the year or just the other side of it.

Mr. Gordon Prentice (Pendle) (Lab): My friend will have read early-day motion 2307, on the reform of the Canadian Senate. Does he expect the Joint Committee to look at what is happening now in Ottawa to see whether that gives us any way to move forward in reforming the House of Lords?

Mr. Straw: The Wakeham commission took at lot of evidence about parallels with other second chambers, and I may tell my hon. Friend that the manner in which other second chambers operate, the balance of power between them and the first chamber and their systems of election and appointment are all the experiences that we need to look at very carefully before making our own decisions.

Sir Patrick Cormack (South Staffordshire) (Con): In thanking the Leader of the House for his over-modest extension of the deadline, may I ask him to confirm that he will meet that very large informal all-party group from both Houses, which includes a former leader of the Liberal party and a former leader of the Liberal Democrats in the House of Lords, and that he will listen very carefully to the unanimous view of that group, which does not believe in electing any Member of the upper House?

Mr. Straw: Arrangements are in hand to see the hon. Gentleman, who is a leading member of that group, but the passion with which he puts an otherwise prosaic point simply about holding a meeting illustrates the difficulty of trying to find a consensus on this issue.

Petitions Committee

22. **John Robertson** (Glasgow, North-West) (Lab): What assessment he has made of the merits of establishing a petitions committee. [76114]

The Deputy Leader of the House of Commons (Nigel Griffiths): Like all hon. Members, the Leader of the House and I are keen to encourage greater public participation in our democracy. The Power report, "Parliament First" and the Modernisation Committee have made positive suggestions about making better use of public petitions. I am grateful to the Procedure Committee for devoting time and resources to the issue, and we look forward to being able to act on its findings.

John Robertson: I thank my hon. Friend for his answer. He obviously agrees with me that the Petitions Committee that has been set up in the Scottish Parliament has been shown to be in touch with the people, groups and professionals with petitions, which are vital to people. Will he continue to go down that road and ensure that he and the Leader of the House consider a petitions committee to try to engage the general public more in politics and the House?

Nigel Griffiths: I entirely agree with my hon. Friend—the Scottish Parliament's Public Petitions Committee has been widely praised by people from all parties and those of no party. We recently made a change—some saw it as a landmark change—whereby petitions no longer need to be hand written but will be accepted in hard copy. I think that we can go a lot further than that.

Mr. David Heath (Somerton and Frome) (LD): I rather hope that we might. Certainly, the Public Petitions Committee in Scotland has been judged a great success—indeed, I believe that it is being emulated by the German Bundestag—so it is something that we should seriously consider. However, is there not a disjunction between what people are thinking at a certain time and want to put before Parliament, what Members want to put before Parliament, and what gets on to the Order Paper? Is there not a case not only for a petitions committee, but for finding a proper way to consider early day-motions signed by a great number of Members? For instance, early-day motion 1531 on Post Office accounts has been signed, as he knows, by more than half the membership of the House. Is there not a good case for putting that before the House in the form of a debate?

Nigel Griffiths: I certainly have no doubt that there is a disjuncture between what Liberal Democrat MPs may be doing and what the public think, and we are keen to find a mechanism that takes account of the public filling in petitions. I am keen to look at solutions to the issues that have been raised by us and in some of the reports that I have mentioned, such as the increased volume of petitions, as compared with those in the devolved Parliament in Scotland, and so on. I am sure that those obstacles can be overcome and I believe that we are at least united in wanting to ensure that the public have a better mechanism for being able to participate in discussions in the House. That is a way forward, and I look forward to the Procedure Committee coming up with some very solid recommendations that have all-party support.

Mrs. Theresa May (Maidenhead) (Con): I am grateful to the Deputy Leader of the House for the helpful tone in which he is responding on this issue. Although I never thought that I would stand here and say it, I think

that we can learn something from the Scottish Parliament in relation to a petitions committee. However, there is a real difference between what the many thousands of people, who often sign petitions and who work hard to get signatures on petitions, feel will happen as a result of bringing their views to the House and to the Government, and the way in which those petitions are handled. We need to find a way in which people's views are taken more seriously by the Government and the House when they have gone to all that effort.

On a technical point, may we please—I know that the Procedure Committee is looking into the petitions issue—find a way to accept petitions by e-mail? Many people find it so strange that they cannot e-mail signatures on petitions.

Nigel Griffiths: I agree with the right hon. Member and I thank her for her constructive support for the proposals.

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission was asked—

House of Commons Chamber

24. **Mr. Graham Allen** (Nottingham, North) (Lab): If the Commission will agree with the Royal Institute of British Architects the rules and prize for an architectural competition to redesign the House of Commons Chamber; and if he will make a statement. [76116]

Nick Harvey (North Devon) (LD): The Commission has no plans to sponsor such a competition.

Mr. Allen: Does the hon. Gentleman feel that there would be greater public interest in debates in the House, which are watched and listened to by very few people, were the debates more worth listening to—*[Interruption]*. Does he feel that a wider group of members of the public, architecture students and architects' practices could help us to build a Chamber that was more conducive to genuine debate—*[Interruption]*—as opposed to posturing and shouting from a sedentary position, as is being demonstrated at this very moment, thereby making my argument?

Nick Harvey: When the hon. Gentleman raised a similar point a while ago, I suggested that he should approach the Modernisation Committee if he wanted to test the degree of support that he had among his colleagues. I am not aware of his having done that. Alternatively, he might like to table an early-day motion to test support for any idea that he might wish to put forward.

Sir George Young (North-West Hampshire) (Con): Is the hon. Gentleman aware that public esteem for Members of Parliament might be further lowered were we to decide to spend scarce public resources redesigning a Chamber that works perfectly well?

Nick Harvey: As I said, the Commission has no plans to sponsor such a competition.

Points of Order

Bob Spink (Castle Point) (Con): On a point of order, Mr. Speaker. I seek your help. Castle Point has serious antisocial behaviour problems, and I have spent some of my time over the past few weekends persuading residents not to get together in vigilante groups in order to go out on to the street late at night to protect their community, as that would be dangerous and unhelpful to the police. Has the Home Secretary indicated that he will come to the House and explain his new policy of encouraging residents to take control of their streets late at night, which seems dangerous?

Mr. Speaker: The hon. Gentleman can put both written and oral questions to the Home Secretary.

Mr. Graham Stuart (Beverley and Holderness) (Con): On a point of order, Mr. Speaker. As the stoutest defender of Back-Bench rights and of new Members such as me, will you give me some guidance? I wrote to the Minister for Housing and Planning at the then Office of the Deputy Prime Minister on 24 January seeking a meeting to discuss planning conditions in relation to residential homes for troubled young people. When I did not receive a response, I followed up with another letter on 25 April. I phoned her office on 19 May and was told that my letter had gone from official to official and that no one had dealt with it, but that a reply would be sent within the next couple of days. Nothing further came, so my office called again on 31 May and we were told that investigations would be made and that we would be telephoned back shortly. Will you give guidance on this lamentable situation?

Mr. Speaker: If the hon. Gentleman sends me the details of the question, my officers will investigate the matter.

Mr. David Winnick (Walsall, North) (Lab): On a point of order, Mr. Speaker. The Foreign Secretary has rightly condemned the massacre of a Palestinian family that left only a seven-year-old girl as a survivor. The Foreign Secretary's condemnation is welcome, and I have always condemned suicide bombings. Is there any way in which you could use your influence, Mr. Speaker, so that an oral statement can be made in the Chamber before Foreign Office questions? There is very great concern over what occurred.

Mr. Speaker: The hon. Gentleman is well aware of the procedures of the House. If he feels that there should be an oral statement, he can apply for an urgent question. I give no guarantee as to whether that urgent question will be granted.

Orders of the Day

Fraud Bill *[Lords]*

[Relevant document: the Fourteenth Report from the Joint Committee on Human Rights, Session 2005-06, Legislative Scrutiny: Sixth Progress Report, HC 955.]

Order for Second Reading read.

3.34 pm

The Solicitor-General (Mr. Mike O'Brien): I beg to move, That the Bill be now read a Second time.

The Bill will reform the criminal law on fraud and dishonestly obtaining services. It applies to England and Wales and to Northern Ireland; Scotland has different provisions.

We know that fraud has a massive impact on the United Kingdom economy. It is difficult to give precise figures, because fraud is by nature secretive, but in 2000 National Economic Research Associates estimated that it cost the UK economy £14 billion. In 2004, Norwich Union suggested that the cost had risen to more than £16 billion. Despite the public perception that most fraud is a victimless crime, the reality is that it hits most of us. We all pay higher prices for security systems, banking services, credit and goods, and of course we also pay higher premiums for insurance. If the Norwich Union estimate is right, fraud is costing each household more than £650 a year.

Tackling fraud and the provisions of the Bill are therefore important to everyone. The Government's strategy for tackling fraud has three aims. The first is to get the law right, and is the reason for the Bill. The second is to improve the investigation of fraud by the police and other agencies. The third is to ensure that the courts deal expeditiously and effectively with fraudsters. The investigation of fraud is being considered by the fraud review that the Attorney-General is currently leading, and which is expected to report soon. I shall return to that later. We have also agreed to deal with the issue of trials, particularly the contentious question of non-jury trials, in another Bill.

This Bill was the subject of a great deal of discussion in another place. By the end there was broad all-party support for most of its provisions, although I am sure that Opposition Members will want to test the detail in Committee.

Strange as it may seem, no general offence of fraud exists today. When lawyers talk of fraud, we refer collectively to a wide and complex array of deception and theft offences. The Theft Acts and the common law, compiled somewhat haphazardly, have the task of encompassing the wide range of fraudulent conduct.

In 1998, the Government asked the Law Commission to review this area of law. The commission conducted a lengthy and painstaking review, for which we thank it, producing a report in July 2002. Unsurprisingly, it concluded that the existing law on fraud was deficient and proposed changes, most of which found their way into the Bill. It identified certain key problems. First, the deception offences in the Theft Acts tend to be specific and narrow, which makes them vulnerable to technical assaults. Defence lawyers are often able to argue that a particular

behaviour fell just outside the definition of the offence with which the defendant was charged, or that the defendant was charged with the wrong kind of deception and so ought to be acquitted. Defendants may indeed face the wrong charge or too many charges, and indictments may be excessively complex because of charges relating to various alternative counts.

Secondly, deception is an essential ingredient of the offence. That requires a victim to be deceived. However, a shop assistant who accepts a card for payment may be indifferent about whether the cardholder has authority to use the card as long as the payment goes through. Machines and computers have generated new problems. For example, a ticket machine has no mind of its own: can it be deceived? What of problems such as internet phishing? The more we use machines to obtain goods and services, the greater such problems are likely to become. So far the old laws are coping with those developments, but the signs of stress are beginning to show.

The Law Commission rightly took the view that it was unrealistic merely to plug the loopholes in the deception laws, or to try to create a new collection of specific new deception offences, as such piecemeal reform would produce even more complexity. Instead, the commission recommended a new general offence of fraud that would make the law more comprehensible to juries, would be fairer to defendants by making the law more straightforward, and would encompass fraud in its many unpredictable forms. In proposing that change, the Law Commission made two specific recommendations in relation to the law. First, the focus should be on dishonesty rather than on deception. Secondly, proof of gain should no longer be essential to proving the crime: it should be enough that the offender intends to make a gain for himself, to cause a loss to another, or to expose another to a risk of loss.

The Bill creates the general offence of fraud in clause 1. It will replace provisions in our law that are in daily use in the courts. It is important that we get those changes right. That is why, in 2004, after the Law Commission's report, the Government decided to carry out a further consultation on the proposals. The consultations showed wide support for the proposal for a new general offence. Most stakeholders agreed that it would be right to focus the crime on the dishonest behaviour of the defendant, rather than the deception of the victim. Most also agreed that the Law Commission was right to reject the idea of a very broad offence of dishonesty, which risked being too uncertain.

The general offence in clause 1 requires not only dishonesty and the intention of making a gain or causing a loss, but one of three other elements, which must be met before the crime can be charged. The three elements are: fraud by false representation, fraud by failure to disclose information, or fraud by abuse of position. Let me briefly describe each of them.

Fraud by false representation is set out in clause 2. The extra element is that the offender makes a false representation knowing that it is, or might be, false or misleading. The types of representation covered may be of fact or law, including making a representation as to a person's state of mind. There is no restriction on whether it is written, spoken or in non-verbal communication. The representations can be implied or expressed in any form. For example, it can be done by entering a stolen chip or PIN into a machine or by internet phishing, where someone puts a letterhead on an email suggesting it has come from a bank in order to elicit a victim's financial details.

Under the second limb of the offence, fraud by failing to disclose information, the extra element is that the offender fails to disclose information that he has a legal duty to disclose. There were some differences of view on that proposal between the Law Commission and others. The commission's report proposed covering circumstances where there was no legal duty to disclose but where one person trusted the other to disclose—where there was some kind of moral responsibility, for want of a better phrase—but in the Government's consultation, although there was widespread welcome for that limb of the general offence, the issue of going beyond a legal duty was questioned.

Some—for example, the Association of Chief Police Officers fraud working group—said that it would create uncertainty in the law. I can see their point. For example, how many of the minor defects of a second-hand car would a seller be trusted to disclose? The Government listened with care to those concerns and responded by restricting the offence to legal duties only—a position supported by the Rose committee, comprising members of the senior judiciary set up to ensure that legislative proposals are as well formulated as possible and can work in practice.

John Bercow (Buckingham) (Con): The incidence of credit card fraud, not merely by customers against retailers but often the other way around, is a significant problem, of which I confess I was briefly the victim in South Africa last year. Will the hon. and learned Gentleman tell the House something about the penalties proposed in the clauses and specifically how they compare with existing penalties? Is he prepared, alongside custodial sentences, to consider stiff community penalties and possibly the use of restorative justice?

The Solicitor-General: We certainly need to look at the full range of penalties. Crime involving fraud, particularly cheque card fraud and other credit card fraud, varies in terms of extent. It can be a massive fraud that merits a high penalty. Indeed, the maximum penalty under the Bill is 10 years' imprisonment. A community penalty and restorative justice may be appropriate if the amount involved were limited, the defendant had a limited record, or none at all. In those circumstances, we could look at various forms of restorative justice, particularly if the defendant were younger. I think that it is about achieving proportionality and ensuring that the appropriate sentence is delivered for the offence that was committed.

The third limb of the offence—fraud by abuse of position—is set out in clause 4. Here, the additional element is abusing a position of responsibility to commit a fraud. It applies in situations where the defendant has been put in a privileged position and by virtue of that position is expected to safeguard another's financial interests, or at least not to act against those interests.

Mr. Dominic Grieve (Beaconsfield) (Con): I understand the thrust of the clause, to which we will obviously have to return in Committee, but is there not a possible problem with the lack of definition involved in a person's occupying a position in which he is "expected to safeguard" somebody else's interests? That is a much wider term than "a duty to safeguard" such interests.

The Solicitor-General: We need to ensure that we have a view about how a relationship is created. It can be created in various ways, such as by contract, through various relationships or by a legal obligation. It is clear that, as long as there is a basis for ensuring that a person has a fiduciary duty to another person, there is the potential for such a charge to be made. But in prosecuting any such case, it will of course be necessary for the prosecutor to ensure that he identifies the way in which the circumstances had developed, and whether a fiduciary duty had indeed existed. It will then be up to him to show that that is what happened.

Mr. Grieve: The Solicitor-General has used the precise expression "a fiduciary duty", which would already provide a definition that appears currently to be absent from clause 4. In saying that, I emphasise that he might be able to persuade me during our proceedings that the current wording is better; I simply wish to register that this issue causes me some concern.

The Solicitor-General: Of course, the duty may well go beyond a mere fiduciary one; other duties could be encompassed. We can deal with such detail in Committee.

Mr. David Heath (Somerton and Frome) (LD): I wish to make exactly the same point. I am unclear as to why the expression

"he is expected to safeguard"

should replace a clear reference to a fiduciary duty. The question that all Members wish to ask is: who is the "he" who is expected to provide the safeguard? Is it the man on the Clapham omnibus, or the judge; or will the terms of contract provide the safeguard? What does the expression "expected to safeguard" mean? We will clearly need to explore that issue in Committee, but if the Solicitor-General can help us to understand it now, that would be to the advantage of us all.

The Solicitor-General: The Law Commission cogently set out its views on how this relationship should be formed. In each prosecution, it will be necessary to assess the particular circumstances and whether there is a duty, in that a person is expected to safeguard, or not to act against, the financial interests of another. It will be for the prosecutor to show that that relationship existed, and, in due course, for the court and the jury—if it is a jury trial—to determine whether such a relationship existed.

Chris Bryant (Rhondda) (Lab): Might that include the position of a friend? For instance, if I am selling something to a friend of mine who happens to know that its value is far higher than the price that I am selling it to him for, will he be required in law to reveal to me the full value, and will he be guilty of fraud if he fails to do so?

The Solicitor-General: I do not think that that would arise under this limb of the offence, but it would depend on the circumstances and the relationship between the friends. If they are dealing as equals, it would be a straightforward contractual relationship. Under this limb, for there to be an abuse of position, it is required that a particular duty is owed by the individual, over and above that which people have when they enter into a normal contract to purchase property, or anything else.

John Bercow: I note the characteristically cautious reply that the Solicitor-General gave to the hon. Member for Rhondda (Chris Bryant), but is it not the case that the far more likely reaction of his friend would simply be to think that he has undervalued one of his own possessions? That is such a spectacularly implausible scenario as to merit no further discussion.

The Solicitor-General: In fact, my hon. Friend should perhaps look at clause 3 rather than clause 4, because the former covers fraud by failing to disclose information. That probably covers the issue better than clause 4.

Mr. Grieve: The nature of the Bill probably means that the detail is the most important aspect, but it is true that clauses 3 and 4 overlap. It is possible for one single action to be an offence under clause 3, which is reasonably happily drafted, and under clause 4, about which I have much greater concerns.

The Solicitor-General: There is some overlap and I say again that it would depend on the circumstances between the two friends undertaking the financial deal that my hon. Friend the Member for Rhondda (Chris Bryant) described.

Fraud by abuse of position improves upon the current law, because it may be problematic under the current law to show that a victim has been deceived in circumstances where the defendant occupies a position of trust. In proposing the new offence, the Law Commission recommended that it should be an offence of fraud only if the abuse of position is both dishonest and secret. However, again after considering the arguments put forward during the consultation in 2004, the Government decided not make secrecy an essential part of the offence. We took that view because secrecy is difficult to define and would represent an unnecessary complication, which could lead to technical arguments in court. Moreover, conduct that is not secret is not any the less reprehensible and thus should come within the ambit of clause 4.

The Fraud Bill also creates some offences designed to complement the new general offence.

Keith Vaz (Leicester, East) (Lab): My hon. Friend will know that on 1 June EU Ministers met and agreed a formula for sharing evidence between EU countries on matters such as fraud. Does he agree that that

decision, along with the decision to implement the European arrest warrant, which came into effect in 2004, will help us on cross-border issues, so that no one who commits a fraud in another EU country should believe that that will necessarily prevent them from being brought to justice here?

The Solicitor-General: It is certainly right that some of the developments in the global economy that have so benefited our economy have also benefited a lot of fraudsters, who operate in Europe and globally. We now see frauds committed by a group on one continent against victims on another, especially by use of the internet. We are now developing relationships between the various prosecutors and Governments to build up new mechanisms, such as the one that my hon. Friend described, that will enable law enforcement agencies to keep abreast of the changes that the global economy is bringing. I hope that those mechanisms will enable us to get ahead of the fraudsters. My hon. Friend is not only well informed but right about the importance of developments in the EU, especially the European arrest warrants.

Some of the other changes in the Bill were recommended by the Law Commission, but others were not. Clause 11 was recommended by the commission and creates a new offence of "obtaining services dishonestly". It is probably the most important other provision in the Bill, and the offence will have a maximum penalty of five years on indictment. It will replace section 1 of the Theft Act 1978 and will fill a gap in the existing law. At present, it is questionable what crime is committed by a person who dishonestly obtains services from a machine. Under current law, the problem is not only that fraud must involve deception, but that services cannot be stolen.

Jeremy Wright (Rugby and Kenilworth) (Con): The Solicitor-General mentioned that the maximum sentence for the offence would be five years, which is a restatement of the current law. Did the Government give any consideration to increasing the maximum sentence for the offence to make it comparable with the sentence for obtaining property by deception, or with the offences that replace that offence?

The Solicitor-General: We are responding to the broader consultation that took place and the work done by the Law Commission. On the face of it, the penalties that we have set out in the Bill look to be appropriate in all the circumstances. Consideration is always given to whether penalties are adequate, and we took the view that in all the circumstances they were adequate in this case. It is always possible to increase sentences, but it is necessary to look at the circumstances that the offence would contain and to determine the appropriate maximum penalty, in the knowledge that the maximum penalty is rarely imposed. None the less, the provision gives the court an indication of the relative seriousness with which Parliament regards various offences. We have taken the view that five years on indictment is the appropriate maximum, but in due course we can consider in Committee whether a higher sentence is more appropriate, and I shall be happy to discuss that point with the hon. Gentleman then.

As I indicated, the problem under current law is that fraud must involve deception but that services cannot be stolen, so the new offence of obtaining services dishonestly is a "theft-like" offence and will, for example, deal with a person who gains access to a Sky machine, or television, with an illegal decoder. It would also cover longer-standing misbehaviour such as gaining access to football matches without paying, so it moves from the more substantial to the not necessarily more substantial.

Mr. Heath: I do not want the Solicitor-General to expand his examples too widely, but would the provision also apply to downloading music? Would it put a new weapon into the hands of large music corporations for protecting their intellectual property—as they would see it?

The Solicitor-General: It may. Such corporations could use other provisions, but often the real problem in the area that the hon. Gentleman mentions is not so much with the law but with the practicalities. Some of those items are downloaded from countries a long way away, so whatever our law, it is sometimes difficult for people, artists or companies to protect their copyright. That has been a long-term issue, and is better dealt with not so much through the criminal law, which is obviously related to a particular jurisdiction, but through international agreements. When I had ministerial responsibility for dealing with issues relating to internet fraud, I helped to negotiate agreements with Japan and a number of other countries so that we could begin to make the international agreements that would provide a basis for trying to protect some of the copyrights and international artistic licences that need protection. The provision could be used, but the jurisdictional problem is greater than the legal one.

Mr. Edward Garnier (Harborough) (Con): How will clause 11 create a better set of circumstances than the offence of obtaining pecuniary advantage under the old law? How will it produce a better set of circumstances than the provisions of the Theft Act 1978?

The Solicitor-General: The provisions to which the hon. and learned Gentleman referred had some limitations, which we believe that the broader offence will be able to ensure are covered. There have been quite a lot of changes in technology and in the way in which people commit frauds. The previous legislation had constraints. The proposed provisions are designed to ensure that we can deal with some of the modern phenomena that are causing problems, various frauds and the dishonest obtaining of services. They will ensure that the legislation covers those issues in a broader and more effective way than the previous legislation did.

That is why the Law Commission came forward with the proposal. If the hon. and learned Gentleman reads the report—I am sure that he has done so—he will be aware that the Commission argues that the provisions set out in the current legislation need to be updated. The Government have endorsed that view. When we went out to consultation, the proposal was warmly welcomed by all who commented on that consultation in 2004.

[The Solicitor-General]

Clause 6 did not form part of the Law Commission's report, but was developed through consultation with law enforcers and other key stakeholders who were concerned about the restricted scope of the existing law as regards the possession of articles preparatory to committing acts of fraud. The clause therefore introduces a new offence of possessing articles for use in, or in connection with, the commission or the facilitation of a fraud. It draws on the current offence in section 25 of the Theft Act 1968. Under that section an offence is committed when a person has with him, when not in his place of abode, any article for use in the course of, or in connection with, any burglary, theft or cheat.

The requirement that a person be outside his place of abode when going equipped may have worked in 1968, but in the modern world, with computers, fraud may be perpetrated by a person sitting at his computer terminal in his home. The offence should not be limited to possession outside the home.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Some commentators have referred to the fact that there is an absence of any mens rea element in this part of the Bill. The Solicitor-General has already referred to the "going equipped" part of the provision. I am concerned that a person could be in possession of an article that was for use in the course or in connection with a fraud, without knowing that that article would be for use in connection with the fraud. That is dangerous. Although I understand the reasoning for updating the law, which is very important, I think that it would have been preferable to put in the Bill a clear mens rea element.

The Solicitor-General: As it needs to be shown that there was an intention that an article would be used for any involvement where someone was going equipped in connection with any burglary, theft or cheat, there is a requirement for some degree of intention. There is a mens rea, and case law shows that.

Mr. Grieve: I suggest that the problem may go further, particularly with regard to clause 7. If one were a member of the Magic Circle, with all the impedimenta for deceiving people, and one were going through the streets or even in one's own home, one might frequently be making an article that could be used or adapted in a connection with fraud. I suspect that that is one of the reasons why the original cheating provisions were so tightly drawn. That is something else that we may be able to examine during the passage of the Bill. I am sure that it is not the Government's intention to make it impossible for conjurors to perform their trade.

The Solicitor-General: Let me reassure conjurors throughout the land that, provided that they are not intending to get involved in burglary, theft or cheats or anything else of a similar nature, they should be all right. Let them continue with their tricks.

The aim of the Bill is to ensure that we get particular individuals who are seeking to go equipped, and may be equipped in their home, and to ensure that—

Jeremy Wright: Will the Solicitor-General give way?

The Solicitor-General: If the hon. Gentleman will let me complete my thought, perhaps I will. It is the intention that we should be able to catch those who are involved in something that is, properly, prosecuted. It is also the intention that there should be a maximum custodial sentence of five years, and that no tricks should be able to get someone out of choky.

Jeremy Wright: May I bring the Solicitor-General back to the point made by the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) about the possibility of someone being in possession of an item defined in clause 6(1), but not knowingly? Would the Solicitor-General be amenable to returning to that matter in Committee? The simple addition of the word "knowingly" in that subsection would deal with the point.

The Solicitor-General: May I make it clear that clause 6 does not go too wide, in my view? It does not introduce a strict liability offence in any way. Its wording draws on the wording of section 25 of the 1968 Act in order to attract the case law that goes with that section—notably the case of Ellames, which is referred to in the explanatory notes and which established that the prosecution have to prove a general intention that the article will be used by the possessor, or by someone else, for a fraudulent purpose. We are not dealing with a strict liability offence for which members of the Magic Circle or ordinary honest citizens are going to be caught.

Mr. Llwyd: There is a distinction. Under the present law of going equipped, if a person were out at night with a jemmy and various other tools, as an initial starting point it would be fairly obvious from the nature of those tools that he was up to no good. The distinction is that an article that could be used in connection with fraud might look perfectly innocent to a person such as me, who is not high-tech, or whatever the word is. Without knowing it, I could have something on my computer that might be used in connection with fraud. If I walked down the street with a jemmy, clearly that would be a different thing altogether.

The Solicitor-General: Again, the hon. Gentleman seems to suggest that this is a strict liability offence, but it is not. If he were in possession of something that he ought not to be, but did not know and did not have any intention, he would be able to put forward a defence. That is right and proper. Nobody intends to catch people who are not acting inappropriately or in a way that goes outside the provisions set out in the case of Ellames. No doubt this is the sort of issue that we can discuss at some length in Committee. Having given way fairly generously, and being aware of the time that has elapsed, I would now like to try to make some progress on the rest of the Bill.

Clause 7 introduces a higher-level offence of making and supplying articles for use in fraud. This aims to catch groups who create articles for use in what may be very substantial frauds. For example, there are organised criminals who do not engage in actual frauds themselves but who sell lists of personal financial and banking details for others to misuse. The maximum

custodial sentence of 10 years serves as a strong deterrent to criminals who prosper from an industry based on fraud.

Clause 9 implements a recommendation made by the Law Commission in 2002 in a separate report on multiple offending. The commission recommended that, as the existing offence of fraudulent trading under companies legislation applies only to companies, it should be "extended to non-corporate traders"—for example partnerships, sole traders, trusts or companies incorporated abroad. Fraudulent trading is an activity offence, and carries procedural and evidential advantages because it is not limited to specific fraudulent transactions. The proposal was widely welcomed in the Government's consultation of 2004. The new clause 9 offence, together with section 458 of the Companies Act 1985, will carry a maximum sentence of 10 years.

Let me now turn to the one area of the Law Commission's proposals that elicited opposition when the Government consulted stakeholders. The Law Commission proposed the repeal of the common law offence of conspiracy to defraud. Opposition to that proposal has come not only from law enforcers and the judiciary, through the senior judges on the Rose committee, but from many others, including the Fraud Advisory Panel, the Confederation of British Industry and the Law Society. The Government took account of those considerable objections, so the Bill does not include that repeal, although we will review the position three years after its implementation. We accepted the arguments for the retention for the time being of the common law offence, based on the need to provide a seamless transition between the current situation, in which there is heavy reliance on the offence, to compensate for defects in the statutory law, and the stage when its abolition can be safely contemplated.

The common law offence of "conspiracy to defraud" is flexible. It is of use in frauds that involve a number of conspirators and hundreds of offences. If each item were charged, the indictment would be lengthy and extremely complex. Conspiracy to defraud allows a charge that covers the agreement to carry out the crime. There are limitations, too, on the application of statutory conspiracy, and the common law offence can be used in situations where statutory conspiracy cannot be used—for example, when the final offence is carried out by someone outside the conspiracy. Overall, the new offences go a long way towards filling many gaps in the law. However, we are concerned about a number of issues, and we should ensure that the common law offence of conspiracy to defraud remains in place, at least for the meantime.

The Law Commission will shortly publish a report on assisting and encouraging crime. Any reform of the law on conspiracy to defraud or of other laws that flows from that work should be taken into account. We intend to consider the report, all the circumstances and the way in which conspiracy to defraud has been used, then make a decision, which will be informed by our operational experience, not only from the Bill once it is in force, but from the multiple offending provisions in the Domestic Violence, Crime and Victims Act 2004. Those provisions enable multiple offenders to be brought to justice for the totality of their offending. They have not yet been implemented, but we hope to bring them in later this year, making it possible for the courts to deal appropriately with fraudsters who are responsible for scams involving hundreds of victims. The Home Office will review the operation of the Bill three years after its implementation, and it will focus on conspiracy to defraud. We have put in hand measures to collect the information for the review from all Crown prosecutors so that we have a clearer picture of the way in which the common law is used after the new law is implemented.

I met the staff of the Serious Fraud Office this morning, when I made the same point. I want them to look at the ways in which they use conspiracy to defraud to ensure that it is used appropriately, and to set out their reasons for using it in particular cases so that we can make a more effective assessment in three years' time. That will provide information on which to base a decision about whether the common law offence can be repealed. In the meantime, the Attorney-General's guidance to prosecutors on the use of the common law offence will prove instrumental. It will state what information must be collected from the outset to inform the review, as well as setting out the circumstances in which the use of the common law might, or might not, be justified.

Mr. Nick Hurd (Ruislip-Northwood) (Con): The Bill intends to make fraud law easier to understand. In that spirit, can the Solicitor-General define exactly which areas the common law offence of conspiracy to defraud will cover that are not covered by the new offences in the Bill?

The Solicitor-General: The conspiracy to defraud has proved useful to prosecutors in several ways. For example, it can be used to reduce the number of charges that would otherwise be brought. It can be used, too, if the substantive offences are steps to achieve a wider dishonest objective, such as swindling a large number of people. It should not be used where, for example, statutory conspiracy is more appropriate. There are circumstances in which the conspiracy has involved certain individuals who carried out the steps preparatory to the offence, but the substantive offence was committed by somebody outside the circle involved in the conspiracy. There are a number of examples where prosecutors have been able to prosecute people who clearly had a dishonest intent and who were clearly carrying out acts preparatory to a fraud, but who were not involved in the final substantive act. Such cases are extremely useful to the prosecutors.

We hope that the Bill will cover many areas of fraud. However, since even Ministers do not claim infallibility, we cannot be sure that we can create a set of legal provisions encompassing all the areas currently covered by conspiracy to defraud. We therefore need to await the outcome of events and see how the Bill operates in practice. If we do not need conspiracy to defraud to capture those who are committing serious frauds, our preference would be to repeal that provision in due course. But if we still find a series of examples in which we need to use conspiracy to defraud, we will have to consider whether we can repeal the provision, or whether we should consider alternative tightening provisions.

The Theft Act 1968 was relatively good. In 1968 it was regarded as innovative—in plain words we would be able to encompass all the circumstances of theft. In

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practice, it has had to be amended on at least two occasions, and has been the cause of much stress, as the world has changed. We will review the operation of the Bill and see whether a repeal is possible.

Emily Thornberry (Islington, South and Finsbury) (Lab): Does my hon. and learned Friend agree that when people are charged with criminal offences, it is important to make it as clear as possible in the charge what the offence is? One of the difficulties with the common law offence of conspiracy to defraud is that it is too general a provision. We should always try to ensure that offences are as particularised as possible. That is why the common law offence ought to be repealed as soon as possible.

The Solicitor-General: If we can repeal the offence, our preference would be to do so, but we want to ensure that we deal with the issues of fraud, so that is not appropriate at present. The prosecuting authorities and the judges took the view that we need to approach the matter with caution. The Rose committee, whose opinion is highly valued, did not consider it appropriate to repeal the offence at this stage. In principle, though, I have sympathy with the point raised by my hon. Friend.

The Bill will not be a panacea for preventing fraud. We should not overrate the capacity of the criminal law alone to solve this or any other problem. The Bill is only one of a number of measures in hand to combat fraud. Among those measures, we have provided considerable resources for the Serious Fraud Office and the City of London police to tackle fraud, including £1.08 million this year, which has been matched by the City of London. That has gone to the City of London police. We have also set up the Serious Organised Crime Agency, which is a new force in tackling and defeating serious organised crime.

The Government plan to introduce a stand-alone Bill to address the issue of non-jury trials. We have also set up a wide-ranging review of fraud to examine the UK's long-term response to fraud. The fraud review should report shortly, and we expect it to recommend a coherent strategy for preventing, detecting and penalising fraud, and to suggest ways to improve upon the use of the various tools and techniques at our disposal to reduce the incidence of fraud and the harm to which it can lead.

This Bill is largely based on the Law Commission's original proposals, and it is only part of the Government's strategy for combating fraud, but it is a measure that has been eagerly awaited by many of the agencies that prosecute, and by the police. It should improve the prosecution process by reducing the chance of offences being wrongly charged, and provide greater flexibility to keep pace with the increasing use of technology in crimes of fraud.

When hon. Members consider the Bill in Committee and on Report, I hope that they give it a fair wind, so that it can proceed into law and be enforced, which will reduce some of the fraud that is all too often committed against families in this country.

4.20 pm

Mr. Dominic Grieve (Beaconsfield) (Con): I congratulate the Solicitor-General on having secured that rarest of things for a Law Officer—an outing at the Dispatch Box on Second Reading. I note that the interest of the House has not been wholly seized by this matter, but the Bill is extremely important and I am grateful for the manner in which he introduced it. Furthermore, it is clear that the Bill was well thought through before its initial presentation and I make my remarks against that background.

The Bill is an opportunity to simplify and strengthen the law in an important area. If we get it right, we will undoubtedly improve our ability to fight fraud in all its forms, and we wholly support the principle behind what the Government are trying to achieve. As with all technical Bills, this Bill has quite a long history. There is no doubt that the Law Commission's 2002 report was a document of great value. I would not want Second Reading to pass without expressing the Opposition's gratitude for the Law Commission's work, because the report was a model of its kind. I note that the Serious Fraud Office was extremely positive about the commission's proposals, stating that the suggested improvements would not only clarify offences of fraud, but simplify the law to allow more effective prosecutions, and I am sure that all hon. Members want to see exactly that.

I agree with the Solicitor-General that, although fraud sometimes sounds like an esoteric issue that affects others, that is not the case. The scale of the problem is considerable—his estimate of £14 billion appears well researched—and everyone pays for it through extra credit card payments, if nothing else, so the burden falls upon the law-abiding, who provide the fruit of such dishonest activities.

Fraud is extensively used to fuel wider criminal activity. The evidence from the National Criminal Intelligence Service shows that, unless we succeed in tackling fraud properly, there will be knock-on consequences in terms of wider criminality and, indeed, terrorism. In my career as a barrister, one fraud case that I did involved allegations of widespread benefit fraud that was being used to fuel the activities of the IRA. The fraud was taking place on a massive scale in south-east London with stolen benefit books and the case brought home to me how the eventual destination of such funds can be inimical to the public good.

There are clearly problems with the current law, which originates from a variety of sources, and I accept the Solicitor-General's comments on that matter. The Theft Act 1968 attempted to simplify matters on obtaining property by deception, but the patchwork of law is unsatisfactory and the multitude of overlapping but distinct statutory offences does not make it easy for the prosecutor to decide the counts on which to draft an indictment, whether there should be alternative counts and how best to present a case to a jury.

In my experience of being involved in fraud trials, an astonishing number have come unstuck in one form or another, long before they could be presented to a jury, simply because the prosecutor—I hasten to add that I was defending in these particular cases—had failed to understand the true nature of the fraud or, indeed, who the ultimate victims were. Although the evidence of

dishonesty was manifest, it was impossible to show that the people who were alleged to have been deceived had been deceived. In some cases, the wrong target altogether had been selected. In a case where it looked as though a building society had been the true victim, it became clear as the case proceeded that the true victim was almost certainly the taxman. Those examples classically illustrate some of the problems that arise.

In those circumstances, there is a powerful argument for reform. The Bill sets out to achieve that in a form that seems to have considerable internal logic and coherence. The creation of a new single offence of fraud that can be committed in three ways appears to be eminently sensible. We will judge it and scrutinise it in Committee on the basis that it fulfils three requirements. First, it must overcome the complexity of the current law and make it more comprehensible to juries. One way of achieving that would be to make fraud indictments simpler and more self-explanatory. At first glance, the Bill seems to go a long way towards achieving that goal.

Secondly, the new offence must provide a genuinely useful tool for prosecutors. My Front-Bench colleagues in the other place have said that the current range of specific offences can lead to complicated decisions, so we will need assurances as the Bill goes through that a single offence will really help to focus investigations at an early stage and help prosecutors to get the charge right.

Thirdly, we will need to be satisfied—we believe at first sight that we shall be—that the new offence will be adaptable to the changing face of criminality in the 21st century. The Solicitor-General pointed out areas where new offences have been created to deal with new technology. We entirely welcome that. We will seek in Committee to ensure that it delivers what he believes that it will.

Let me, at the risk of repetition, raise one or two slight areas of concern. The Solicitor-General mentioned the continuation of the common law offence of conspiracy to defraud. He provided some reassurance in the form of a promise that the Government will not just let that issue drift off into sleep. I would be happier if we had greater reassurance, perhaps by means of a sunset clause to ensure that, unless the Government revisited the matter within three or five years, the power to bring a prosecution under common law for conspiracy to defraud would lapse. The arguments against keeping the common law offence of conspiracy to defraud are enormous. Throughout my career at the Bar, there have been numerous occasions on which that offence has come into disrepute when used. It is possible for a person to be convicted of such an offence if he conspired with another person, yet if he carried out the act on his own, it would not amount to an offence. That immediately introduces an element of concern for anybody who believes in civil liberties. Although I am mindful of the Solicitor-General's comments on the subject and appreciate that Governments have a tendency to caution, I am sorry that they have not been bolder, especially since the Law Commission stated emphatically that it perceived no good ground for the continuation of the common law offence of conspiracy to defraud. Indeed, the Government's report of November 2004 acknowledged that when it stated:

> "It is normally fundamental to a codification exercise such as this, that the common law should be repealed in favour of the new statute".

It is strange that the Government have clung so obstinately to not doing that.

I am mindful of the Solicitor-General's comments on the views of Lord Justice Rose and his Committee, but against that, the hon. and learned Gentleman need only read the speeches of Lord Lloyd and Lord Ackner—his contributions on many aspects of the law and, indeed, to legislating in Parliament, will be sadly missed—who argue that there is no good ground for retaining the common law offence. I hope that the Government will listen during our proceedings on the Bill. I shall not press the Solicitor-General to get rid of the offence immediately, but we need cast-iron reassurances that, unless the Government can make a good case for retaining it, we can have a finite date by which it will go.

The Solicitor-General: The hon. Gentleman referred to the Rose Committee. Let me refer him to the letter from Sir Christopher Rose, representing the views of senior judges. It stated:

> "We said that it would be risky to repeal common law conspiracy to defraud, as it can be the most effective charge in a case where multiple defendants are engaged in a fraudulent course of conduct. There are limitations on the law of statutory conspiracy, which has had something of a chequered history. All the judges present at the meeting agreed the Bill should not repeal common law conspiracy to defraud."

That is not an example of the Government deciding not to do something but of the Government listening. We have listened to the consultation.

Mr. Grieve: I, too, have listened to the consultation. If I had not been listening, I—and, I daresay, my noble Friends—would be pressing for the removal of the common law power. I want to make it clear that I do not seek to do that because I have read what has been said. Distinguished as the group may be that has called for the retention of the powers, I remain mildly unconvinced.

I hope that the Bill is sufficiently effective that it becomes crystal clear in two to three years that the common law offence of conspiracy to defraud is no longer necessary. The other option that one might consider if the offence remains necessary is whether that hole could be filled by something else, which does not have some of the problems that are associated with common law conspiracy to defraud that the Solicitor-General heard me discussing. He would, I am sure, be the first to acknowledge them. There may be a halfway house that we need to consider and that we have not yet explored.

Conservative Members will not try to amend the Bill to get rid of common law conspiracy to defraud. However, knowing as we do the constraints on Government of timetabling and so on, we do not want the opportunity to slip through our fingers so that we end up with the offence in 10, 15 or 20 years. I believe that there might be some way of at least ensuring that the matter is properly revisited so that either the offence's retention is justified or it disappears.

Mr. Heath: It concerns me that arguments for the retention of the common law offence in prosecuting

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multiple offences are affected by the fact that provisions in the Domestic Violence, Crime and Victims Act 2004, which the hon. Gentleman and I spent time debating, have not been implemented two years on. That might have coloured the judicial voices in favour of retention in a way that would have been unjustified had implementation occurred.

Mr. Grieve: The hon. Gentleman makes a good point. Indeed, one problem, given the plethora of legislation that the Government introduce, is the astonishing length of time that it takes to bring into operation much of the legislation that we pass. I do not wish to get diverted down a side road, but I would say to the Solicitor-General that we will try at least to probe the Government in Committee as to how we might best proceed in this regard. I would feel uncomfortable if we were really saying that it was inevitable that such a blunt instrument as common law conspiracy to defraud should continue to be an offence for the foreseeable future. If that turned out to be necessary, we would have failed to legislate properly here. Minds need to be concentrated on that issue.

I would like to express my gratitude to the Government, because I had feared that there might be a major difference between us over the role of juries in fraud trials, but that issue has been parked to await other legislation. May I say to the Solicitor-General that the sensible thing to do would be to wait and see how well this legislation works? If it turns out greatly to have simplified the law on fraud, no more powerful an argument could be devised for persuading the Government to drop their idea of getting rid of juries in certain fraud trials in its entirety.

I have always taken the view that juries are perfectly capable of understanding fraud trials. Indeed, as I have pointed out to the Solicitor-General, in my experience, the cases that collapsed did so long before the jury had the opportunity to consider the issues. I remain concerned about the proposals on juries in fraud trials that the Government had floated, and that will doubtless be a subject for debate at another time. The Government appear to wish to move speedily towards implementing their proposals to restrict the use of juries in certain fraud trials, but it would be odd if they did so immediately after implementing new legislation that could go far towards reassuring them that fraud trials can be considerably simplified.

In interventions on the Solicitor-General, I raised some matters of detail that gave rise for concern. We shall doubtless return to them in Committee, but I want to put them on the record today. Fraud by abuse of position is a concept that most right-thinking people have no difficulty in considering improper. However, the definition in the Bill of the position in which such fraud is committed is woolly. I am worried that we have developed a consistent pattern in recent years of passing legislation whose scope is uncertain in criminal justice terms. People behave reprehensibly at times in ways that other people would consider to be of poor moral standing. The hon. Member for Rhondda (Chris Bryant) gave the good example of a friend not revealing to another the true worth of some chattel that he was selling off to a third party—or to the friend himself—when he knew that it was in fact very valuable. However, we should be careful about moving from a position of deeming such activity morally reprehensible to saying that it is in breach of the criminal law.

Clause 4 deals with fraud by abuse of position. However, unless we define exactly who is intended to be caught by the provision, quite a wide range of people—including relatives, for example—could fall into that category. I want effective legislation on the statute book and I believe that it is possible to sharpen this measure to make it clear who is intended to be caught by it. If we do not improve clause 4, the danger is that we will end up bringing prosecutions in circumstances in which people are surprised to learn that some special duty lies on them to protect another person from making a loss.

I also highlighted the issues surrounding the making or supplying of articles for use in frauds and was delighted to hear the Solicitor-General comment that the provisions were not intended to catch conjurors or members of the magic circle, but I have to say that, looking at the plain text of the statute, such people might well be caught. The use of gadgetry that can potentially be used to defraud in order to entertain is a well-established practice, so I wonder what other safeguards could be provided to ensure sufficient mens rea in clauses 6 and 7 to avoid idiotic prosecutions of individuals who never had any intention of defrauding anyone. We shall look further into the detail of those clauses in Committee, as we will examine further the general issue in clause 2 of what constitutes gain or loss.

I do not want to take up more of the House's time on Second Reading. As I have already told the Solicitor-General, we welcome the Bill.

Mr. Hurd: Before my hon. Friend finishes, what comfort did he take from the Solicitor-General's assurances about the police resources available to screen and investigate these offences in the first place?

Mr. Grieve: I took little comfort from the Solicitor-General's words on that subject.

The Solicitor-General: Are you going to spend more money?

Mr. Grieve: The Solicitor-General makes a perfectly reasonable point that it all comes down to money and there is no doubt that resources for the investigation of fraud are limited. My hon. Friend may have seen the Norwich Union briefing, which showed that it uncovers thousands of fraud cases in any 12-month period, but that only a very small percentage of the total are even passed on to the police because of the company's awareness of the lack of police resources.

Certainly in my experience—and it is one of the reasons why the Serious Fraud Office was set up—many a prosecution in the late 1980s and early 1990s was investigated by officers of county constabularies who, although well meaning, were often out of their depth when it came to dealing with the elements of fraud. That often coloured the way in which the prosecution was conducted. By the time the prosecutor, and certainly

barristers, got involved, it was evident that the whole case was completely on the wrong track. There were real problems.

We may have an opportunity to debate in Committee the extent to which the Serious Fraud Office has been able to take a grip on the matter, but it is worth remembering that many frauds that concern individuals do not fall within the Serious Fraud Office's remit. They are simple straightforward frauds, but they nevertheless have sufficient complexity to merit having officers—certainly police officers and, in my view, members of the Crown Prosecution Service—working on them who have an understanding of the concepts and pitfalls. My hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) made a fair point, but there are resource implications, so to that extent, I am sympathetic to the Solicitor-General and the problems that he faces.

The Solicitor-General: Certainly, the fraud review led by the Attorney-General will examine some of those issues, particularly how the police have dealt with fraud—mainly lower-level frauds that do not fall within the ambit of the Serious Fraud Office. I hope that, as a result of that review, we will see some improvements in the policing of fraud. Without wishing to widen our debate too much, I believe that the larger police forces will allow greater specialisation so that chief constables can identify the experts to focus on fraud cases. That should help to ensure that police forces have the level of expertise that the hon. Gentleman wants. Having larger forces will help.

Mr. Grieve: I am not wholly convinced by the Solicitor-General's arguments on the last point, especially, of course, as one of the most effective police forces in dealing with fraud is the City of London police, which is rather a small force. My hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) may agree from personal experience not only that it deals with fraud rather effectively, but that its general policing is pretty effective at every conceivable level. I am afraid that that is where the Solicitor-General and I part company.

The Solicitor-General: The City of London police are expert at dealing with fraud, but we have given them more than £1 million extra to ensure that they are, and the City gives them even more. That costs extra resources. If he wants to replicate the specialism of the City of London police across the country, I would be interested to see his commitment to doing so.

Mr. Grieve: Our commitment is to tackle crime at every level and as was clear at the last election, to do so, we were prepared to invest in the police force—indeed, to a greater degree than the Government were prepared to do themselves.

David Taylor (North-West Leicestershire) (Lab/Co-op): Is the hon. Gentleman unimpressed, as I am, by the Solicitor-General's specific contribution in saying that we have given £1 million to the City to improve the capacity to investigate fraud? Should not those costs fall entirely on the City of London? Why should the general taxpayer be required to provide money in that way?

Mr. Grieve: At the risk of straying mildly but not too far away from this issue, if the City of London was allowed to raise and keep its own rate precept of both business and domestic rates entirely to itself, so that none of it was sent to any other part of the country, including the hon. Gentleman's constituency, I am sure that it would not ask the Government for a ha'penny. In those circumstances, he might go away and usefully review the statistics on what happens to the City's money, which it raises both from the business community and from its domestic residents.

I look forward to engaging with the Solicitor-General in the debates in Committee for sensible scrutiny of the Bill. In its framework, it appears well judged. We will try to ensure that, when it leaves the House, it is improved in any area where that is required.

4.47 pm

Mr. Brian Jenkins (Tamworth) (Lab): I speak in support of the Bill today. It looks to be a good Bill—one that has had a very long gestation period, which reflects its complexity, rather than its size. It is one of the better Bills for me, as it is rather slim. It is a credit to all concerned in the consultation on and the production of the Bill that it has been drafted so concisely. The accompanying explanatory notes are well laid out and a great help to people like myself, a non-lawyer, in understanding the logic behind the Bill.

Fraud is not a victimless crime; it is an insidious, indiscriminate crime that wreaks long-term damage on UK business, not only in cash terms but in undermining confidence in the institutions that are needed to trade and create wealth. It hits the pockets of individuals and creates misery for many families. It costs the people of our country dear, and I should like to extend the figure that my hon. and learned Friend the Solicitor-General put on that: it is now approaching £20 billion a year. It is a large business, and its proceeds keep organised crime funded. It also funds terrorist organisations—the very groups that are pledged to bring down our way of life. So I welcome this approach to tackling those problems, but I remind my hon. and learned Friend that the Bill is only part of the solution: we cannot will the end without providing the means.

Let me talk about the enforcement of the Bill and, if I have time, about the responsibility of financial institutions in their struggle against fraud. Who do we envisage investigating alleged fraud? Will we ensure that all investigating police officers tasked with applying the law will be trained to understand it, able to contend with modern technology or have access to specialist support? Will they be properly supported by Crown Prosecution Service lawyers?

Will judges be trained and maintained as specialists in fraud cases, to retain and reinforce expert knowledge and skill within the law? One cannot imagine going into hospital for a knee operation, or for neurosurgery, and being told that a heart surgeon will do the operation. It is ridiculous that a judge who has presided competently over a fraud trial might never oversee another fraud trial in his career. Society cannot afford such a waste of resources.

With regard to the financial institutions, it is no longer acceptable, if it ever were, for companies to pay out on claims without making thorough checks on their

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legitimacy, and merely to recoup their losses by passing on the costs to all policyholders through increased premiums. The scale of the problem was highlighted by Norwich Union, which, in 2004, identified and prevented 15,000 insurance frauds. It estimated that 4,000 would have met the criminal level of burden of proof. Because it did not want to over-burden the police, it submitted just 41 of the most serious cases, in which there were possible links to organised crime and the evidence was overwhelmingly persuasive. Of those, 27 were taken up by the police, and 18 came to court and resulted in conviction. I applaud Norwich Union's attempt to tackle fraud, but until every organisation, bank and insurance company takes the same stand against organised crime and fraud, the costs of which are met through extra bank charges and premiums, it will not be tackled seriously.

Do the police have the resources to process all such cases? Do we seriously intend to use—I look to the Solicitor-General to give an answer—the Proceeds of Crime Act 2002, and to channel funds to the police for this activity, so that it becomes self-funded? Does he have any other ideas about finding resources?

Speaking not as a lawyer, but as the man on the Clapham omnibus, let me examine the plain English guide in the explanatory notes. The Law Commission recommended that the conspiracy to defraud charge should be abolished, but then had concerns that limitations on scope meant that certain types of secondary participation and fraud might still only be caught by the common law charge. Will my hon. and learned Friend give some examples? I listened closely to what he said, but he knows that there is still concern. Alternatively, will he say that the Government do not know exactly what the situation might be but that it would be prudent to leave the provision in place, as a belt and braces approach, while they reassess the legislation as they intend to do?

If the Solicitor-General has no specific time scale in mind, does he have in mind a number of cases on which case law can be built up? Until such time, will he not throw out the legislation but reinforce it with a belt and braces approach? This is the man on the Clapham omnibus speaking, not the lawyer, as the general public will not take it kindly if we throw out old legislation and replace it with new legislation that contains a loophole.

As I look through the explanatory notes, I see in relation to fraud by false representation that there is no legal definition of dishonesty. That is a surprise to me and will come as a surprise to people outside. What we have is a tortuous two-stage test as established in the case of R v Ghosh in 1982. The first question is whether the defendant's behaviour would be regarded as dishonest by the ordinary standards of reasonable and honest people. If that is answered in the affirmative, the second question must be whether the defendant was aware that his conduct was dishonest and would be regarded as dishonest by reasonable and honest people. That is a tough test, and it is becoming tougher by the week. It is certainly becoming tougher for those who do not come from the same culture and background as others in this country. What constitutes "honest" and "dishonest", and what is reasonable and honest behaviour, without a definition of dishonesty?

Paragraph 16 of our "Everyman's Guide", the explanatory notes, refers to "phishing" for internet details. My hon. and learned Friend spoke of ties with Japan and other countries, but are we going to extend the provision to America? An internet bank could be established in America and the proceeds could go to Belize, and when the bank folded it could be found that no crime had been committed because no section of jurisprudence covered the total area. Will my hon. and learned Friend work closely with his colleagues to try to close the loophole generated by internet sites based overseas?

Clause 3 is headed

"Fraud by failing to disclose information".

When I read that, I thought "Here we go". I must say that it is a very brave idea. It may have escaped others' attention that we now live in a capitalist society. Capitalists make profit, if not through sheer exploitation of individuals through labour, then through exploitation of knowledge, skills and money. That is a legal activity; it only becomes illegal when dishonesty makes it a criminal fraud. But as I have said, dishonesty is a rather nebulous concept in law because there is no firm definition, only cases in relation to which definitions can be established. Until we can establish firmly what constitutes dishonesty, the pursuit of wealth and gain through exploitation of knowledge and skills in a capitalist society must remain legal. That is one of the problems with which we shall have to struggle on for a bit longer.

Clause 4, entitled

"Fraud by abuse of position",

causes me a few more worries. I am not talking about family membership; I am talking about a much more difficult problem. I am not talking about insurance salesmen, who must declare to their clients what commission they are being paid, what the risks are and so forth. I am not even talking about building societies that try to sell endowment mortgages: people must be well aware of those risks as well. Insurance salesmen and those selling endowment mortgages are paid for their services and can be regulated, but I am not sure whether my hon. and learned Friend has thought about this: what happens when a company's directors are in a position of power, influence and authority, and decide that although they are already well paid, they will shovel bucketloads—shedloads—of money into their own pension fund, while the pension fund of the workers for whom they are responsible becomes a black hole? They may say, "We will put X per cent. into our pension fund and X per cent. into our employees' pension fund", but when they shovel money into their own pension fund, will they be guilty of fraud by abuse of position at any time in the future? If so, I—the man on the Clapham omnibus—would very much like to sit on the jury, especially if it affects my pension fund.

I think that the Standing Committee should start hammering out—unless my hon. and learned Friend can give us an answer today—whether that would be covered by the Bill, and if not, why not.

The explanatory notes tell us:

"The term 'abuse' is not limited by a definition".

because it covers

"a wide range of conduct."

Clause 4, they say,

"makes clear that the offence can be committed by an omission as well as by positive action."

I have some difficulty with that as well.

"For example, an employee who fails to take up the chance of a crucial contract in order that an associate or rival company can take it up instead at the expense of the employer"

will commit an offence. If the employee is conspiring with the rival, fair enough. If it is a malicious act against the employer, fair enough. However, the employee may be plain stupid. Are we going to start charging people for fraud because of their stupidity? Proof must be provided that not only the company but the person involved made a gain.

My friendly notes say that the definition of property includes intellectual property, "although in practice intellectual property is rarely 'gained' or 'lost'."

It must be understood that, although the information and knowledge may not be gained or lost, the holder's equity in that intellectual property can be seriously weakened once that has been leaked into the market. I therefore wish that we would move away from the view that intellectual property cannot be gained or lost.

We have talked about making or supplying articles for use in fraud. I understand that one or two Members are a bit concerned about the software that is loaded on their computers, and rightly so. Software may come with a package and all that stuff. The notes refer to programmes that "can be used" for fraud. Someone will be capable of being charged with having in their possession something that can be used for fraud. For an offence to be committed under the Bill, it should be made clear that the article has been used for fraud or is intended to be used for fraud—one must see that something has been downloaded or used in that manner, rather than someone just being in possession of something that can be used for fraud.

Clause 11 deals with obtaining services dishonestly. Again, this is a cracker. We have to understand the wording in law with regard to people in general. The notes say that it is an offence dishonestly

"to obtain services for which payment is required, within intent to avoid payment."

I can see someone going to the court and saying, "M'lud, the trouble is that it says here 'with intent to avoid payment'. I had no intent to avoid payment. I just had no cash. I intend to pay it when I have money. I will put my name down and put a paper or slip in." When we look at these Bills, can we make sure that it is clear that, if people do not have the money to pay, they may still intend to pay?

Later we have another classic one: the decoder example. I am sure that the Minister is fully aware of all the packages that are available on the internet now for terrestrial and other channels. If he is fully aware of all the channels that are paid for and the ones that are not paid for, can he give me an indication, because I am not?

The package in my house comes through cable. We get channels that we should normally pay for but that we do not pay for because it is all-in: television, telephone and everything else. We pay once a month, so they are paid-for channels. If I get a freeview box and put it on top of the television, I cannot get the paid-for channels through the freeview box. However, if they attach the channels as part of a package, they come with the freeview box.

Imagine the nephew of some person on a council estate walking in and saying, "Auntie, you have not got a freeview box. I can supply one to you. I have a mate who has a freeview box." Very good. He puts it in and it is £50 for the box. She does not know that she can get a box for £30. In it goes, and the card goes in. She is sitting happily watching the television. She has her freeview box on top of the television. There is a knock at the door and someone says, "You are viewing channels you are not supposed to view." She will say, "I did not know that. If I go to the market, I can see freeview boxes every week. What makes this one different?"

The BBC is chasing up people using televisions without a licence. So why should we chase up people who watch Sky movies or any other such product? Why is Sky not chasing them up? I can understand why it is a criminal offence to make such a decoder box, and why, if such information comes to us and we find these people out, we should chase them up. But I am not sure why we should do so simply to help Mr. Murdoch make a few more million pounds.

I turn finally to the Visiting Forces Act 1952. Under the Bill, any member of the visiting forces cannot be charged because all such offences will be regarded as offences against property. Why? I recognise that visiting forces from certain parts of the world might want to have some independence of local legislation, but no serviceman of a force coming to Britain should be able to stand aside from the 1952 Act. Visiting servicemen will be able to supply such articles in this country without being tried, unless their commanding officer decides to try them.

With those few caveats, I welcome the Bill. I hope that we will fund and resource it properly, and that we will show the people of this country that we are serious about such crime, which is not a victimless crime. It causes great distress to many families, especially when people have their identities or passports pinched, or their bank cards are fraudulently made and the bank continues to issue cards in their name, even after they have told it to stop doing so. In the meantime, it bears no risk because it can pass the charges on. If someone introduced a Bill seeking compensation from financial institutions that pass on, by increasing premiums, such costs to the people on whom they impose their incompetence, I would back that as well. That said, I wish this Bill well.

5.6 pm

Mr. David Heath (Somerton and Frome) (LD): I join in the general welcome for the Bill and for the way in which the Solicitor-General and the hon. Member for Beaconsfield (Mr. Grieve) opened the debate. There is a general view that the Law Commission has done an extremely good job in addressing issues relating to the prosecution of fraud, and a general realisation that we should take fraud a great deal more seriously than we have perhaps sometimes done. Indeed, there is much frustration at the fact not only that high-profile serious

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fraud cases have often appeared to founder, but that low-level fraud is frequently not prosecuted at all—at the fact that it is somehow regarded as a lesser offence than others that are, perhaps, committed by people not wearing white collars and ties at the time. I do not accept that view; fraud is a serious crime that should be prosecuted with as much assiduity as any other offence.

Three factors are involved in the general approach to achieving successful prosecutions. The first is the law, which we are addressing today by simplifying the law relating to the relevant offences; the second is the prosecuting and investigating authorities; and the third is the management of court cases.

I have long had a serious concern about the disjunction between the various prosecuting authorities. I know that it is fashionable to criticise the Serious Fraud Office and, to a certain extent, the prosecuting department of Her Majesty's Revenue and Customs, but the real problem lies in the lack of resources available across the field, and in the fact that, too often, we have different compartments. Some deal with fraud against Government, and others deal with serious fraud. There is the Serious Organised Crime Agency, which is in its infancy and deals with organised crime; and the City of London police, which does a wonderful job—within the City of London. Beyond that, there is very inadequate provision across the territorial forces of this country. I know from my own experience in policing that there simply is not the expertise in most provincial forces effectively to investigate and to provide the wherewithal for successful prosecution of fraud.

The Solicitor-General: The City of London police are responsible not only for fraud in the City, but more widely for London and the south-east, hence the extra resources that they receive. They have built up enormous expertise and I endorse the hon. Gentleman's comments about the way in which they carry out their duties. We are all very grateful to them.

Mr. Heath: I concur, and, as one of the rare breed of council tax payers in the City of London, I am glad that it is not solely my contribution that enables them to do their job on behalf of the wider community. I have thought for a long time that we need a single, all-embracing anti-fraud organisation, with much better internal connections, to provide better investigations in parts of the country that are not currently well served. I hope that that will form part of the conclusions of the review that the Solicitor-General mentioned.

Even when we have successful investigations, we still have problems with the management of fraud cases. The over-simplistic view sometimes expressed on behalf of the Government that that is somehow the result of juries who cannot cope with the amount of information and the time scale of cases is unsupported by evidence. We must be clear about that. If we want an instructive case study, we need look only at the Enron trial in Houston. It was the fraud case of the century—a huge case, with huge ramifications. It did not lack for evidence, because it took evidence from 56 witnesses, but those responsible managed to conclude the trial in 15 weeks. The jury had nearly six days of deliberation and found the defendants guilty as charged. If that is possible before a Texas jury and a Texas judge, it is not beyond the wit of UK juries and UK judges to effect similar management. In contrast, the BCCI litigation—although it was a misfeasance trial, not a fraud trial—took more than two years, and cost more than £100 million in legal bills. The two opening speeches alone took 200 days of court time, only for the action to be abandoned, with all that work proving abortive. That is an effective comparison of the effectiveness of trial procedures and the Lord Chancellor—as he is at the moment—the Attorney-General and the Solicitor-General need to consider the issue carefully to see how we can make improvements.

Like the hon. Member for Beaconsfield, I hope that we will hear no more of the implementation of section 43 of the Criminal Justice Act 2003. I think that we have had an assurance from the Attorney-General that if the Government take the view that they need to restrict jury trial further—which I would oppose with every fibre of my being—he will do so by means of new primary legislation. If that is the case, he will no doubt support the amendment that I intend to table in the course of proceedings on the Bill to repeal that section as entirely otiose. We shall then have proof of the Government's intentions.

I shall mention several issues that I hope to address further in Committee. We had a short debate on clause 4, which states:

> "A person is in breach of this section if he...occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person".

I was not entirely persuaded by what the Solicitor-General said about that provision. He seemed to be saying that he actually means "the person occupies a position in which he has a duty"—wording that seems entirely appropriate. However, the wording "he is expected to" opens the provision to all sorts of challenge, which is entirely unnecessary because there is no suggestion that there is an additional general duty on an individual citizen. I think that is what the hon. and learned Gentleman said, so it is something that we could usefully consider in Committee.

The Solicitor-General: I have looked through my notes for the exact quote from the Law Commission about clause 4, which I shall read out as the hon. Gentleman has expressed concern about the issue. It states that the "necessary relationship" of a position of trust

> "will be present between trustee and beneficiary, director and company, professional person and client, agent and principal, employee and employer, or between partners. It may arise otherwise, for example within a family, or in the context of voluntary work, or in any context where the parties are not at arm's length. In nearly all cases where it arises, it will be recognised by the civil law as importing fiduciary duties, and any relationship that is so recognised will suffice".

But—and this is important—it states:

> "We see no reason, however, why the existence of such duties should be essential."

In other words, the Law Commission has set out the type of relationships in which a position of trust might arise.

Mr. Heath: I hear what the Solicitor-General says, but I still do not entirely understand the point. I do not want to detain Second Reading by trying to reach that

comprehension, so perhaps we can explore it in Committee. All those cases suggested a duty that could be expressed in those terms, so the idea that there may be some other context in which a court could be persuaded that a person had a reasonable expectation of that duty without it comprising a duty seems a very nice point, of which I would need some persuasion before embracing it.

Clause 5 gives definitions of gain and loss and, again, we can usefully explore those points in Committee. Subsection (3) notes:

"'Gain' includes a gain by keeping what one has".

So how would the law apply, for instance, in the case of overpayment of a sum of money that one has received in good faith, such as a child tax credit? Again, that is something that we can explore at a later stage.

On clause 6, the point has already been raised about mens rea in the case of possession of an article and we heard warm words in support of conjurors, who will be able to go about their legal business, using their paraphernalia without fear of arrest. I am not absolutely sure that that is what the Bill says, although I accept the assurances of the Solicitor-General. At what point does a conjuring trick become a dishonest act? The three-card trick seems to be the turning point at which a conjuring trick starts to become a confidence trick. I shall be interested to know how the definition will work in such cases. The Solicitor-General was at pains to say that it would not be an absolute offence, but there is at least an intimation that it is, because the Bill does not specify a statutory defence.

I am less worried about conjurors, however, and more worried about unwitting agents of fraudsters. There are many examples of a person carrying forged credentials—forged documents or letterheads—believing that they are acting lawfully and appropriately for an enterprise when in fact they are not. It worries me that they might unwittingly find themselves in possession of an article that was being used and had been produced for the purpose of fraud, but which they were not aware was being used or had been produced for the purpose of fraud. We need to be clear about the defence that could be used in those circumstances.

We do not want to create a defence that is too easily used by someone who is probably guilty of an offence but who wishes to use their ignorance as a means of avoiding prosecution. We must also be careful to ensure that innocent people are not found guilty of an offence when they are genuinely ignorant of the purpose to which the article in their possession could be used.

The Solicitor-General: As I indicated earlier, it is not a strict liability offence. It is the responsibility of the prosecution to show that the individual had an article in his possession with an intention that it should be used in some fraud. That is not on the face of the Bill, but the provisions import the case law of Elan from the previous legislation. That is clear. I say it with all the authority that a Minister has on presenting a Bill. It is intended that the provision should import previous case law.

Mr. Heath: That is extremely helpful. It is clearly not on the face of the Bill. I do not think that we can assume, but the Minister has gone a long way to helping us to assume in a way that the courts will recognise. I am grateful to him for that.

I welcome the new provisions for fraudulent business carried on by sole traders. An area that I would like to explore in Committee and perhaps at later stages is where actions are taken in anticipation of receivership or bankruptcy. I perceive that there are many instances where people carry out actions that have the long-term effect of defrauding creditors or employees of a company in the expectation of a company ceasing to trade or in anticipation of that happening. My belief is that that is fraudulent. My belief also is that there can be a deliberate intention to remove assets from a company prior to it ceasing to trade, in a way that is intended to prevent genuine creditors, including the employees of the company, from getting their proper recompense. That is not adequately covered, and is certainly not adequately prosecuted at present. I would wish to explore that.

We have already dealt with clause 11, which is the replacement of part of the Theft Act 1968. I made an intervention about downloading. I do not defend those who illegally download music. Equally, there have been occasions when large corporations have been extremely heavy-handed in either threatening to or carrying out legal action, particularly against minors who have perhaps unwittingly committed an offence. If the clause can be used to launch a private prosecution of a 12-year-old with a computer who is downloading songs off the internet, with mum and dad having no idea that that is happening, that worries me. Perhaps we shall receive some reassurance about that at a later stage.

We need a slightly more specific definition of the related offences on non-incrimination. Under clause 13 there is a requirement that a person is not to be excused from answering questions on matters relating to an offence under the Bill or a related offence. We need to know what the related offences are, rather than have an open-ended commitment at that point.

Lastly, in terms of what is in the Bill, there is the extent. I know that there has been an issue about whether we should assume extraterritorial jurisdiction in the Bill. The Government have broadly decided that they should not do so. However, the extent to which extraterritorial jurisdiction is appropriate in relation to some of the offences is still an open question. Certainly, internet crime is a real issue, as the Solicitor-General well knows. There is also an issue with unsolicited mail—something that bedevils an awful lot of our constituents. Often it originates from abroad and constitutes what I would consider a fraud on the recipient. When someone receives what purports to be a demand for money, which may have a fraudulent intent, we shall need to be careful about the point at which that becomes prosecutable and in what jurisdiction.

May I conclude with what is not in the Bill? The major issue, of course, is the fact that the Bill does not repeal the common law offence of conspiracy to defraud. The hon. Member for Beaconsfield said that the Law Commission was fairly explicit. It could not have been more explicit. Its report refers to

"the indefensible anomaly represented by the continuing survival of conspiracy to defraud".

It is an indefensible anomaly that the Solicitor-General now finds himself in a position to defend. I am not convinced by the arguments. They are based on the existing law of fraud, rather than the law as it will be

[Mr. Heath]

following the Bill's enactment, and the existing law on multiple offences, rather than the position that will be the case after the rather belated implementation of provisions on multiple offences in the Domestic Violence, Crime and Victims Act 2004

The offence is a catch-all offence, which, if there are adequate alternatives, I find repellent in itself. The offence provides an easy route for dual criminality, which is becoming more and more of an issue in extradition proceedings, given that almost anything that is a lawful activity on behalf of one or more people might be interpreted as a conspiracy to defraud and might therefore provide that dual criminality to enable extradition. We need to look at this matter again, both in Committee and probably on Report. In the interim, I ask the Solicitor-General seriously to consider why it would not be appropriate to have a repeal provision in the Bill with a later commencement date or a commitment involving, in effect, a sunset clause for that particular provision, which could be reversed by Order in Council. There are ways of providing the primary legislative framework for the repeal of the existing offence, which we can do by virtue of the Bill and still have the precautionary approach that the Solicitor-General advises. The advice to prosecuting authorities needs to be extremely robust when it comes to why they should not use the conspiracy to defraud. I would like a commitment from the Solicitor-General, if he can give it, that he would be prepared to use noli prosequi powers to prevent a prosecution on that basis if he believes that there are other more appropriate offences as a result of the Bill that should be used as an alternative.

There are other matters that could have been placed to advantage in the Bill. We do not have that many Bills working in this broad area. I would have liked the Bill to be not just the Fraud Bill, but the fraud and corruption Bill. It is a perfect Bill for the incorporation of the provisions of the Corruption Bill that is before the House in the name of the hon. Member for City of York (Hugh Bayley). Many people feel that that is an essential part of our armoury against corruption on a wider scale and fulfils the expectations on this country by treaty to provide better anti-corruption legislation. It is consistent to join fraud and corruption, as there is a considerable overlap between the two, and the Bill is an appropriate vehicle to do so.

Some things that could be construed as fraud or corruption are not investigated or prosecuted. It is perhaps over-fashionable to talk about association football, but it is inappropriate for bung allegations to be investigated by the Football Association and other sporting bodies. They should, at least on a prima facie basis, be investigated by the police and other investigating authorities, and I am surprised that no such investigation has taken place on the basis of the evidence that has been made public.

Finally, does the Solicitor-General think that anything could be included in the Bill so we can deal more effectively with carousel fraud, which has become an extraordinarily serious issue? A report on figures recently released by the Office for National Statistics in the past few days says:

"Criminal gangs are cheating the taxman out of VAT on £1 in every £7 of Britain's trade with Europe."

That is a staggering figure—14 per cent. of all Britain's imports and exports are subject to carousel fraud, yet we have been unsuccessful in achieving effective prosecutions and indictments. If we can do anything to make such fraud easier to investigate, to bring charges and to secure convictions, we should use the Bill to do so, as it is an appropriate legislative vehicle. I invite the Solicitor-General to consider whether that is possible.

On the whole, this is a good Bill. We wish to explore some issues in Committee and on Report, but we certainly support its passage and hope to improve it along the way.

5.32 pm

Jeremy Wright (Rugby and Kenilworth) (Con): May I begin by declaring an interest as a non-practising barrister? Like every speaker in our debate, I welcome the Bill, which is a good measure that deals effectively with an unnecessarily complex area of the criminal law.

As has been said, there can be no doubt that fraud is a serious business. The criminal law is required to deal with it effectively, and we do not want to construct laws that allow criminals to find loopholes. The Solicitor-General has made it clear that that is the purpose of the Bill, which I welcome wholeheartedly. I particularly welcome the fact that it deals with the fraudster's intentions, rather than the consequences of fraud. Instead of dealing with deception and the question of who is deceived, which causes the problems that we have discussed, it addresses the fraudster's intentions and whether or not they are dishonest. That is an extremely effective riposte to the fact that, as fraud is increasingly perpetrated electronically, there is no one to be deceived.

I wish to make three points about the Bill against the background of my broad welcome. First, I echo the remarks of my hon. Friend the Member for Beaconsfield (Mr. Grieve) about jury trials. This is a good Bill, because it makes the law of fraud simpler, thus weakening considerably what, in my view, is an already weak argument for a reduction of the right to jury trial for individuals accused of fraud. In my experience juries are well able to deal with the matters put before them in a fraud trial, so long as the lawyers putting those matters before them do so in a straightforward way. The Bill will help them do that, which means that juries will be more, not less, able to deal with fraud trials. I recognise that, as the Solicitor-General said, these arguments are for the time when we deal with another piece of legislation, but I hope that he will not do something counter-intuitive, by passing one piece of legislation that helps juries, and then not taking that into account when he considers whether juries are able to deal with fraud trials.

The second issue that I want to raise also follows on from comments by the Solicitor-General with which I wholeheartedly agree. It should not be up to the criminal law alone to deal with fraud. It is up to the Government to consider the other ways in which they can reduce the likely incidence of fraud. Fraud prospers in complex systems. It is much easier to perpetrate a fraud in a system that is difficult to follow, because that makes it difficult for those who enforce the rules to work out how the rules have been flouted, and difficult for a court and a jury to work out how the system has been abused.

I urge the Government to examine the systems for which they have responsibility and ensure that they are as simple as they can be. We have seen recently that in the tax credit system, the internet portal has become subject to precisely the type of fraud that the Bill is designed to address. The Government need to review not only the criminal law but the systems in place in the benefits system and the tax credits system, and ensure that where simplicity is possible, it is introduced, so as to play its part in defeating the potential fraudster.

Thirdly, I return to my earlier intervention and press the point about the maximum sentence in clause 11. The clause deals with obtaining services dishonestly. I welcome the fact that it redrafts the law so that dishonesty, rather than the deception of an individual, is the key question, but it is a restatement of the law with regard to maximum sentences. The Bill offers an opportunity, which is well taken by the Government, to simplify the whole area and make it straightforward, consistent and easy for the general public to understand so that everyone knows what they are obliged to do and what they are not permitted to do, but there is a potential anomaly in the law as it stands with regard to maximum sentences.

Under the Bill, if someone were to perpetrate a dishonest act by representation or by omission or in other ways, leading to a gain or loss of money or property, they would face a potential sentence of 10 years. If, however, they obtained services by dishonesty, they would face a maximum sentence of only five years. There must be circumstances, as we can all envisage, in which the value of services is at least as high as the value of property, which is encompassed by the earlier clauses.

If, for example, one defrauds a merchant bank of property or money to a high value, one faces a potential sentence of 10 years. If, on the other hand, one defrauds a merchant bank in such a way that one receives the services of a very highly paid, professional and experienced merchant banker, which might be worth as much as or perhaps more than the property of which the bank could have been defrauded, one faces half the potential maximum sentence.

I accept that, as the Solicitor-General says, not every case results in the maximum sentence, but we could take the opportunity in the Bill to send a message that dishonest acts leading to the defrauding of an individual or a company are all potentially very serious. Whether people are defrauding them of services or of property, the maximum penalty available should be consistent across the board. The Government could take the opportunity to establish that in the Bill, and would be well advised to do so. I hope that we will be able to return to the matter in Committee, and I invite the Government to think carefully about it.

Broadly speaking, I welcome the Bill. It is a good Bill, and it is generally well targeted. However, it could be better, and I hope that at the conclusion of its passage through the House, it will be.

5.39 pm

Chris Bryant (Rhondda) (Lab): I apologise for having missed the speech by the hon. Member for Somerton and Frome (Mr. Heath), although when I asked him whether he had said anything that I would not have expected him to say, he said no, so I did not miss very much.

In recent years, it seems to have become a law of Parliament that the significance of a piece of legislation to ordinary people's lives is inversely proportional to the number of hon. Members in the Chamber. This Bill is very important for our constituents, not least because the law on fraud has been a hotch-potch until now, with different bits and pieces of legislation being knitted together to cover what many would consider to be an important offence.

Since the introduction of the Theft Act 1968 and its subsequent amendments, the nature of fraud has changed dramatically. The hon. Member for Rugby and Kenilworth (Jeremy Wright) has referred to the fact that much fraud is now conducted electronically, which is a specific issue for those trying to secure successful prosecutions. The law must keep up with technology, which it has failed to do in that area in recent years.

I know from my constituency surgeries and from letters from my constituents that a significant number of people are affected by identity fraud, the theft of credit card details and other scams. Such scams often involve relatively small sums of money, so people do not necessarily go to the police, who may find such matters too complicated to proceed with. I suspect that a large amount of fraud is barely considered by the criminal justice system, because people shrug their shoulders and say, "Ah well".

In welcoming the Bill, I want to press the Solicitor-General on implementation and enforcement. He has referred to the Crown Prosecution Service, the Serious Fraud Office and additional funds for the police, particularly in central London. Around the country, however, police forces sometimes feel incapable of dealing with the complexity of the IT, of the fraud itself or of the law, and I hope that training will take place in all the police forces in the United Kingdom to make sure that everybody has equal access to justice.

Fraud is more than a national matter. Frauds that have been brought to my attention through my constituency casework include the Spanish lottery fraud, which is well known and has been well attested on television. In order to pursue justice in such cases, one needs a degree of Europe-wide intervention. Similarly, I am sure that all hon. Members have received e-mails from people across the continent of Africa offering them large amounts of money to set up some kind of business. Again, none of us ever refers those e-mails on to any part of the legal system—yet perhaps we should, because others who are perhaps less cynical and sceptical than us fall into those traps.

All hon. Members who have spoken have discussed whether we should abolish the common-law offence of conspiracy to defraud. I agree with the Government that fraud cases can be amazingly complex and that statutory conspiracy law may not suffice. In most major credit card fraud cases, one person does the phishing by sending out e-mails—again, I am sure that all hon. Members have received such e-mails—that make it look as if one's bank has managed to lose one's details and is asking for them to be restated.

Another person may use a "Trojan horse"—the practice of sending random e-mails that attach

[Chris Bryant]

themselves to the recipient's internet explorer and manage to inveigle them into visiting a website that they would not otherwise have visited, so that in the process, or in trying to extricate themselves from the website, they end up inadvertently giving further details about themselves. Such a fraudster may be separate from the first type.

Then, if money is to be taken out of the United Kingdom, a money mule will be required. The entire process of complex credit card fraud can involve a series of different people, each of whom is committing a fraud, but one does not get the full sense of the criminality that has been engaged in without seeing the whole package of the fraud. Indeed, individual members of the gang may not know that the others are engaged in it. In those circumstances, I understand that there may be reasons why we should want to keep the common law offence of conspiracy to defraud.

Moreover, the fact that, as the British Retail Consortium points out, many new forms of fraud are coming online as a result of new internet IT may mean that we would want to keep a stop-gap clause of some kind. However, as other hon. Members have said, some more hotly than others, it is pretty difficult to advance the argument that we should keep stop-gap legislation just in case we need it. Despite the comments of the Solicitor-General, the law says that an act committed by an individual is not an offence against the criminal law, whereas it may be an offence when it is committed by two people. That puts us in danger of bringing the law into disrepute. I realise that the Solicitor-General has moved considerably further on this issue than the Attorney-General did in the House of Lords, but I would welcome a clear indication that if we do not feel that the common law provision is still necessary, we will see a specific end date.

I question whether 10 years is a sufficient sentence. Some of this fraud is very significant. It does not always involve one person being defrauded out of a small amount of money; sometimes millions of pounds is defrauded from lots of people.

I also question, as did the hon. Member for Somerton and Frome, whether aspects of corruption should be included in the Bill. I note in particular that we have not revised for many years the legislation on the suborning of a police officer. There is some debate about precisely what that offence now is. However, many newspapers acknowledge that they pay police officers for information that would otherwise be secret and private, and should probably remain so, so that the police can perform their legitimate duties as regards a secure prosecution. Perhaps by now the Government should be advancing legislation to reform the law on suborning a police officer.

I think that what the shadow Solicitor-General said about magicians and the Magic Circle was wholly erroneous. It is clear that under clause 6, which deals with carrying articles for use in connection with a fraud, the fraud would have to involve the person making a gain for himself or another, causing loss to another, or exposing another to a risk of loss. I cannot see why magicians would be caught by that in any sense. The clause that they are most likely to be caught by is clause 2, which covers fraud by false representation, but they would probably not be dishonestly making a false representation, but honestly making a false representation.

5.49 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I am trying to follow the last point, which was interesting, to say the least—a rabbit out of a hat.

The debate is important and the Bill is interesting. As hon. Members of all parties have said, it is welcome, but, as with every measure, aspects need addressing in Committee. I agree with hon. Members who spoke in favour of preserving the right to jury trial. I speak as a practising barrister and not, I hasten to add, out of self-interest. Jury trial is and always has been the bulwark of justice and it should be retained at all costs.

The Solicitor-General, who was generous in allowing interventions and has taken the debate forward through his responses, made the point that the Bill will simplify to some extent the offences involving fraud and lead to shorter indictments. That, in turn, will lead to a simpler process, which will negate the need for denuding people of jury trial. *[Interruption.]* I note that the Solicitor-General was with me on the first three points but unfortunately shook his head at the last one.

All of us who are involved in the criminal justice system—as legislators, practitioners and so on—are bound to try to keep matters simple. That is not to be offensive to juries. When I prosecute, if I do not keep a case simple and it is lost, it is my fault because I have not made the case properly and it therefore should be lost. It does not happen because the jury did not understand it but because the case was not made simply and understandably. It behoves us all to make law that is readily understood by all concerned, including juries.

The Solicitor-General knows that the Lord Chief Justice recently referred to some protocols, including case management, the involvement of prosecutors at an earlier stage in larger fraud cases, more effective pre-trial hearings, encouraging judges to use their powers to persuade prosecution that charges should not be pursued, severing indictments and so on. If those are proactively pursued, together with the simplification for which the Bill provides to a large extent, a good job of work will be done.

I do not intend to say much about conspiracy to defraud because others have discussed it at length. Ultimately, there will be no case for retaining that offence, but I have some sympathy with the Solicitor-General, who is effectively saying, "Let's see how the offences bed down and, in three years' time, we might be able to knock it on the head." That is a pragmatic and sensible approach. The hon. Member for Beaconsfield (Mr. Grieve) said that he would like the measure to include a sunset clause. That could amount to the same thing as the Solicitor-General's approach, if we are considering discontinuing the offence in three years. I appreciate that it is not exactly the same, but it could have the same effect. I understand his caution, especially given that several highly regarded senior members of the judiciary on the Rose Committee have said that we should be careful about ditching it now.

My opinion therefore varies slightly from that of the hon. Member for Beaconsfield.

Mr. Jeremy Hunt (South-West Surrey) (Con): Does the hon. Gentleman agree that the fundamental difference between the course of action that the Solicitor-General proposes and a sunset clause is that the latter does not require further action on the part of the Government for the common law offence to fall whereas the former does?

Mr. Llwyd: That is self-evident. Surely this place can find time for the presentation of a short Bill, if the political will is there. I do not understand why I am suddenly defending the Government—it is an unusual if not unique position for me to occupy—but the hon. Gentleman is right.

Mr. Jenkins: Will the hon. Gentleman give way?

Mr. Llwyd: Of course I shall give way to the hon. Gentleman from the Clapham omnibus.

Mr. Jenkins: Although I should like to agree that it would be appropriate to incorporate a sunset clause, what guarantee could the hon. Gentleman give that sufficient cases had come to trial within the time to be sure that we no longer needed the offence? That is the difficulty. Who can guarantee the number of cases that will come before us in a set time? Surely it would be better to build up a bank of knowledge and ensure that the measure is working before we make the decision.

Mr. Llwyd: I think that I agree with the hon. Gentleman. A period of three years has been mentioned and that is ample time in which to ascertain whether to get rid of the offence. I stress that I do not violently disagree with the hon. Member for Beaconsfield, who supports a sunset clause. We all want the same thing—it is a question of how we get there.

I shall be relatively succinct because others wish to speak and we are holding a Second Reading debate, which does not call for going into the minutiae. The hon. Member for Beaconsfield referred to the definition of "gain" and "loss". Some people believe that it is too broad. We shall have to revert to the matter in Committee and I am sure that we will hold an interesting discourse on it.

I am worried about clause 6. I intervened on the Solicitor-General to point out that it requires no mens rea element and that it should do so. A few moments ago, he responded to the hon. Member for Somerton and Frome (Mr. Heath), who made the same point, by saying that intention will be necessary for a successful prosecution. That poses the question of why "knowing" or "intending" is not included in the provision. If it were, I would not have raised the matter and I am sure that many other learned commentators would not have raised it. Is the Solicitor-General open to an amendment along those lines in Committee? He was adamant that intention was required. In opening the debate, he said that there was some sort of tie-up between the old offence of "going equipped" and the clause. I tried to make the point that they are different because, if a person, late at night, is carrying bolt cutters, jemmies and all the typical gear of a housebreaker, that is one thing, but there is also the high-tech stuff—PINs, cards and so on—that is not perceived as being there specifically for a dishonest or nefarious purpose. There is therefore a distinction, which bolsters the case for including some sort of mens rea element—either "knowing" or "intending"—in the provision. It is necessary to have a serious debate about that.

Mr. Garnier: Perhaps a better analogy than the offence of "going equipped" is instruments that can be used for an innocent purpose and adapted for a nefarious one, for example an iron bar or knife. It is the old distinction between "made" and "capable of being adapted" for a criminal purpose.

Mr. Llwyd: The hon. and learned Gentleman gives a better example, albeit along the same lines as mine. I shall come back to this point in due course, and I do not want to labour it this evening. It was important to mention it in passing.

There is a mental element in clause 7(1)(a), which states that a person is guilty of an offence if he makes, adapts, supplies or offers to supply any article—

"knowing that it is designed or adapted for use in the course of or in connection with fraud".

I believe that that approach is preferable. I am not sure why there is a distinction between clauses 6 and 7, in that there is a mental element in the latter but not the former.

The provision in clause 4 on fraud by abuse of position is overdue. A typical example that we have all come across is the situation in which a carer is less than honest and takes money or goods from the person in his or her charge. Unfortunately, we have all seen cases of that. The old Theft Acts would have covered such circumstances, but this provision creates a specific offence that may well be simpler to prosecute.

I have some difficulty with the wording of clause 4, particularly with the words

"position in which he is expected to".

Those words are vague, and I hope that we can debate them in Committee. The present definition also raises the question of who is expecting the defendant to safeguard another person's financial interests or to avoid acting against them. Is it the person whose interests are concerned? Is it a third party? Or is it a "reasonable person"? If a person unreasonably expects another to safeguard their financial interests, that should not give rise to liability under the clause. Further, if there was no legal duty to do so, and the defendant was not aware that he was expected to do so, he or she should not be liable for this offence. We need clarification and it is the whole point of our proceedings in Committee to discuss such matters in detail.

The organisation Justice is of the opinion that

"the offence should only give rise to liability for the intention to cause loss or risk of loss where the person suffering the loss is the same person to whom the duty is owed. It is, in our view, illogical that the mere existence of a duty towards party A may result in liability for an intention to cause loss to party B, who may be completely unrelated to A."

I do not expect the Minister to respond to these points today, but no doubt we shall be able to engage in a debate on them in due course.

The Bill is vague about gain or loss, and that also needs to be looked at. I would like to give the Solicitor-General an example. Let us say that A's mother, M, is a

[Mr. Llwyd]

kind-hearted old lady, and that A fears that people occasionally take advantage of her kindness. A's friend, B, asks A whether M has any money, as he needs a loan of £5,000. A knows that M has more than that amount in a savings account, but he lies to B, saying that his mother does not have any money at the moment. The morality of A's actions might be open to question, but would there be any criminality involved? [HON. MEMBERS: "Discuss."] Yes, it does sound like a university question, but it is none the less fascinating.

Chris Bryant: Has the hon. Gentleman got A and B the wrong way round?

Mr. Llwyd: No, I have not, or, if I have, so has Justice.

Clause 6 deals with the possession of articles. The Solicitor-General has gone considerably further today than was the case in the other place, in saying that there would have to be an intention. He very fairly intervened on the hon. Member for Somerton and Frome on the point. I hope that it will be possible to advance this part of the Bill, to make it clearer and safer.

Clause 11 deals with obtaining services dishonestly. That new offence is necessary because of the way in which things have moved on since the Theft Acts 1968 and 1978. We are now living in an electronic age and it is important to look with clarity at such offences. We need to consider the words "dishonest act" in clause 11(1)(a). Should there be a specific mens rea requirement in regard to a defendant dishonestly obtaining services in breach of subsection 2? That is undoubtedly what the clause intends, but it could be argued that, under the present wording, such an act would be intrinsically dishonest, so there would be no need for a finding that the person was dishonest. A better interpretation would be to insert a mens rea element to avoid any difficulty.

The Bill is overdue, and it is welcome. I believe that the House will agree to the Government's proposals in large part. However, caveats have been added by several hon. Members, and I join them in expressing my discomfort about some of the offences that lie between involving strict liability and being an ordinary form of offence. Obviously, we need to ensure that it is absolutely clear that we are setting up legislation that is designed to catch dishonest people. However, it is not utterly clear in some parts of the Bill that that will be the way that it will work. Despite those few misgivings and caveats, I welcome this important Bill. In relation to a remark made earlier by the hon. Member for Rhondda, (Chris Bryant) it has not been standing room only here today, but the Bill is important to all our clients—[HON. MEMBERS: "Clients?"] I meant to say "constituents". The Bill is important for all our constituents, especially those who might be affected by fraud, but also those who might be tempted to perpetrate an act of fraud.

We in this House think that we always legislate sensibly and that we always get things right. I remind hon. Members that there was a mistake in the Theft Act 1968 as a result of some draftsman forgetting to repeal the provision that a person caught stealing a sheep could be hanged. Let me tell you that, in some parts of Wales, that has caused a great deal of difficulty.

6.8 pm

Mr. Charles Walker (Broxbourne) (Con): Thank you for calling me to speak last, Mr. Deputy Speaker. I am the tail-end Charlie in this important debate. Given the closeness of the debate, I feel that I am among old friends. At its best attended point, there were 15 Members in the Chamber, and that included Madam Deputy Speaker. However, it has been a good debate, and it is getting better. Or it was until I stood up. Certain parts of it were fairly sterile, but the hon. Member for Rhondda (Chris Bryant) started to inject the subject of people into it and talked about how fraud impacts on the ordinary people—real people—who come through our surgeries every week.

To use a well-worn cliché that I have heard on a few occasions this afternoon, fraud is not victimless. It is not some sterile concept. Fraud is theft. It is clear and simple theft, committed by very undesirable people. If I may use unparliamentary language, Mr. Deputy Speaker, fraud is, in the main, committed by absolute toe-rags—nasty, unpleasant, self-interested, self-motivated people.

It is easy to talk about fraud as something that is large scale—something to do, perhaps, with Asil Nadir and Polly Peck, *The Mirror* pension fund or the BCCI scandal of many years ago. By and large, though, fraud is often small scale. As the hon. Member for Rhondda said, it is committed against ordinary people, who might suddenly find £3,000 taken out of their bank account, not only their £1,000 worth of savings but another £2,000 overdraft on top. It is frightening and, once one gets caught up in the fraud web, it is extremely difficult to unravel it. It can take months or years to get one's life back on track.

Fraudsters tend to be indiscriminate and opportunistic. In my constituency, there is a group of fraudsters who use fake ID to gain entrance to old people's homes. Some come in the guise of police officers, others as council officers or workers for local utility—gas or electricity—companies. That is an obnoxious and obscene form of fraud, an absolute abuse of trust and a misrepresentation of the worst kind. I hope that, when the Bill becomes an Act, it will ensure that people who use fake ID or credentials to gain access to people's homes feel the full force of the law. Ten years may not be long enough.

I met a local vicar earlier today, a minister of Rosedale church, whose mother had someone on her doorstep claiming to be a police officer and gaining access to her home in that way. She is an extremely clued-up woman. She quickly realised that something was wrong, she led him into a room that happened to be her garage and she locked him in it. It was 8.30 at night, so she thought that the police would not be interested in coming to arrest him and left making the phone call until the following morning. She thought that she would let this young man contemplate the error of his ways in her garage. Unfortunately, when the police turned up the next morning, he had found a way out of the garage. That may sound like an amusing anecdote, but it was only her presence of mind that allowed her to navigate her way out of that unfortunate situation. Many elderly people find their trust being abused and pay a huge cost for it, not only financially, but in their mental well-being.

As well as people who gain access fraudulently, there are the so-called rogue traders who use fake

qualifications to gain people's trust—"I am from the federation of master builders; I know what I am talking about." All of a sudden, the vulnerable find themselves paying out vast sums of money for work that did not need doing to complete crooks who have used fake qualifications to con their way into a position of trust in order to abuse it. Once again, I hope that the Bill will cover those sort of fraudulent acts.

We must also understand that we have a responsibility and we need to be vigilant against fraud as well. That is the real meaning of responsibility. The hon. Member for Rhondda spoke about phishing schemes in which e-mails are sent claiming to be from the Halifax, advising people that they need to update their bank accounts. People are still falling for that con. I believe that it has been running for three or four years, yet I still find that some of my constituents are falling for it, giving out their financial details and losing vast sums of money in consequence. We, collectively as politicians, the Government, the financial services industry and local authorities need to educate people to be on their guard.

Why are we still throwing out our bank and credit card statements in the general rubbish, providing a rich source of opportunity? Some of us have bought shredding machines, but then we hear about armies of people sitting in darkened backrooms, putting together what we have shredded so that they can still read our bank account numbers. That is happening—*[Interruption.]* The hon. Member for Rhondda looks bemused, but I can assure him that this is absolutely the case. In fact, Frank Abagnale, one of the world's top authorities on fraud, visited the country only a couple of weeks ago and said, "For crying out loud, people, don't just get something that shreds vertically. Get a proper criss-cross shredder, so there is absolutely no chance of the information being reconstituted and used to defraud people."

Mr. Stewart Jackson (Peterborough) (Con): Does my hon. Friend believe that magistrates take a suitably robust approach to the obnoxious practice, prevalent in my constituency and across the country, of distraction burglaries, which are particularly aimed at older people, the most vulnerable in our community?

Mr. Walker: My hon. Friend is absolutely right. Nothing upsets the police more than the fact that, when they actually catch an individual who has been preying on the elderly and vulnerable and he is brought before the magistrates courts or even the Crown court, he is given a one or two-year suspended sentence or a bit of community service. That individual then goes back to doing what he was doing very well before—ripping people off. People like that should be locked up and if the Solicitor-General can lock them up not for three or four years but for 10, good on him.

Chris Bryant: The hon. Gentleman is making a case to show how the world of fraud has changed in recent years, but is not the truth of the matter or the real nub the very ancient problem that, as Shakespeare put it:

"There is no art to find the mind's construction in the face."?

Mr. Walker: I must confess that the hon. Gentleman has foxed me with that intervention. Being a man of limited intellect, I was never a great student of Shakespeare, but perhaps we can meet afterwards to talk it through. I am sure that he is talking perfect sense and thank him for that intervention.

I shall now deal with particular provisions, starting with clause 2, which the hon. Member for Rhondda also spoke about. We have seen the promotion of fraud conducted over computers through e-mail and the internet. The hon. Member for Rhondda and others mentioned phishing, but there are also the K-scams, largely from Nigeria, where people are told that they will receive a large sum of money from a relative of the former deposed king or local warlord who has $55 million to launder. People are asked to send £20,000 so that they can have the whole lot. Unbelievably, people are still falling for it. We have to go with the adage: if it sounds too good to be true, it is too good to be true. In plain and simple, non-Shakespearean English, if it looks too good to be true, ignore it and walk to the other side of the street. How will the Bill deal with international scams, as phishing and K-scams are run from Africa, by and large, or from parts of the former Soviet Union that are not yet in the European Union?

Clause 3 deals with failure to disclose information. A classic example would be the estate agent who visits an elderly or young person's home and says, "I have looked at your very nice home and you should put it on the market for £165,000." Lo and behold, a buyer turns up the next day and offers to buy it for that sum. The seller is extremely happy and the deal goes through, but he then discovers that the home was really worth £220,000 and that the estate agent undervalued it so that one of his mates could buy it, only to put it straight back on the market with the two splitting the profit. That is a classic example of fraud, which I hope the Bill addresses.

Clause 4 deals with fraud by abuse of position. Before I entered Parliament, I worked in recruitment businesses and what went on in some of our offices was phenomenal. Nice young men or women would be hired and given a computer at their desk. They would work away, but a year later, we might find out that they were running a completely parallel business from that desk. They might have downloaded all the company's information on its candidates and clients, crossed it over to their computers and run two businesses. If they were caught, they would be fired, but they would often leave with all the data and set up business down the road—another classic example. I congratulate the Government on introducing legislation to deal with that sort of fraud. I am in a very congratulatory mood today.

One part of the Bill causes me some concern and I am sure that someone will say that I am making a fatuous point about clause 11, which deals with obtaining services dishonestly. It strikes me that the rights to cover test matches at the Oval are owned jointly by Sky and the England and Wales Cricket Board. Fair enough. Will the clause be used against the hundreds of people who like to dangle out of windows or sit on the roofs of the houses around the Oval, watching the cricket? The point is not necessarily fatuous and it is worth raising. People could get a knock on the door from Sky or the England and Wales Cricket Board, who then ask them what they are doing accessing the match. They might say, "You haven't paid to access the match, so please remove yourselves from the windows or roofs."

Chris Bryant: The hon. Gentleman makes a poor point, but a better point is that many people deliberately

[Chris Bryant]

buy Sky boxes and take them to Spain, France, Germany or Italy, so that they can use UK rights, which they had not bought, to watch in other countries.

Mr. Walker: The hon. Gentleman makes a good point. I hope that my point is not as poor as he thinks and that the Minister will respond to it here or in Committee.

My final concern relates to the decision to retain the offence of conspiracy to defraud. I understand some of the Government's reasons for doing so, but clause 7, on the making or supplying of articles for use in frauds, would cover that, by and large. We have talked about people walking around with crowbars. Of course, it is debateable whether someone is taking a crowbar to lever open a door or to lever off a manhole cover and go about his business if he is a plumber. However, if someone is caught walking around with a cash machine keypad recording device, it is very difficult to argue that that person did not know what it was for; they are specific machinery manufactured only to defraud. I hope that clause 7 will cover a large amount of what is still viewed as conspiracy to defraud, but the Government have a slightly different view.

Mr. Jackson: My hon. Friend referred to Frank Abagnale, one of the world's leading experts on fraud. On counterfeit measures, does my hon. Friend agree that Frank Abagnale has stated that most modern identification cards can be counterfeited at least within 18 months and, possibly, two years?

Mr. Walker: My hon. Friend makes a valid point, and to the Solicitor-General's credit, he did not talk about ID cards in his opening remarks. Some people say that ID cards will help to reduce fraud, but many people think that they will worsen the problem. Fraudsters will get hold of ID cards and manufacture them, and they will find them an effective way to win people's trust and take their money. We already see that with passports and there is no reason why it should not apply to ID cards.

The Solicitor-General said that he was very much in favour of police forces merging, so that they could pool their resources in tackling fraud. May I say for the record that I am totally opposed to the merger of police forces? I believe that most Conservative Members and some Labour Members share that view. Most of my constituents would not buy the argument that one needs to merge police forces to tackle fraud better. Most of them believe that the police are doing a pretty good job and that, when caught, fraudsters need to spend more time in prison and less time on the streets.

In conclusion, I broadly welcome this Government Bill. I have greatly enjoyed speaking in the debate and the interventions from the hon. Member for Rhondda and my hon. Friend the Member for Peterborough (Mr. Jackson). Thank you very much, Mr. Deputy Speaker.

6.22 pm

Mr. Edward Garnier (Harborough) (Con): I am delighted that someone such as my hon. Friend the Member for Broxbourne (Mr. Walker) has found this afternoon's debate such an enjoyable occasion, because, as he knows, the Government are here to provide us with pleasure, and they have, in fact, done it 53 times since 1997. This is, I think, the 53rd Bill that they have introduced to do with the criminal justice aspect of criminal policy. Probably, on this 53rd occasion, this is the one Bill that I can more or less wholeheartedly welcome, so long as they implement it.

I have tabled a number of parliamentary questions to the Home Secretary—this one, the last one and the one before that—to ask which Bills have been brought into force, which of their provisions have been repealed before they came into force, which have been repealed since coming into force and which are yet to come into force, and it is quite amazing how one gets back a telephone bill of an answer, too big to be e-mailed by the relevant Home Office department, to show how active the Government have been in producing legislation, but how dilatory and, indeed, how repetitive they are in the work that they do in bringing it into force. So they are a Government who chase headlines, but thanks to the Law Commission—on behalf of the official Opposition, I send my thanks to the Law Commission—here at least we have a Bill that looks pretty good.

I also thank the Joint Committee on Human Rights for producing its 14th report, which deals in part with the Bill, and there is some good reading to be had in there, not least because it points out some of the concerns that the Government ought to have—I am sure that the Solicitor-General has them—about aspects of the European convention on human rights and the way in which it bites on the Bill, particularly in relation to articles 5 and 7.

A number of hon. Members have expressed our interest and support for the continuance of jury trial. My hon. Friend the Member for Beaconsfield (Mr. Grieve) and the hon. Members for Somerton and Frome (Mr. Heath) and for Meirionnydd Nant Conwy (Mr. Llwyd) and others have all expressed views in support of jury trial and quite sensibly stated that the problem with some of the more difficult fraud trials is not the jury's participation but the case management and the way in which the prosecution case has been presented to the jury.

As my hon. Friend the Member for Beaconsfield pointed out, very often those cases have fallen apart well before they get to a jury. Certainly, if there was much space in the Government's armoury for arguments against the use of juries in fraud trials, that space has been utterly emptied by the production of the Bill, which is, no doubt, intended to simplify and clarify the criminal law in relation to dishonesty. I trust that the Government will be extremely slow to introduce not only another criminal justice Bill, but a Bill to implement section 43 of the Criminal Justice Act 2003, to abolish juries.

As my hon. Friend and I have said, we broadly welcome the Bill and are prepared to allow the Government the three-year period to consider the aspects of it that have been discussed in the other place and in the House in relation to the common law offence of conspiracy to defraud. However, I remind the Government of what my noble Friend Lord Kingsland reminded the Attorney-General of on 29 March, when

the Bill was read for the Third time in the other place. I quote his remarks as recorded in the Lords *Hansard*:

"The Attorney-General has helpfully summarised in paragraph 8 of his draft advice the judgment of the noble and learned Lord, Lord Bingham, the then Lord Chief Justice, in the joined cases R v Rimmington and R v Goldstein. The latter part of the portion of the judgment which appears in paragraph 8 reads,

'good practice and respect for the primacy of statute do in my judgment require that conduct falling within the terms of a specific statutory provision should be prosecuted under that provision unless there is a good reason for doing otherwise'."—[*Official Report, House of Lords*, 29 March 2006; Vol. 680, c. 779.]

In essence, what other hon. Members and I are asking for is that there should be clarity and certainty in the criminal law. The Solicitor-General and I are familiar with the expression "the certainty of indictment", and that rubric should flow across into statute law, just as much as it does in the drafting of a criminal indictment. Although we are happy to give the Government that three-year extension while they consider the common law conspiracy offence, it is something that ought not just be let to run. Whether there is sunset clause or some other device, it is not something that the Government should allow just to roll off into the long grass.

What we are essentially talking about is dishonesty—a concept that is often easy to recognise and sometimes a lot more difficult to define. Definitions are important in all statutes, but particularly in criminal law statutes and certainly in the Bill. By and large, the definitions in the Bill are sufficiently clear and the sort of thing that a judge—I declare an interest as a Crown court recorder and as someone who practices as a barrister not at the criminal Bar but at the civil Bar—can easily explain to a jury at the end of a trial.

We must bear in mind the fact that some areas of definition will need to be teased out. My hon. Friend the Member for Beaconsfield ran through those relating to the expressions "loss" or "gain" in clauses 3 and 5. More importantly, that relating to the word "expected" in clause 4(1)(a) has far-reaching implications that require careful thought. Issues relating to duty flow from that. My hon. Friend and the Solicitor-General had a private debate earlier about fiduciary duty. Speaking as a defamation specialist, when one talks about qualified privilege, one often talks about the duty to pass on a defamatory allegation even though one might know that it is defamatory and might be damaging. That duty can be described as either legal, moral or social. Therefore the fiduciary duty about which my hon. Friend and the Solicitor-General were talking might not be the only sort of duty caught by an expression such as "expected".

I therefore urge the Government to think carefully in Committee about what they mean, what they want the courts to mean, and what they think the police and prosecuting authorities ought to be doing when faced with a case that might fall under clause 4, entitled "Fraud by abuse of position". As I said, there is a clear need for certainty in the criminal law, and as long as that is provided by the time the Bill leaves this House, either to go back to the other place or to get Royal Assent, none of us should complain.

I want to say one or two more things about clause 4, as that, in conjunction with the problems described in relation to clauses 6 and 7 on criminal intent, is where most of the difficulty with the Bill will lie. The hon. Member for Meirionnydd Nant Conwy had great fun with his Liberty briefing on A, M and—

Mr. Llwyd: For the record, it was a Justice briefing.

Mr. Garnier: Well, that is J rather than L. They are different letters of the alphabet, and we are making progress. In short, there is a foreseeable potential problem with relationships that can be the subject of abuse, which could then lead to fraud. We must bear in mind the distinction between straightforward dishonest criminal behaviour, which this Bill is designed to catch, and sharp practice, immorality or bad manners, which might be utterly reprehensible as matters of social conduct but which might not fall within the definition of fraud intended by the Government in introducing the Bill. I urge Members who serve on the Committee to invite the Government to think carefully about that.

There have been seven contributors to the debate, the last of whom, my hon. Friend the Member for Broxbourne, not only clearly enjoyed speaking in the debate but was good enough to tell us that he enjoyed speaking in it, which is a matter of some congratulation. He said that fraud affects not just Members of Parliament or lawyers but our constituents. It is a real issue. As he correctly said, it is not just dealt with on the Enron scale but can affect people with very little by way of assets or money, for whom the consequences can be disproportionately hard. Those with small savings and little wealth can be hard hit by some very nasty people. Now is not the appropriate time to debate the philosophy of sentencing policy. I have some interesting views, at least to me, about the appropriate sentence for all sorts of crimes, but the Bill makes it clear, depending on the clause that one is looking at, that sentences will be 10 or five years. I am sure that Members who serve on the Committee will have ample opportunity to exercise their minds on that.

My hon. Friend makes the perfectly good point that there is a great deal of self-help that can prevent fraud. Those who throw their bank account details, cheque books or other sensitive information into a bin without shredding them have, to some extent, only themselves to blame, even though those who misuse the confidential information contained in those documents in a criminal way can have no excuse simply because they found it in the bin.

The hon. Member for Tamworth (Mr. Jenkins) kindly undertook a gentle canter through the explanatory notes to the Bill, which many of us had perhaps not had the chance to read before he read them out to us. That was a valiant service, and I am sure that those on the Treasury Bench have noted that he was able to provide it, for which I thank him very much. He made some other, independent points in relation to the international nature of fraud. Those need to be grasped, especially, as he correctly pointed out, as so much fraud is conducted over the internet. The internet knows no national boundaries, even though the jurisdiction of our criminal courts is to a large extent confined within the boundaries of England and Wales, which I am sure is a point that the Under-Secretary, the hon. Member for Gedling (Mr. Coaker), will want to take back to the Home Office with him, along with the explanatory notes.

[Mr. Garnier]

The hon. Member for Somerton and Frome gave a cautious but none the less thoughtful welcome to the Bill. He made some points about the need for a coherent prosecuting and investigatory policy. He invited us to try to manufacture a system with one coherent prosecuting and investigative authority, but he did not go so far as saying that he wanted one amalgamated national police force—

Mr. Heath: Certainly not.

Mr. Garnier: The hon. Gentleman says, "Certainly not", from a sedentary position, in case anyone did not hear him. He also made sensible points about case management, and gave his support for the jury system. From my experience of summing up to juries, and of addressing juries as an advocate, they have a collective common sense, by and large, and are exceptionally good at discerning honesty and dishonesty. When considering cases of criminal fraud, one is essentially talking about dishonest behaviour. There is no better way of unravelling all the complicated inter-weavings of a scam and asking whether what was going on was a deliberate piece of dishonesty than to ask a group of 2 people to apply their collective common sense.

I will not detain the House now with a dissertation on fraudulent preference, on which the hon. Member for Somerton and Frome touched briefly, but there is a story to be told in that regard, as there is with regard to carousel fraud, which has lately hit the headlines. I am sure that the Government have both those matters fully in mind, and I am sure that he can raise them again in Committee.

One point on which the hon. Member for Somerton and Frome lighted, which others did not, and which is worth highlighting now, is that of evidence on self-incrimination in relation to clause 13. I will have to read clause 13 a few more times before I get my head around it completely, but as I understand it, the self-incrimination concerned relates to questions asked in civil proceedings, which might prevent a prosecutor from using the answers to those questions to mount a criminal prosecution. The Solicitor-General, or my hon. Friend the shadow Attorney-General, will no doubt take me into a cooler room and explain things to me gently.

I would be interested to hear from the Government, now or subsequently, either orally or in writing, how that clause impacts on what is loosely called the right to silence, or the denial of the right to silence. As the Solicitor-General will know, prosecutors are entitled in certain circumstances, under the Police and Criminal Evidence Act 1984, to comment on a refusal to answer questions or to explain a particular course of conduct, at the roadside, on arrest or later while being interviewed by the police—or, indeed, on a refusal to give evidence in a trial. I should like to know for my own purposes what impact clause 13 will have on that aspect of criminal procedure. As I have said, the Minister need not trouble himself to give me an answer this evening, but I should be grateful if a simple written answer could be prepared.

My hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) described himself, rather diffidently, as a non-practising barrister, as though he had very little experience of the intricacies of criminal law. On the contrary, he is a highly experienced senior junior at the criminal bar. It is a pity that he has had to give that up for his parliamentary duties from the point of view of the courts in England and Wales, but it is a great benefit to the House. He too expressed support for the jury system. He too sensibly advised us that the Government should not just consider legislation on fraud, but consider ways of making things less complicated. He rightly said that the more complicated the system—he cited the tax credits system—the easier it would be for bad people to cheat. He too raised the issue of the maximum sentence in clause 11, which I think it is sensible to deal with in Committee.

The hon. Member for Rhondda (Chris Bryant) took a zoological canter through the Bill—if it is possible to take a zoological canter; perhaps not. He talked of phishing, Trojan horses and money mules. Essentially, his point was that fraud is an international crime which can be perpetrated by three separate people from three separate jurisdictions, and which can have an impact on a victim in this jurisdiction. It may well be that international co-operation of one kind or another outside the confines of the Bill is necessary to help reduce fraud. The hon. Gentleman was sceptical about the need to retain the common law conspiracy offence, although I think he properly recognised that it might be necessary to retain it in order to establish the most appropriate way of dealing with phishing, Trojan horses and money mules. No doubt the Government will consider that over the next three years.

The hon. Member for Meirionnydd Nant Conwy applied his legal experience to the Bill. He seemed less sure than Conservative Members about the need to abolish the common law conspiracy offence—not necessarily for the same reasons as the hon. Member for Rhondda—but I am happy to say that he was wholly with us on jury trial, on the need for tighter definitions, on the need for clarity in relation to mens rea or criminal intent in clauses 6 and 7, and on the wider and more general plea for clarity and certainty in the criminal law.

Let me say something about clauses 6 and 7. I understand the concern expressed by my hon. Friend the Member for Beaconsfield, and understand and support the simple solution that he proposed in relation to clause 7. I may be able to assist the Government in that regard, although no doubt my hon. Friend will explain his ideas better in Committee. Simply removing the word "or" from clause 7(1)(a) and substituting the word "and" would do away with all the problems that we may face.

The Government may ask what constitutes fraud within the confines of the Bill. Fraud is described in clauses 1, 2, 3 and 4. It requires criminal intent. The fraud referred to in clause 7(1)(a) is the fraud described in those earlier clauses. When we combine that with the word "knowing" in the same paragraph, we end up with criminal intent. My hon. Friend's solution is so much neater, simpler and clearer. A stroke of a pen could remove one little word and insert another: end of problem.

There is a disjunction between the drafting of clause 7 and the drafting of clause 6, but as my hon. Friend said, what works in clause 7 ought to work in

clause 6. If the Committee is to do itself any good—which I am sure it will, given a relatively benign and much welcomed Bill—it should concentrate on those two clauses, while obviously dealing with the difficulties presented by the word "expected" and the relationships issue raised in clause 4.

That is quite enough from me. I told the Government Whip that I would speak until about 9.30 pm, because I knew that the House was keen to hear from me. I also wanted to ensure that my hon. Friend the Member for Tewkesbury (Mr. Robertson) was given the shortest possible time in which to explain the issues that affected his constituents. Joking apart, however, it is time for me to sit down and shut up—or possibly shut up and sit down.

6.46 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): This is the first occasion on which I have spoken as a Minister in a Second Reading debate. As I am not a lawyer, I rise with a slight degree of apprehension, which is why I was grateful to the hon. and learned Member for Harborough (Mr. Garnier) for saying that I could write to him about clause 13.

I welcome the broad support that has been expressed for the Bill. I thank the hon. Member for Beaconsfield (Mr. Grieve), the hon. and learned Member for Harborough, the hon. Members for Somerton and Frome (Mr. Heath) and for Meirionnydd Nant Conwy (Mr. Llwyd), and others on both sides of the House for responding constructively, while committing themselves to scrutiny in Committee to produce the better Bill that is our common goal.

The hon. Member for Beaconsfield outlined three tests that he considered important. It was crucial, he said, to overcome complexity, to help prosecutors to prosecute those who committed the crime of fraud, and to adapt to the changing face of criminality—for example, in the context of new technology. I assure him that the Government agree with him about all those tests and aims. As for repeal of the common law offence of conspiracy to defraud, I repeat that, having listened to Lord Justice Rose and following various consultations, we decided not to repeal it but to review it after three years.

Let me point out to the hon. Member for Beaconsfield that the views expressed in the other place changed during debates on the Bill. The hon. Gentleman said that Lord Lloyd saw no case for retention of the common law conspiracy offence. That may have been his initial view, but on 14 March he said that after speaking to Lord Justice Rose he was "wobbling down in favour" of retaining the offence. Even Lord Lloyd, having listened to some of the arguments, decided to change his view. He wobbled, which is enough for me.

As has been said, non-jury trials will feature in another Bill and do not form part of this debate, but the points made today have been taken into account. As for clauses 6 and 7 and the mens rea issue, we believe that the requirement for an intention to use the articles in people's possession will provide a safeguard against idiotic prosecutions. As my right hon. and learned Friend the Solicitor-General made clear, those are not strict-liability offences. Case law has established that the phrase

"for use in the course of...any fraud"

means that the prosecution must prove at least a general intention of committing a fraud. Anyone who has no such intention has nothing to fear from these provisions. Whether they are conjurors or innocent members of the public, safeguards are provided by case law.

I thank my hon. Friend the Member for Tamworth (Mr. Jenkins) for what I thought was an important and worthwhile contribution to the debate. He made the point that the Bill is only part of the solution. That is absolutely right. He suggested the need, for example, for specialist fraud judges and perhaps for specialist fraud courts. Those are useful proposals and I assure him that we will put them into the fraud review, which will report shortly.

My hon. Friend raised a number of issues to do with receiving digital television and no doubt he can argue his points in Committee; I am sure that he looks forward to serving on that. He made the important point, which the hon. Member for Broxbourne (Mr. Walker) also made, that fraud is not a victimless crime.

My hon. Friend said that there is no definition of dishonesty. Although there is no definition of dishonesty, the established test results from the case of Ghosh. Although that is case law, it is approved by the House of Lords and it has been in use for almost 25 years.

The hon. Member for Somerton and Frome raised many of the issues that we will need to look at in more detail in Committee. With that assurance, I will not mention all the points that he made. For example, we can discuss in Committee the issue of nationality jurisdiction. We do not think that the same justification for extra-territorial jurisdiction exists as it does for corruption. The corruption of officials overseas is dealt with in several international conventions. That stems from concern about corruption in developing countries and its effect on their stability. In contrast, fraud is a huge issue across the world—domestically as much as internationally. Corruption is also far less common than fraud. The resource implications for "policing" UK nationals worldwide for fraud are therefore much larger. The cost would need to be carefully examined before any party committed itself to it. If a UK national commits a fraud in Hong Kong that has no effect in the UK and no part of the fraud was committed in the UK, do we want the SFO to pay to send a team to Hong Kong? A degree of caution is needed with respect to that matter, but, as I say, it is an issue that we can debate in Committee.

The hon. Member for Rugby and Kenilworth (Jeremy Wright) was right to draw attention to the need for an appropriate penalty for obtaining services dishonestly. In response to his question about the maximum sentence, I draw his attention to the fact that the existing offence of obtaining services by deception carries a maximum sentence of five years' imprisonment. The Law Commission examined that issue and saw no reason why the maximum for the new offence should not be the same. The Government's consultation likewise did not elicit any

[Mr. Vernon Coaker]

demand for the creation of a higher maximum sentence. Therefore, the Government concluded on the basis of the Law Commission and the consultations that we undertook that the maximum sentence of five years was appropriate.

My hon. Friend the Member for Rhondda (Chris Bryant) reminded us, as always, of the importance of people. As others have made clear, it is important continually to make that point. Although some people find the issue of fraud dry and not very interesting, it impacts on thousands of people across the country. Therefore, today's debate is particularly important.

My hon. Friend made an important point when he talked about the issue of training for the police. I assure him that the police, particularly the ACPO national fraud working group, are playing a full role in developing the policy in the Bill. They have publicly welcomed the Bill and look forward to its early enactment. The City of London police are using their experience to look at how they can train police forces throughout the country in ensuring that it is as effective as possible. Indeed—this will be of interest to the barristers here—the Crown Prosecution Service is also looking forward to issuing advice to prosecutors to ensure that it is as effective as possible.

Mr. Heath: As the Minister happens to be mentioning advice that will be given, I wonder whether the Solicitor-General could provide me and perhaps other members of the Committee with the guidance on the use of the conspiracy to defraud offence. It was mentioned in the debate in another place but so far we have not had sight of the draft guidelines.

Mr. Coaker: The Solicitor-General informs me that he is happy to do that in due course.

Chris Bryant: I referred to the issue of the suborning of a police officer. Everyone in the Chamber seemed to be nodding their heads. I recognise that the Minister may not be able to respond directly to that today but it is an issue that has been lying around for quite a while and I wonder whether he would like to make some reference to it.

Mr. Coaker: That is an interesting and important point but it is not one for the law on fraud.

The hon. Member for Meirionnydd Nant Conwy emphasised the need to ensure that the law is as simple as possible. The Bill will do that—it will help to simplify a range of deception offences. It will help juries and magistrates to deal with what, as he and I know, can be extremely complex matters.

On the issue of why "knowing or intending" is not included in clause 6, we should bear it in mind that we are building on existing offences and that the "going equipped" offence in the Theft Act 1968 applies not only to burglars but to those who have equipment to commit a fraud, which it describes as a cheat. The only problem with that Act is that it does not apply to fraudsters who operate from home. We already have nearly 40 years' experience of the operation of that provision and we are not aware of any problems of innocent persons being troubled by it.

The hon. Member for Broxbourne pointed out, in his wide-ranging but interesting speech, that fraud is not a victimless crime. The Bill will help to tackle many of the examples that he gave of victims of fraud.

We have faced a growing threat from fraud. Tackling it requires effort by all concerned on several fronts and on prevention as well as enforcement. However, modernisation of existing criminal law is one essential building block. The existing statutory offences are specific and overlapping, yet they are not related to each other to convey the variety of fraudulent behaviour in an organised way. That untidiness in the law means that it is not always clear which offence should be charged and defendants have successfully argued that their particular deceptive behaviour did not fit the definition of the offence with which they had been charged.

Our reform efforts date back to 1998, when the then Home Secretary asked the Law Commission to consider whether a general offence of fraud would improve the criminal law. This is a tricky area of the law and the commission consulted stakeholders and gave the issue the most careful consideration. The 2002 report was the result. It decided that it was not a realistic solution to plug loopholes in fraud law by adding more specific offences, as has been done in the past. Such piecemeal law reform leads not only to further complexities and the potential for charging defendants wrongly, but means that the law will always be lagging behind any development in technology or new methods of committing fraud—a point that the hon. Member for Beaconsfield made.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I congratulate the Minister on his promotion. Clearly criminals are increasingly using more sophisticated IT methods, on which the police will need to be constantly trained and retrained. Can he give the House some assurance that the police have systems in place to be able to do that and that they are not going to find that they are continually outsmarted by ever-smarter criminals?

Mr. Coaker: I thank the hon. Gentleman for his good wishes. There is always a race between the police and the criminal. The police are always racing to keep up with the criminal, but in the brief time I have been in post I have been to the Serious Organised Crime Agency and other agencies that are at the cutting edge of technology and are trying to ensure that they keep up with the criminal. They are soliciting support from all over to try to do that, including from the private sector. I have seen examples of those agencies working with various internet and computer companies, using their expertise and experience to try to ensure that, as far as possible, they keep up with developments in IT and the internet to tackle crime in the way that we would all want.

Our reform dates back to 1998, when the Home Secretary asked the Law Commission to look at this issue. The 2002 report was the result, and it was decided that the proposal to which I referred earlier was not a realistic solution that would plug the loopholes. Piecemeal law reform leads to further complexities and to the potential for charging defendants wrongly. As I said, the law will always lag behind new developments in technology.

The Bill introduces a general fraud offence, as recommended by the Law Commission, which does not focus on specific acts, as previous fraud statutes have done. Instead, it defines three broad ways in which fraud can be committed. The aim is to cover a variety of fraudulent behaviour, and that the offences should continue to be relevant as methods of committing crime and technology change and develop. The offence of obtaining services dishonestly is also important, as it plugs a legal loophole whereby fraudsters obtain services over the internet but are not subject to the current fraud law, as they have not deceived a person.

The shift in emphasis that the Bill brings—toward dishonesty and away from deception—is a critical and powerful element of this legislation. While it has always been the case that attempts to commit deception offences can be charged, the Bill simplifies the law and avoids the difficulties that arise from the narrowness of the existing offences. In simplifying the law, the Bill will make it more easily comprehensible to juries and the general public, and make the prosecution process more effective by providing a clear definition of fraud. The aim is to encompass most forms of fraudulent conduct within a law that is flexible enough to deal with developing technology. That could prove particularly beneficial in complex and serious fraud cases, and could shorten the time taken by each trial and lead to more efficient prosecutions.

In the end, the Bill will help us to prosecute the criminal and to defend victims—a goal common to us all. I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

FRAUD BILL *[LORDS]* (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Fraud Bill [*Lords*]:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 22nd June 2006.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed—*[Mr. Michael Foster.]*

Question agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

IMMIGRATION

That the draft Immigration (Provision of Physical Data) Regulations 2006, which were laid before this House on 2nd May, be approved.—*[Mr. Michael Foster.]*

Question agreed to.

RAILWAYS

Ordered,

That the Railways and Other Guided Transport Systems (Safety) Regulations 2006 (S.I., 2006, No. 599), dated 9th March 2006, be referred to a Standing Committee on Delegated Legislation.—*[Mr. Michael Foster.]*

COMMITTEES

Mr. Deputy Speaker (Sir Michael Lord): With the leave of the House, I shall put motions 5 and 6 together.

Ordered,

HOME AFFAIRS

That Colin Burgon and Steve McCabe be discharged from the Home Affairs Committee and Margaret Moran and Martin Salter be added.

Ordered,

STATUTORY INSTRUMENTS

That David Maclean be added to the Joint Committee on Statutory Instruments.—*[Mr. Alan Campbell, on behalf of the Committee of Selection.]*

PETITION

Royal Shrewsbury Hospital

7.2 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I present a petition about the Royal Shrewsbury hospital, which is a very important hospital that covers not just the residents of Shrewsbury but many people throughout the whole of Shropshire, and many in mid-Wales who come across the border to use our services. It has been signed by 2,968 of them and reads as follows:

The Petition of concerned residents of Shropshire and mid-Wales

Declares that there is a severe financial crisis in the Shrewsbury and Telford Hospital NHS Trust that is threatening services at the Royal Shrewsbury hospital.

The Petitioners therefore request that the House of Commons urge the Secretary of State for Health to introduce legislation to provide funding to solve the financial crisis of the Shrewsbury and Telford Hospital NHS Trust, and to secure future services in full at the Royal Shrewsbury hospital.

And the Petitioners remain, etc.

To lie upon the Table.

Health Services (Gloucestershire)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Michael Foster.]*

7.3 pm

Mr. Laurence Robertson (Tewkesbury) (Con): I rather regret the need for this debate, but having said that, I am pleased to have secured it and thank the Minister for attending. I want to set out the picture regarding health services in Gloucestershire and seek clarification from the Minister on a number of issues.

There are three primary care trusts in Gloucestershire and one hospital trust. Cheltenham and Tewkesbury primary care trust, which covers most, but not all, of my constituency, is in surplus, but other trusts have been in deficit. The result is that across the county, there are some £40 million-worth of deficits. All the trusts together are proposing cuts in health services amounting to some £30 million, as things stand.

There is of course great opposition in Gloucestershire to this proposal. I have a petition with more than 2,200 names on it, which I hope to present to the House in the next few days. That constitutes a high percentage of the population affected. Indeed, there have been rallies and marches across Gloucestershire. My hon. Friend the Member for Forest of Dean (Mr. Harper), who cannot be here tonight, initiated a debate in the Chamber on 25 May, and he has been very active in opposing the cuts. Indeed, there is united opposition to them throughout the House. Members from the Conservative and Liberal Democrat parties, and from the Government party, will seek to catch your eye to contribute to the debate, Mr. Deputy Speaker, and it might be helpful if I confirm that they have approached me to ask for permission to do so.

I should say at the outset that we of course have no disagreement with organisations balancing their books; every organisation must do that. Also, no one is going to accuse the Government of having cut spending on the health service, as that is not the case, so I hope that the Minister will not defend the Government against charges that I am not going to make.

I turn first to my main, particular and most immediate concern—I shall come on to others shortly—which is the proposal to close Winchcombe hospital. It was built in 1928, with a lot of the funding provided by local people and benefactors. It provides a caring and comfortable convalescence for people, especially older people, recovering from operations or other treatment. It also provides a very helpful minor injuries unit in a rural area where public transport is not particularly useful.

The White Paper on community hospitals issued some while ago made it clear that community hospitals should not close

"in response to short-term budgetary pressures."

Sensibly, it recognised the value of, and need for, such hospitals—as, indeed, do I. I was recently treated at Tewkesbury community hospital within five minutes of having had a rather nasty car accident. The staff were excellent, and I pay tribute to them, and place on the record my thanks to them. The alternative to that treatment would have been a long car journey and delayed treatment, thereby putting additional pressure on staff at, say, Cheltenham or Gloucester hospital. So although the White Paper opposes such closures, that is exactly what is being proposed in Gloucestershire.

People in Winchcombe are united in total opposition to the proposed closure of their hospital; they value it and they need its services. If it closes, they, too, will have to go to Cheltenham or Gloucester for immediate treatment, and those who are currently being treated or operated on in one of those hospitals will, presumably, have to be sent home early if Winchcombe hospital closes.

I acknowledge that there is a debate going on about how long people should stay in hospital, and I accept that nowadays, some people can go home earlier than they might have done in the past. Often, home is the best place for people to recover, but not always. A while ago, my daughter was sent home from hospital after a major operation the very next day, even though she had no one to look after her and had two children to look after herself. That is unacceptable these days, but if we close hospitals and reduce bed numbers, it will become common practice, which I would greatly regret.

Have the people who make these decisions considered the knock-on costs—to social services, for example? Have they calculated when people need help at home? In the light of meetings that I and others have had with Gloucestershire county council, which would have to provide many such services, it appears that those knock-on services have not been costed. According to the local primary care trust, they have not been costed. Its director of finance said today, when asked about the future alternative proposals:

"we have not calculated detailed costs yet."

How does it know that the books will balance even after the cuts have been made, if those cuts have not been thoroughly thought through or properly costed? What that director did confirm was that closing the hospital will save only an estimated £240,000 a year. How can that be right? How can that make financial, let alone clinical, sense?

I am also concerned by the lack of joined-up thinking about the knock-on costs, and generally. For example, just recently the doctor's surgery in Winchcombe closed, and it was proposed that another one be built outside the centre. Why was no consideration given to moving the surgery to the hospital, and expanding the services available there instead of cutting them? The surgery would have remained in the centre of the town, where many old people live, and there would have been no need to build another one.

If the hospital is not needed, why are local health chiefs considering buying in several beds, for the very purpose of convalescence? We already have 22 beds at Winchcombe hospital, so why lose them and buy in beds from elsewhere? I totally oppose the proposal to close the hospital, but other cuts across the county also worry me.

For example, Delancey hospital, which is just outside my constituency and in that of my hon. Friend the Member for Cotswold (Mr. Clifton-Brown), is also proposed for closure, but it provides a good service. St. Paul's maternity wing in Cheltenham general hospital was opened just 10 years ago at a cost of £6 million, and that is proposed for closure. The overnight facilities at Battledown children's ward, also in Cheltenham hospital,

will be closed, and other hospitals in neighbouring constituencies are closing. Mental health units are being proposed for closure, and further cuts are being "considered", but are not confirmed yet.

All that represents short-term thinking. Where will it end? The proposed closure of those and other services is extremely worrying. Why are we having those cuts at all, and whose fault are they? People are taking a stand not only because of the present proposals, but the further ones that they fear. We are not a third world country—we are supposed to be the fourth largest economy in the world—so why do we face those cuts? Are we not entitled to expect enhanced, more efficient health services, not just services cobbled together to match the particular budgetary pressures at the time?

On 6 April 2005, the Prime Minister said from the Dispatch Box:

"It is correct that we raised national insurance to pay for extra investment in the national health service."—[*Official Report*, 6 April 2005; Vol. 432, c. 1409.]

My constituents have paid the extra tax, but where is the money going? All they are seeing is cuts. Yes, they are getting vague promises from local health chiefs about better provision being on the way, and that health care will be provided in a different way in future. Well, we will believe it when we see it. If there is a better way to treat patients, why was not that way pursued before? Why does it take budgetary pressure to force decision-makers to follow the correct clinical path?

Who is to blame? It is an interesting question. No doubt the Government have increased funding, but have they increased their requirements from trusts to the extent that the extra money has been swallowed up in extra costs? Or have the local health chiefs mismanaged the extra expenditure? I would like the Minister to give me her view of Gloucestershire, because I do not necessarily blame the Government. I want to explore tonight exactly where the fault lies. Who is to blame for the deficits? What is the Minister's view? How do we sort the deficits out? It could be done by closing front-line services and making patients suffer, but it could also be done more sensibly, given a little more time.

The question that I would most like the Minister to answer—it is a crucial question that has been raised before—is about the balancing of the budget. The local trusts claim that they have to balance their books for the whole of this financial year, including making up historic deficits within this financial year. I quote from their consultation document published just today:

"PCTs have to achieve in-year balance and recover 2005-6 deficits".

They say that they have been told, unequivocally, that they have to do that. They told hon. Members that that was the case just last Friday. However, the Secretary of State, in a letter to my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), said that trusts would be expected to make improvements this year and achieve month-by-month balance by the end of the financial year. That is quite a different thing.

In a statement last week, the Secretary of State said again:

"We are aiming for all organisations with deficits to reach monthly balance of income and expenditure by the beginning of April next year."

She went on to say that in some cases, the worst ones will be allowed even more leniency. Who is right? Do the trusts have to achieve total balance for the year, including historic deficits, or do they have to achieve monthly balance by the end of this year? Because if the Secretary of State is right, the consultation paper in Gloucestershire has been launched on a false, even dishonest, premise.

Mr. David Drew (Stroud) (Lab/Co-op): The hon. Gentleman knows my position on this issue, but an answer to his question would greatly help the strategic health authority. When I saw Trevor Jones, the chief executive, 10 days ago he made it clear that if the strategic health authority was given guidance that the aim was a month-by-month balance, it would change its interpretation of the strategic framework. It is vital that my hon. Friend the Minister provides some guidance, because we may be working on false premises.

Mr. Robertson: I am grateful to the hon. Gentleman, and I know that he shares my concerns. He makes the point well: the strategic health authority is in touch with the primary care trust and providing instructions—I nearly said guidance—but we do not know whether they are correct. If we go by what the Secretary of State says—and that is in writing—the SHA's interpretation is wide of the mark. I hope that the Minister will clarify the situation. I reiterate that the trusts should balance their books, but how long have they been given to do it? If it can be done over a slightly longer period, the cuts might not be necessary.

I wish to make a further point about top-slicing. The PCT covering most of my area in Cheltenham and Tewkesbury was actually in surplus last year. However, it is cutting front-line services to help to balance the books of others. That, it seems, is the penalty for achieving better financial management. As if that were not bad enough, the Government are forcing the Gloucestershire trusts to bail out the others under the same SHA to tune of more than £6 million.

In her statement last week, the Secretary of State said that

"that money will not be lost to those communities. It will be repaid, normally in the three-year allocations period."

However, she went on to say:

"I have stressed to the health authorities that the areas with the greatest health needs should be repaid first".—[*Official Report*, 7 June 2006; Vol. 447, c. 254.]

So Gloucestershire will actually lose that money, and if the hospitals are closed anyway they are not likely to re-open within that three-year period.

Martin Horwood (Cheltenham) (LD): Does the hon. Gentleman agree that there is added nonsense in the concept of repayment in that particular case, of which the Minister may not be aware? For Cheltenham and Tewkesbury PCT to ask for the money to be repaid to it by Cotswold and Vale is a nonsense, because the two will merge in any case. So the money lost to Cheltenham and Tewkesbury will never be repaid.

Mr. Robertson: Indeed, this becomes more complicated because the three trusts are merging into one. I am not making a point about one area against

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another, and west Gloucestershire makes up a large part of my constituency. However, it does appear that good financial management is being penalised by that top-slicing.

In fact, Gloucestershire loses out in the first place when it comes to funding. We receive only 88 per cent. of national average funding. That is supposed to be because we are healthier, but—as local health chiefs point out—healthy people live longer, and older people cost the NHS even more money. So where is the joined-up thinking in that particular philosophy? Where is the joined-up thinking about the NHS generally?

To follow up the point made by the hon. Member for Cheltenham (Martin Horwood), I should explain that when I was elected in 1997 there was one Gloucestershire health authority. At present there are three PCTs, but there is a proposal to revert to one; in other words, we are to go back to exactly where we were nine years ago, except that there is now another tier of bureaucracy—the pointless strategic health authority, which costs more than £5 million a year to run. Even that is being tinkered with, because it will cover a different area. The situation is ridiculous. A number of PCTs and hospital trusts, under a single SHA, are making far-reaching decisions. Those PCTs will not exist come October, and the SHA will not exist in its present form by the end of the summer, yet massive cuts are being planned by people who probably will not be in post to carry them out—or to carry the can for them.

I referred earlier to the consultation document published by the health chiefs today. They wanted a consultation period of only five weeks, but Members and some members of Gloucestershire county council managed to exert enough pressure to get the deadline extended to 12 weeks. That is still not a long time, but, farcically, it takes us to the point when the people making the proposals might all be seeking alternative employment. At the end of the consultation period, none of them might be in post, such is the nonsense of the situation.

As well as containing dubious phrases such as the one I quoted earlier, the document insults the intelligence of the people of Gloucestershire. Among other "motherhood and apple pie" questions, it asks:

"Do you think that helping people to stay fit and well is an important principle?"

For goodness sake, what kind of smokescreen, what kind of sham, is this public consultation exercise? Will the people be listened to or will their views be ignored, as they normally are?

There is an unhappy situation in Gloucestershire. We are paying more tax to fund the NHS, yet we are losing our hospitals. The Government are piling billions of pounds into the NHS, yet a quarter of the country's PCTs are in deficit. Local health chiefs say that they have to balance the books within the current financial year, yet the Government say that they have to achieve a monthly balance. The Government claim that they are reforming the NHS, but in truth they are merely tinkering with its structures. The net result is that the people of Gloucestershire, especially older people, children, poorer people, the pregnant and the mentally ill—in other words, the vulnerable—all lose out.

As I said at the beginning of the debate, I do not seek to blame the Government; I am trying to bring home to the Minister the strength of opposition in Gloucestershire to the proposals being made across the county. Will she clarify exactly what she is asking trusts to achieve financially this year? If she only does that we shall have made some progress, but otherwise the most vulnerable and the most in need will lose out.

7.23 pm

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate the hon. Member for Tewkesbury (Mr. Robertson) on initiating the debate. This is the fourth such debate in which I have taken part over the last month: two of them were about health in Gloucestershire, the others were about maternity provision and community hospitals, which relate directly to my area, where I face the prospect of losing both.

Like the hon. Member for Cotswold (Mr. Clifton-Brown), I took part in the rally in Stroud on Saturday—I mentioned it to the Minister before we came into the Chamber. It is estimated that about 4,000 people were at the rally, at which both the hon. Member for Cotswold and I were able to speak. There was immense feeling about the proposals and I said that I would echo it in the Chamber—it could certainly have been heard at Westminster.

Earlier today, I took part in a meeting of the overview and scrutiny committee organised by the county council, which included representatives from the district councils. I have come straight from that meeting, which is why my brow is more furrowed than normal, and I want to raise with the Minister some points about the consultation on partnership trusts. As the hon. Member for Tewkesbury said, although we managed to extend the PCT consultation so that it takes place over 12 weeks, the consultation period for the partnership trusts—the mental health and learning disability trusts in Gloucestershire—will finish on 23 June, which is a mere five weeks. Without putting words into the mouth of the overview and scrutiny committee, it is fair to say that it is looking carefully into the discontinuity between the PCT consultation, which has yet to start formally, and the consultation on partnership trusts, which has reached the mid-way point, if not the final stage. I hope that the Minister will comment on that, as the situation does not make much sense; another £12 million has yet to be found from the PCTs and, given what they could later demand, that could have an enormous impact on the partnership trusts.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): The hon. Gentleman raises an important point, because there is no reason at all for the dissimilarity—for the general consultation to take 12 weeks and the consultation on mental health partnerships to take only five weeks. The overview and scrutiny process for mental health partnerships should be just as long because the mentally ill need more time to adjust to the changes that will be brought on them and those making representations on their behalf need more time to make their case.

Mr. Drew: I agree and make no apology for concentrating on that point, because that is the most urgent consultation. On Saturday, the hon. Gentleman heard a lady make a most emotional speech about the implication of the proposals for her nearest and dearest. People feel very let down because they have been given almost no time or opportunity to make their case.

The Chamber heard the request of the hon. Member for Tewkesbury that the Minister clarify whether we are talking about a month-on-month balance or historical deficits that have to be cleared in a matter of months. We need an explanation, because that is the nub of the problem we face in Gloucestershire.

There is a second problem and I make no apology for continuing to labour the point, because it is important: the relationship between Gloucestershire and its partners in the SHA. It is hardly acerbic to note that Gloucestershire feels let down by the fact that it happens to be in a strategic health authority, other parts of which have run up large deficits over a period of time. The hon. Member for Tewkesbury made several points about why that should not have been allowed to happen, but it has been allowed to happen. As a result, according to the operating framework that the SHA is passing down on tablets of stone, Avon, Gloucestershire and Wiltshire SHA is being asked to reduce its turnover by 5.3 per cent., against a national average of 3.4 per cent. That may not sound much, but there is still a problem. Some trusts in Gloucestershire have been in balance or close to balance, although it is true that Cotswold and Vale PCT, which is my PCT and that of the hon. Member for Cotswold, has been a problem for a long time, but that problem does not extend to other parts of the SHA. We are being asked to provide ballast across an area for considerable problems in the past. We know that, because about £175 million from the NHS bank has gone elsewhere into other parts of the SHA, not a penny of which was ever put into Gloucestershire, even though Cotswold and Vale has had its own problems. I ask the Minister for a commitment that we shall get some real figures—disaggregation of the figures—for the entire SHA, even in breaking it down within primary care trusts so that we know where the money has been spent as well as where the cuts are being levelled. It is vital that we know where the real money has gone and how that money can be accounted for.

I have one request from the overview and scrutiny committee, which I will put to the Minister. It wrote some seven weeks ago to the Secretary of State seeking clarification on budgetary issues. That was mainly in terms of the month-on-month balance. It has yet to receive a response from the Secretary of State. The committee seeks clarity and it wants to see the Secretary of State. I pass on to my hon. Friend the Minister that urgent request. The committee is now mid-way through the first of its consultations. Yet it could be labouring under a great misapprehension, as the hon. Member for Cotswold rightly said. The committee could be being asked to make a decision on something that is a false premise. There should be quick clarification.

I will concentrate rather more on the partnership trust, the mental health and learning disability trust in Gloucestershire, which is mid-way through its existing consultation. What is the trust being asked to save? I have already said that the national average is 3.4 per cent. in turnover. The SHA is asking us to save 5.3 per cent. in turnover. The partnership trust is being asked to save 12.8 per cent., which is £9.6 million, of its planned expenditure. I do not know whether that means one and the same as turnover. However, I take it to be that an even greater amount of savings is required of the partnership trust than anything else that is being required within Gloucestershire, and maybe within the entire SHA.

As the hon. Member for Cotswold said clearly, about 36 per cent. of older people's services for mental health and learning disabilities are to be cut. That is a huge reduction in expenditure. It is all driven by the mad idea that we have to come into balance. I do not know where the figures come from for the partnership trust. That is given the historic overspend, which I did not know was there until suddenly it appeared, and the deficit that is coming this year. I do know where the £2.2 million comes from, which is the contribution to the NHS recovery programme. That seems so unfair given the other cuts that have to be made.

It would help me and other Gloucestershire Members who are in their places this evening to know exactly where the figures come from and why a small trust—a specialist trust—is being asked to make a disproportionate contribution in trying to come back into balance. This makes a big difference to my constituency because of the potential changes at Weavers Croft. It is not likely that Weavers Croft will close completely but it will lose its beds. We do not know the impact of the beds that were brought across from Bourton ward in Cirencester, in the constituency of the hon. Member for Cotswold. As far as I know, that has never been evaluated given the impact that that had when we had some 120 beds for older people's services. We now intend to cut the number to 65 if the proposals are adhered to.

I move on to the Tyndale centre in Dursley in my constituency, where we have already lost day centre provision. That has been lost also at Weavers Croft. There must be questions about whether those facilities will ever be picked up and from where they will be run. As was rightly said by the hon. Member for Tewkesbury, we must focus on the impact, which will be dramatic on social services. I heard the social services committee make a presentation to the overview and scrutiny committee. I was not clear whether anyone has undertaken a detailed impact analysis of the changes that are being proposed. If that has not been undertaken, somebody should see that it is. In this place, we would never allow the nature of proposals to be given superficial treatment, which is what they appear to be receiving. That is not a criticism of the overview and scrutiny committee because it is saying that it has unclear and scanty information about the different proposals.

The organisations in the voluntary sector need to be brought into the process. Underneath the radar, as well as the institutions that are much loved and being fought over, many other changes are being proposed. For example, it is proposed that there should be a 50 per cent. further cut in the passenger transport service. In Gloucestershire, if someone does not have a car they have no quality of life. If someone does not

[Mr. Drew]

have a car and he or she is ill, it is unclear how they can get to the necessary services. The local newspaper—I refer again to the lady who spoke on Saturday—ran a particular campaign to try to get her to Cheltenham. Visiting took two hours and the situation was difficult for her. Is that something that people can and should be asked to do?

I could go on much longer about the impact on maternity provision. There will be future debates in this place and I have no doubt that, if we do not get satisfaction, we shall go on to examine some of the other service provision, such as the community hospital closure programme, including the Berkeley hospital, which will not save any money because the idea is to move Berkeley up to the Cam and Dursley area. In some instances that makes sense because that is where the larger population is. However, I am not in the mood to agree to a cut in provision when we have no money, apparently, to re-provide a better service anywhere. It would be daft for any Member to say, "I can see that that will be a good move." We are being asked to make dramatic cuts without any possibility of new investment coming into the county. It would be ludicrous to go along with the proposal unless we have some clarity on what needs to be done.

I ask my hon. Friend the Minister to provide clarity so that we can nail tonight what we mean by coming into balance. We must examine the particular problems of the strategic health authority. These are matters that are serious to Gloucestershire. We feel unfairly treated because of the nature of the SHA with which we unfortunately happen be placed. We need clarity also about the series of consultations that are being held so that we understand more about the impact analysis. That is clearly not happening at present. That is all to do with the speed at which the changes are being driven through. The direction may be right, but we need to separate the direction from the financial imposition. We certainly need to separate it from the speed at which people are being asked to make drastic decisions that have an impact on the young and the old and everyone else who is either a carer or someone who really cares for the facilities in question.

I hope that my hon. Friend the Minister has listened to these difficulties. She will hear about them from hon. Members on both sides of the House. I hope that she will realise also that this is not a party political issue. All the parties are united in Gloucestershire. We need some help, otherwise we will see services lost that have been in place for a generation and more, and for no purpose whatsoever.

7.38 pm

Martin Horwood (Cheltenham) (LD): I congratulate my hon. Friend the Member for Tewkesbury (Mr. Robertson) on securing this important debate. As my parliamentary neighbour, the hon. Member for Stroud (Mr. Drew) has said, there is all-party agreement and all-party concern among the people of Gloucestershire about the effect that this financial crisis is having on us. I must declare an interest, in that my wife works for Cheltenham and Gloucester primary care trust. Her job is at risk along with everyone else's. I am certainly not pleading on her behalf this evening.

Why are we here? Are we here to complain about less money for healthier, wealthier areas? No, I am not. I accept the principle that health service funds have to be targeted and that that may mean that areas such as Gloucestershire receive less funds per capita under some circumstances than areas of greater overall deprivation. However, one of the problems with the cuts and the savings proposals that are being imposed on Gloucestershire is that even in towns that may be prosperous as a whole, such as Cheltenham, there are areas of deprivation. It is the most vulnerable and poorest people in those towns who are being hit hardest, because they are the people without transport. They are the people who find it difficult to access services in other towns.

Are we here to blame local NHS managers? That is what the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Tottenham (Mr. Lammy), said on "Newsnight" last week. He was asked whether local NHS managers were to blame and he said, "Yes." But surely that cannot be true. As neighbouring Members have said, in Cheltenham and Tewkesbury in particular, we have a partnership trust with three stars that was about to be in the first wave of foundation trusts; Gloucestershire Hospitals NHS Trust, which is a low-cost provider of health care by national standards and is very efficient; and, above all, Cheltenham and Tewkesbury primary care trust, which has never been in deficit and this year posted a £1.2 million surplus. Our NHS managers have done everything right. They have done everything that the Government asked of them. The primary care trust was described in *The Daily Telegraph*, which I do not often read, but which I am sympathetic to today—as arguably "the perfect PCT" that has done everything that the Government asked.

Are we discussing how patient care is improving everywhere, as the Secretary of State told the House last week? Well, no, that cannot be true either, although I will prevent the Minister from having to recite the usual things about additional investment in the NHS by saying that I am pleased that there has been additional investment in the NHS. I recognise that, and my party welcomed and supported additional investment in the NHS. We acknowledge the real improvements in health services that have taken place, including the reduction in waiting lists. However, that is not the issue today. The way in which the Government have gone about delivering that spending has led to breathtaking inconsistencies and results that I am sure that they did not intend, but which are proving devastating for our local NHS. We have overspending on things such as the GP contract, the consultant contract and the new out-of-hours service, and even on worthy initiatives such as NHS Direct, which I understand has gone massively over budget.

We have the nonsense of consultants being flown in to Cheltenham general hospital from Germany and France to meet Government waiting list targets at enormous expense at a time when we are facing cuts in front-line services. Initiative after initiative and target after target are being imposed on local managers to the point where it is impossible for people to keep track. Let us think about the simultaneous initiatives that are going on at the moment: payment by results, patient choice, agenda for change, practice-based commissioning, the change

to the trusts' funding tariff, the change to funding NHS dentistry, the reorganisation of the strategic health authorities, and the reorganisation of the primary care trusts, which means that the very managers who are supposed to be coping with all this change and coping with the cuts in front-line services are in the process of having to be made redundant and applying for new jobs themselves. It is little surprise that the overall sense is of panic and confusion and that, as the hon. Member for Stroud pointed out, there is a real misunderstanding of exactly which numbers are which and whether savings have to be made month by month, or whether we are talking about clearing all the financial deficits in one year, which is the line that has been fed down to local managers, as they understand it.

Then we have the political decision—in effect, the political decision that the deficits, however they have arisen and whoever's fault they are, have to be cleared in one year and have to be funded not from other areas of Government spending, but from the successful areas of the NHS such as ours. There is no law that says that the NHS has to live within its means in any particular budget year. Once the deficits have arisen, it is a political decision as to how unsuccessful areas are bailed out. If one wants to be brutal and insist that they live within their means and make up the whole deficit in one year themselves, that is one argument, but that is not what the Government are saying. The Government are saying, "Well, actually, we will bail them out. They don't have to live within their means this year." Where one bails them out from is the political decision. The Government are saying, "We won't bail them out from ID cards or from troop commitments in Iraq or any number of other areas of Government. We will bail them out from the most successful areas of the NHS such as Cheltenham and Tewkesbury."

What result does that have for the perfect PCT that has done everything right? On 28 March, 27 Gloucestershire health community savings proposals were announced. I am afraid that no clinical justification was given with them. Of those proposals, 22 are about front-line care. For Cheltenham and Tewkesbury, this means that we have faced a triple whammy. First, our primary care trust economised and tried to live within its means—despite less funding for being a healthier, wealthier area. It made economies and did not launch initiatives that it could not afford. So we lost out there. Secondly, there is top-slicing, which the hon. Member for Stroud has talked about. Finally, we are losing services that we simply share with primary care trusts such as Cotswold and Vale, because they are our neighbours and, overall, we have to make savings on the basis of what has now been invented as the Gloucestershire health community. The promise that I was given about a year ago that the savings and the financial recovery plans would apply only in their own geographical areas has gone by the wayside.

Mr. Laurence Robertson: The hon. Gentleman makes some powerful points. Does he agree that there is a further problem, albeit a short-term one? Given that the PCTs are going to be changed this year, there could be redundancy payments and extra pension payments. I accept that that will be a one-off cost, but it will make balancing the books even more difficult. Is it not only reasonable that the trusts should be a given a little bit of time to balance the books?

Martin Horwood: I entirely agree with that. In fact, the atmosphere in which things are being done is so febrile that, at a recent meeting where all the county's MPs met the chief executives of the trusts, I asked about the impact of having to take more time—quite properly—over consultation. The impact was another £1 million of savings that they were told to find. The manager who replied to the question said that they did not think that even the existing savings proposals would make up the amount that they were being asked to save by the strategic health authority and, above it, the Department of Health. The atmosphere of financial crisis is all-pervasive. The numbers vary. I managed to find a total of £29 million, but the hon. Gentleman has mentioned figures in excess of £30 million.

I am afraid that the result is not, as the Secretary of State believes, patient care improving everywhere. Instead, there are real impacts on front-line care. St. Paul's maternity wing is a first class maternity ward that is just 10 years old. We celebrate its 10th birthday party this Wednesday. It is in Sandford park at 12 o'clock if the Minister cares to come along. She might find a rather hostile reception. I was born in its predecessor hospital. We have had that service in Cheltenham since the 1940s—long before this Government were elected. My children were both born in the ward. It delivers 2,600 babies a year and serves a town with a population of 110,000 people. It draws in mothers who wish to give birth there from as far afield as Banbury, Malvern and Evesham, and even from beyond Gloucester in the Forest of Dean. One might arguably say that if one maternity ward were to close it might be Gloucester's rather than Cheltenham's, since Cheltenham's seems to be rather more popular. However, I would not want to encourage recent accusations of snobbery in that respect. The most important thing is that Cheltenham women want to give birth in Cheltenham.

A patient safety argument has been made in favour of the proposal—rather after the event since it came up as a savings proposals. It is argued that bigger and better maternity wards are always safer. That might be true, but in the end that is an argument for the entire country going to St. Mary's in Paddington for their delivery. There is always a balance of risk to be struck. In a meeting today, midwives put to me the risk posed by combining dual centres into one centre. That makes the maternity ward more vulnerable to infections such as clostridium difficile and the much more widely known MRSA. The whole trend of obstetrics and midwifery recently has been away from big hospitalised units towards smaller, friendly units, and away from treating maternity as a sickness and towards regarding it as a healthy, normal process.

Mr. Drew: The hon. Gentleman is making the case for Stroud, which is a wonderful midwife-led unit. I am sure that he will agree that there is a lot of evidence that, where obstetrics and gynaecology are in an acute setting, there is a tendency for more intervention, whereas obviously in a place such as Stroud and in midwife-led units elsewhere, there is a belief in natural childbirth, which is what a lot of women choose. If we close down Stroud and Cheltenham, we are taking away that choice.

Martin Horwood: I certainly agree that smaller, friendly units will have a tendency towards fewer

[Martin Horwood]

interventions. The midwives I met to discuss this issue with, who were concerned—indeed, appalled—by the proposed closure of St. Paul's, were worried that a bigger, more industrial-scale unit at Gloucester would lead to more interventions, not fewer interventions, thereby achieving exactly the reverse of what Government policy is supposed to be. The notion of patient choice is ludicrous, because Gloucestershire has been left with a single maternity ward. Where is the choice? There is a choice of one, as we will close two maternity wards that would have provided some competition—in new competitive speak.

The increased drive time to the new maternity centre in Gloucestershire poses a risk to Cheltenham. The drive from one of the poorest parts of my constituency, Clyde crescent, to Cheltenham general hospital takes five minutes in the middle of the afternoon. If maternity services move to Gloucestershire royal hospital under the proposal, drive time will increase to 23 minutes, which is a fourfold increase and represents nothing other than an increased risk.

Mr. Clifton-Brown: If the hon. Gentleman is concerned about the risk of travelling from Cheltenham to Gloucester, will he consider the position of my constituents in the north Cotswolds? It will take them at least 20 minutes to reach Cheltenham, even by ambulance, and they will have another 20 minute ride from Cheltenham to Gloucester, so they will indeed be at risk.

Martin Horwood: I am inclined to agree with the hon. Gentleman, as he knows the statistics in his constituency. However, in some cases the percentage increase in drive time is worse in urban areas than in rural areas.

Turning to adult mental health services, which deal with some of the most vulnerable members of my constituency. The loss of non-geriatric mental health services at the Charlton Lane centre in my constituency will be reflected in the loss of adult mental heath places overall in Gloucestershire. The mother of a girl who suffers from paranoid schizophrenia—I shall change her name to protect her identity—recently wrote to me:

"Younger patients, like Emily, will either go to an already existing hospital in Gloucester, whose beds will be heavily over-subscribed, or be...treated in their own homes by rapid response teams. These people cannot give the 24 hour treatment that Charlton Lane Centre gives, patients will be left in their homes to fend for themselves for much of the time. When Emily is poorly, the voices take over the whole of her thoughts and she is unable to cook, clean, shop or take proper care of herself. Those are the physical problems, added to these are the mental problems, the fear, the thought that someone will kill her is always very strong in her mind at these times, that is why she runs, to escape. The voices always tell her she is going to be killed, which in itself is a totally distressing and debilitating state of mind. There are lots of mental health sufferers in the community, but there are times that they can only properly be cared for on a 24 hour basis with properly trained staff in hospitals designed for this purpose. With this closure, there will be a chronic shortage of beds. I feel the Government and the Local Government will be letting down the most vulnerable section of our community with what is so obviously nothing more than a cost cutting exercise. A broken arm can mend at home once the patient has received the correct medical care, a broken mind requires a lot more care and attention if the patient is to survive."

I could not have put it more eloquently. We need to consider whether the decision to provide more care in the community for mental health is the correct direction of travel. There is an argument for trying to encourage clients to be less reliant on institutional services, but surely that proposal, along with bed closures, should follow the successful implementation of community care. It is particularly brutal to close the service and hope that those vulnerable people will cope while it is withdrawn.

There have been cuts in community nursing, health visitors and community palliative care, too. Surely, the Government should encourage such services in the new direction of travel, but I met nurses today who said that the implementation of the cuts had resulted in qualified district nurses being replaced by nursing auxiliaries. The mix of nurses in Cheltenham and Tewkesbury is 85 per cent. qualified and 15 per cent. unqualified nursing auxiliaries, but under the proposals, that will change to 50 per cent. qualified and 50 per cent. unqualified. Nurses will arrive in someone's home in the community and find that they have complex health needs. Those nurses may be unable to cope, whereas in hospital they could ask a more senior or qualified nurse for assistance. A palliative care nurse told me that she was certain that there would be a big impact on the care provided to patients. The first community palliative care nurse post has been frozen, although the population is ageing and improved therapies mean that people spend longer in the palliative care phase of treatment. As a result, more care is needed, not less.

Finally, there is a deep sense of injustice in Cheltenham at the loss of overnight children's care at Battledown. The loss of that service is a stark illustration of the fact that, even though the clinical case was made for its retention, it was subject to a budget cut. A year ago, after a 27,000-signature petition and a £40,000 consultation, in which 98 per cent. of correspondence was in favour of the service, a recommendation was made to accept the clinical case for keeping overnight care at Battledown children's ward, as 350 children a year would benefit. I pay tribute to Julie Coles, Carol Jones, David Downie and many others who campaigned tirelessly for the service. The recommendation resulted in the acceptance by all three primary care trusts in Gloucestershire that a nurse-led unit should proceed. The decision that overnight care should be saved was minuted—I have provided the Secretary of State with a copy—but it was overturned only weeks before the launch of the unit on the basis of cost. It was listed as a savings proposal, and thus the death knell was sounded for overnight care.

Mr. Drew: I know something about the issue, which I have debated as a governor of the acute trust. I agreed with the clinical judgment, but the campaigners made a great deal of effort to find an acceptable compromise. That was discussed properly by the acute trust, but none of the proposals, including proposals from the trust itself, were discussed by the governors. Does the hon. Gentleman think that that is the right way to proceed? There is a great deal of unease about the role of foundation governors, and this does not help.

Martin Horwood: I agree entirely, and I am sure that the hon. Gentleman agrees with 13 of his fellow

governors of the NHS trust, who wrote to the Secretary of State on 11 April:

"Over recent times, Governors, Members and local people have worked tirelessly in order to maintain overnight Children's Services at Cheltenham General Hospital. This and the wider services are now under threat, as are many others, including our Community Hospitals. All this makes the national requirement that significant NHS service changes need to be the subject of full public consultation to an absolute farce."

I am afraid that the reply that we received from the Secretary of State was not satisfactory. On the subject of consultation, she wrote to me:

"I am therefore advised that the decision not to proceed with a proposal does not require consultation as it does not constitute a service change because the service does not exist."

I am sorry to say that that is breathtakingly out of touch with reality.

There are many other savings proposals on the list that I would like to discuss, but time is limited. However, the closure of the Delancey hospital has raised fears about the hasty cutting of rehabilitative beds and care. The local branch of the National Council Women wrote to me:

"We know that much of the responsibility for such care will fall on family members, usually women, and doubt that this will be satisfactory. Even care homes, where professional care is available, often have to send their residents to Delancey for specialized care. Relatives, no matter how well-meaning, will not be able to cope."

Accident and emergency services and patient support services are under threat. The prescription of drugs following new guidance from the National Institute for Health and Clinical Excellence is one of the savings proposals, so it will be deferred. I am sure that the Minister would like to claim credit for Herceptin when it is introduced in the rest of the country, but it may not be available in Gloucestershire. There will be cuts to patient transport and access to acute care—the list goes on and on.

We look forward to the consultation, but the result of the Battledown consultation does not give us great cause for hope. I beg Ministers to reconsider the situation in Gloucestershire, as the proposals will have an impact on one of the most successful parts of the NHS, which should be a model for other services. They must rethink the need to clear those deficits in a single year, if such a ruling has been imposed, and the damage to successful parts of the NHS, whoever is to blame for the original deficits.

7.59 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Thank you, Mr. Deputy Speaker, for allowing me to catch your eye in this debate. I congratulate my hon. Friend the Member for Tewkesbury (Mr. Robertson) on securing a constructive and—given the circumstances—good tempered debate. Rarely have I heard a debate in the House in which I have not disagreed with anything that other hon. Members have said. As my hon. Friend and the hon. Member for Stroud (Mr. Drew) made clear, this is a cross-party issue. There are no political differences between us. We are interested solely in our constituents in Gloucestershire receiving the best possible health care within the budgets available.

I thank the Minister for being present this evening. As the hon. Member for Stroud said, she has been dragged to four such debates. She is in an unenviable position, but we would be grateful if we could get some answers and some clarity from her this evening. As has been pointed out by everyone who has spoken in the debate, the chief issue on which we need clarification is exactly what remit our primary care trusts are working to. Are they working to a remit of clawing back previous deficits, or are they working to a remit merely of bringing the situation back nearer to balance by the end of the financial year? That is critical.

I hope that the Minister, who is consulting her Parliamentary Private Secretary behind her, will be able to give us the answer tonight. If she cannot, I should be grateful if she placed an answer in the Library as soon as possible. More important, I hope she will be able to give an instruction to the strategic health authority if the remit is different from the one to which it is working. If the SHA is working to the more severe remit, it may well be making decisions and unnecessary cuts to institutions. We had a dire announcement on what I call black Wednesday a few weeks ago, in which 12 of our health institutions in Gloucestershire were shut or severely curtailed, and several hundred jobs and 250 beds were to be lost.

In my area, the Cotswolds, we had already had an announcement of closures in in-patient care in both Tetbury and Fairford. The in-patient care at Bourton is still subject to discussion, and we have had the curtailment of 10 beds in Moreton-in-Marsh community hospital, with the lure of the possibility of a new community hospital to replace those lost facilities in Bourton and Moreton—but only the lure, and with the scale of cuts that we are facing and the financial stringency, I wonder whether we will get any new facility builds. We may find beds being closed on the lure of a possible new facility, but we may well not get that facility. That type of comment pervades the whole debate. The hon. Members for Stroud and for Cheltenham (Martin Horwood) made that point clearly. In Cirencester I am faced with the cut of an entire ward of elderly mentally ill patients.

We were on the march together on Saturday, as the hon. Member for Stroud said. We were marching not only to protect maternity facilities in his constituency, which are attended by people from my constituency, but to protest at the cut of Weavers Croft—further cuts in facilities for mentally ill patients. No new facilities are yet available in Gloucester, where all those elderly mentally ill patients are supposed to go. The existing facilities could be closed before the alternative is arranged. That would be a cruel irony for elderly mentally ill patients. The hon. Member for Stroud noted that a cut, if it is that, of 30 per cent. of the activity of the partnership or mental health trust is a huge cut, and it affects some of the most vulnerable people in society. My constituency used to have—I do not know whether the statistic is still up to date—the third highest number of over-80-year-olds of any constituency in the country. This level of cuts will affect my constituents very severely.

At the meeting on Friday that all Gloucestershire's MPs attended with health chiefs, it was made clear that the proposals are being driven not only by financial considerations, but by the short time scale in which balances must be restored. The health chiefs have asked for a longer time. If facilities are being cut and people

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must adjust to the changes that are being made, the Government should allow a little more time and provide a little more certainty about what is happening.

I repeat the plea that I made in an intervention on the hon. Member for Stroud that the partnership trust overview and scrutiny process should have the same symmetrical time scale—that is, 12 weeks. I say to the Minister in all sincerity that if we change the institutions where elderly people have been for many years, the very least we can do—a kindness that we can do for people in such a vulnerable position—is allow them plenty of time to get used to the idea of the changes that may well occur.

As I said, we in the Cotswolds faced the closure of our community hospitals way back in March, long before the big announcement a few Wednesdays ago about the other institutions. With regard to Tetbury and Fairford, the overview and scrutiny committee submitted a case to the Secretary of State on 16 March 2006. It has yet to receive a reply from her. When is a reply likely? If the Minister cannot tell me tonight, perhaps she will let me have a note.

I quote one paragraph from the letter from Andrew Gravells, the chairman of the overview and scrutiny committee, in which he states:

"The local community have concluded that the changes are purely finance driven, which appears at odds with statements in the Government's own White Paper, *Our Health, Our Care, Our Say*, which indicates that community hospitals should not be lost in response to short-term budgetary pressures."

That is what worries me about this debate. We may close facilities in Gloucestershire, and facilities elsewhere that are facing the same budgetary pressures, and regret it later.

With modern technology it is possible to do more treatment locally than was ever possible before. For example, with digital X-ray technology, it is easy to send X-rays to a consultant sitting many miles away at the district general hospital and get advice as to the sort of treatment that should be given. It can then be given locally, instead of all the time wasted by the patient having to be taken, perhaps by ambulance, to the district general hospital on another day with another appointment, with all that costing a great deal of money. I urge the Minister to look into some of the modern technologies available and see what can be done locally.

As a chartered surveyor I am the first to suggest that we should not necessarily keep old Victorian facilities that cost a great deal of money in upkeep. That is not what I am suggesting. If they cost a large sum to maintain, for goodness sake let us sell them and build new facilities that are cheaper to maintain. In Fairford, where the local community has rallied round the League of Friends of Fairford Hospital, we have a very innovative solution. Since March, they have got a private sector provider involved, they have found a new site, they have been talking to the planners, who have given the matter favourable consideration, and it is possible for them to propose a package to provide a new modern day care facility, combined with doctors and elderly treatment services. The NHS would be charged a reasonable rate for those facilities. That seems a possible way forward for a number of our facilities in Gloucestershire.

Will the Minister lay out a blueprint of the pitfalls and the way forward for such a scheme? In particular, the League of Friends is asking how much of the proceeds of the sale of Fairford hospital they are likely to receive to put forward for the new facility. Such questions need to be considered. The Minister should consider this innovative proposal, as it might get her off the hook in similar difficult situations.

The situation of maternity services, about which the hon. Member for Stroud spoke, is one of the strands of the cuts that we are facing. As he said, he and I marched, along with 4,000 people, on a boiling hot day in Stroud on Saturday. We met young mothers and many of the children born at that hospital. About 400 young mothers a year have their children at Stroud maternity hospital. It is one of the few maternity facilities left in Gloucestershire, and if we lose that and the facility in Cheltenham, as the hon. Member for Cheltenham mentioned, all the young women will have to travel to Gloucester to have their babies. I was not making a disparaging intervention on the hon. Gentleman. I was trying to point out to him that if he is worried about the risk of patients travelling for 20 or 25 minutes from Cheltenham to Gloucester, the people from the north Cotswolds have first to travel to Cheltenham and then on from Cheltenham to Gloucester, so whatever the risk for his constituents, they are double for mine. If it takes 40 minutes to get there, I think it entirely possible that some babies, especially second babies, will be born in the ambulance long before they get to Gloucester.

I think that there will be an increasing tendency for young mothers to have their babies at home. I am not a clinician and will not comment on that possibility, but we have been told for years that young mothers should have their babies in hospital because better care can be provided there. I think that more and more young mothers will choose to have their babies at home, particularly when no clinical danger is identified in pre-natal and post-natal classes. I am concerned about the large unit in Gloucester, and the hon. Member for Cheltenham has already mentioned the risk of MRSA. A small unit would be useful, because many mothers will not need to stay in it for very long.

Martin Horwood: I did not mean to dismiss the hon. Gentleman's concern about his constituents' drive times and accept his point. My point is that the percentage increase in drive times is probably greater from within the urban areas. When I asked the chief executive of the NHS trust about second children—my second child was born within minutes of getting through the doors of St. Paul's—and whether my child would have been born on the A40, he said that nature will take its course. Does the hon. Gentleman think that alarming?

Mr. Clifton-Brown: Yes; the situation will be even worse than the one I have described if babies are born in cars, rather than in clinical conditions in ambulances, as a result of the changes.

Young mothers will have to travel further not only to attend the maternity unit, but to access pre-natal and post-natal care, which is a point that also applies to visits to young mothers who stay in hospital. It is difficult for hon. Members who represent urban areas to understand that public transport in areas such as the north Cotswolds is almost non-existent. It is difficult for someone who is about to have a baby and who may have other children with them to catch a bus from the north Cotswolds to Cheltenham and to change buses in Cheltenham to go on to Gloucester. People who are sitting in offices trying to plan larger and, in their view, better units sometimes fail to take into account the extreme difficulties of people who must travel to those hospitals, particularly when they do not have cars and live in rural areas. My PCT has estimated that every year patients in Gloucestershire travel 1 million miles to out-patient appointments. We are all concerned about global warming, and such distances seem distinctly unsustainable.

One other aspect of the matter has not been emphasised sufficiently in debate this evening. At Friday's meeting with health chiefs, it was made clear that those people who are referred to the larger units in the acute hospitals in Cheltenham and Gloucester will be discharged more quickly, which means that they will require greater care. In the announcement several Wednesday's ago, however, we were told that community nurses, health visitors, physiotherapists and other at-home services would also be curtailed. We have got a lot of vacancies for community visitors in the north Cotswolds, and I think that when some people are discharged from hospital it will be impossible to deliver their home help care package, which will cause them hardship. I ask the Minister to consider that point carefully.

I do not think that social services have been sufficiently involved in the discussions. As my hon. Friend the Member for Tewkesbury has said, the effect of the changes on other agencies has not been costed. As the hon. Member for Stroud has mentioned, a lot of voluntary transport activity goes on in my constituency. If patients are going to be discharged from hospital more quickly, they may be distressed and more difficult to transport. As we are finding from our constituency postbags, some of the people who have been discharged from hospital are not suitable for home care. That means that they must be readmitted, which is, again, an extra cost.

Mr. Drew: I worry about patients with dementia who do not need to be in a clinical setting but who may need to travel periodically to the centre of excellence, which is a problem with the proposal to provide one unit at Charlton lane. Many such people will have to travel by voluntary transport, which is a difficult thing to ask a voluntary driver to take on.

Mr. Clifton-Brown: I agree. The matter concerns patients going to and from hospital not only for treatment, but for consultations. The distances will be much larger than those currently travelled to the community hospital.

Will the Minister explain how my constituents in the Cotswolds will get better care closer to home? The Government and the PCTs have said that that will be the case, but I find it hard to believe if their community hospital is closed.

Since I have been a Member of Parliament, the health service has been subject to constant reorganisation. When the Conservative party left office in 1997, there were area health authorities, which this Government reorganised into strategic health authorities. As has been said, there was one care trust for Gloucestershire, which was considered to be too big. It was reorganised into three primary care trusts, which are now considered to be too small and will be merged back into one PCT. Indeed, the SHA set up by this Government will be merged into at least two SHAs. All that reorganisation costs a great deal of money—it means that people are made redundant and that offices are closed. We should reorganise the health service now, but then we should leave it alone for 10 years.

Is the Minister sure that the figures that she has been given by her health service chiefs are robust, because we do not want another round of cuts in Gloucestershire? I do not think that the cost of rebuilding all those new facilities has been properly calculated, and I do not think that the current cuts will be the last, although I look forward to receiving an assurance from the Minister that they will be.

8.18 pm

The Minister of State, Department of Health (Caroline Flint): Because of the curtailment of business earlier, this debate has been rather longer than the normal half hour, and all hon. Members present have taken advantage of the opportunity.

The hon. Member for Tewkesbury (Mr. Robertson) has mentioned that the consultation document "The Future of Healthcare in Gloucestershire—Proposals for Developing Sustainable NHS Services"—I downloaded my copy earlier today—states that part of the core remit of those involved in developing and supporting health services locally is to promote good health. It is important to have that written down. As Public Health Minister, I would say that for too long, and too often, health improvement and promoting good health have been the poor relations in terms of providing treatment in our NHS services. In my 12 months in this post, I have begun increasingly to realise that we could do more not only to prevent people from having the conditions that mean that they go into hospital in the first place, but—now that technology and drugs are better than ever before for a person who has had, for example, a heart attack or cancer—to make the step change in helping that individual to look after themselves, having had possibly the best treatment in the world, and to keep themselves fitter and healthier for longer.

Martin Horwood: Given the Minister's responsibility for public health, is she concerned about the fact that savings proposal 15 is a cut in the public health promotion budget for smoking cessation?

Caroline Flint: I am glad that the hon. Gentleman makes that point. Historically, part of the problem is that public health has often lost out when pressure has been brought to bear on PCTs from the acute sector. As we move to a different place in which projects, programmes and interventions have an impact—in some areas, public health promotion could be better in terms of outcomes—we must have a discussion about

[Caroline Flint]

how many of our services should be provided in hospitals, and how many of the services that are provided in hospitals should have a better link to community services, particularly for people with long-term conditions.

This lunchtime, I was at a conference with the Local Government Association. We are continuing to work, more than ever before, on looking at the role of public health in relation to the way in which local government runs its business. Factors such as the development of housing, safer communities and the general environment all have a role to play in public health. As for smoking cessation, next year we will put in place legislation that will make most public places smoke-free. That will be a major contribution to changing the culture around smoking.

To achieve a more mature, wide-ranging and long-term view of public health, we need to tackle the traditional situation in the health service whereby funding has overwhelmingly been directed towards those in the acute sector at the expense of those in the community. Painful choices are being made because of the need to deal with the deficits in a minority of organisations. That is causing problems even for PCTs that are in balance: My own PCTs in Doncaster—an area with huge health challenges—are in balance. In 1997 they were having to bail out other sectors of the NHS, but that was based on previous ways in which funding was organised and so was not done transparently—it was a fix designed to make everything look all right. It was not all right then, it was not all right in 1987, it was not all right in 1977, and it is not all right in 2006—but now we have an opportunity to try to get it right once and for all.

I will deal as best I can with the points that hon. Members raised about financial balance. However, the important point is what will happen if we continue to stick our heads in the sand and do not deal with the problems that we face.

As health services change, people's needs change as well. In relation to the consultation launched today on the different services in the Gloucestershire area, I will not deny for one minute that there is clearly a financial imperative. I have read the document and had discussions with hon. Members and health professionals in other regions that I cover, and it is clear that in trying to find a way forward we have to take into account people's understandable commitment to the health provision that they perceive that they are getting at the moment, as against what they might want in future. Those may be two different things. Someone who is 80 might want something very different from someone who is 60, and very different from what I, as someone in my 40s, might want when I am 70, 80 or even older. Part of this process—I am aware that it is a difficult one—is the honest discussion that people need to have about the services currently provided, and the shortfalls and problems involved, as against what else would be on offer.

Mr. Laurence Robertson: The Minister is absolutely right that we need a modern health service; I have said myself that it should not be a sacred cow that we are frightened to touch. But if it is right to cut management costs by 15 per cent., for example, that should be done anyway; we should not have to get to this crisis point. People will not accept that these changes are being made for the right reasons, because they read in the press that the NHS has severe financial problems and is cutting, not planning. The problem is that local health chiefs are not planning. The current situation is a reaction to their being told by the strategic health authorities that this year they have to balance all the books or else. The Minister is right to say that we have to move services on—I have no objection to that.

Caroline Flint: I thank the hon. Gentleman for that constructive contribution. I have met representatives of the strategic health authority and the primary care trusts. I hope that it is generally agreed that we cannot manage the health service from the centre, because the needs of one area are different from those of another and are affected by factors such as health challenge and geography. The decisions are best made locally.

Perhaps some decisions should have been made previously, but people did not make them. They thought, "We don't need to face up to that difficult decision. We'll leave it for a couple more years. We've got some more funding coming from the Government. We've gone from £30 billion to £60 billion, and to £90 billion for the NHS in the next few years." The last sentence is the only mantra that I shall recite in the debate but it is true, and worth saying. People may have put off making decisions, but when somebody says, "Hang on, we've got sort out these finances, because you can't carry on like this," perhaps they will suddenly start to take notice. I am sure that the hon. Gentleman and others will make those points locally. I am sure that they will be raised with existing personnel and in the context of future reorganisation of PCTs. Managing the current position and, as the hon. Member for Cotswold (Mr. Clifton-Brown) said, ways in which to ensure that it does not happen again, will be considered. That is the Government's ambition. We would be a foolish Government if we wanted to revert to the problems again and again.

That is why we believe that, difficult though it is and unpopular though it may be in some quarters, we must grab the agenda and deal with the problem—because it is clear from examining the information on some of the trusts that have got into deficit that unless the problem is tackled firmly, they do not get out of it, and it gets worse.

Mr. Drew: I wholeheartedly support what my hon. Friend says. We are examining the detail of the White Paper "Our health, our care, our say", especially the part of it about which I have asked her previously, about moving "Care closer to home". She confirmed from the Dispatch Box in a previous debate that maternity services would be judged according to community criteria. May I push her a little further and ask whether that is true of mental health and learning disability services, which are also set in a community context? The partnership trust believes that they should not be judged by the same criteria, which I find strange, given that the people to whom they apply are most in need of being close to their locality and community. Will my hon. Friend say a little about that?

Caroline Flint: If someone has mental health or learning difficulties, or a long-term condition such as

diabetes, or is recovering from heart treatment, it is clear from "Our health, our care, our say" that there is an appetite for services closer to home, for those provided in non-traditional ways and for some creativity in establishing partnerships to provide services—with the voluntary sector, local authorities and other groups. That also applies to prevention services.

In several parts of the country, we are pioneering health trainers—a role that can take a variety of forms. They could be people from the community who will act as ambassadors. They may have suffered from a specific condition, or had, for example, a heart attack, and are therefore well placed to talk to others in that position about what they can do and what support exists to keep them healthy. Similarly, others could act as supporters and buddies. The opportunity exists not only for employed personnel to fill that role, but for others who simply want to give something back to their community. I shall raise the issue that my hon. Friend mentioned with the Minister of State, Department of Health, my hon. Friend the Member for Doncaster, Central (Ms Winterton), because she leads on mental health services.

It is fair to say that for too long, insufficient thought has been given to integrating services for those with mental health problems with those of other providers in the community. The tendency has been to provide stand-alone services in a mental health service context. When I consider my constituency, my leisure centres and community organisations and groups, there is the challenge of whether those services meet the needs of different vulnerable groups in our community. That is important for people's general well-being.

Treatment, and how we can provide the best treatment for the range of mental health problems, is another matter. Again, that must be decided locally. However, I shall get my hon. Friend the Member for Doncaster, Central to follow up some of the points that my hon. Friend the Member for Stroud (Mr. Drew) made this evening.

Mr. Clifton-Brown: I hope that the Minister will answer the core question about the criteria that the PCTs are being set—whether we are considering monthly balance or clawing back the deficit. The deficits have not arisen suddenly; they have existed for a long time. My constituents want to know why the crunch has suddenly come now, because that gives them the impression that the NHS is not budgeting properly. If the Chancellor can budget in his Red Book for a three-year programme, why cannot the NHS do that?

Caroline Flint: There are all sorts of reasons why some organisations have got into financial problems, as the hon. Gentleman will be aware. The traditional approach to this issue—which has been taken by this Government and previous Governments—was to shift resources around the health economy to bolster different organisations and help them out. My first meeting with the then Doncaster health authority involved discussions on that very issue. We talked about helping out other parts of South Yorkshire using the balances and surpluses in Doncaster.

This has become an issue because of the reforms that the Government have set in place to improve the national health service. Also, with the introduction of payment by results, and of GP-based practice commissioning, it is important that the NHS should be in good financial order.

Martin Horwood: Will the Minister give way?

Caroline Flint: I want to make a bit of progress, otherwise I will not even get to the questions that hon. Members have asked this evening.

Mr. Clifton-Brown: We have until 10 o'clock.

Caroline Flint: That is true, but I have just looked at you, Madam Deputy Speaker, and I think that you might want to get away before then.

It is important for the national health service to be in financial balance because it is fair to ask how the money going into the NHS is being used. All parts of the NHS in England have faced issues regarding targets, pay for staff, the agenda for change programme, and so on. They have managed all that and remained in balance. There is not just one reason for the problems. However, it is fair to ask those that are not in balance why they are not. Also, we need a system that will get them back into balance.

Mr. Clifton-Brown: We have suffered particularly in Gloucestershire because the Avon, Gloucestershire and Wiltshire strategic health authority had the biggest deficit in the country, at some £100 million. We are suffering because of the mismanagement in Bath and Bristol, and because for many years we have not had the capital allocations that other areas have had. Now the Minister is top-slicing us and giving some of our money away to Wiltshire, so we really are being hammered in Gloucestershire. I hope that she will take that into account.

Caroline Flint: I appreciate the difficulties experienced when areas that are in balance have to help out others. I, too, am in that situation locally to a certain degree. It is important that all Members whose areas are in similar situation should make this point locally, and ask clearly what they can expect back. This is not a process that will keep happening year in, year out. It is going to be put right, to provide a much more sustainable future. That is absolutely fair. From what I understand, trusts in deficit will have to provide to the strategic health authorities a clear plan for dealing with their deficit. This should also be open to the trusts that are in balance, so that those that are helping out in different ways will be clearer about what is being done to improve the situation.

Martin Horwood: The Minister repeatedly talks about the problems of tackling the trusts that are in deficit and their need to live within their means. However, the trust covering Cheltenham and Tewkesbury has lived within its means, but it cannot be repaid at some mythical point in the future, because it is merging with one of the trusts that is in deficit now. Local services are being hurt not only because of the top-slicing but because services that are shared with that neighbouring trust are being cut. So we are being penalised twice over.

Caroline Flint: I cannot be clearer than I already have been. I do understand the hon. Gentleman's point. However, we also have to work within a wider health economy than just one trust. People in Doncaster, for example, go to Sheffield for cancer treatment and to other parts of South Yorkshire for different services. Other people come to Doncaster from elsewhere for services. That is how the health community in which we live operates. We want access to the very best health care in some of the most challenging and demanding areas of health. That is something that we all sign up to. That is why we have to get this right, and why we have a responsibility to support each other within our local health economies. That is not letting anyone off the hook. That is what happened in the past and it was part of the problem.

It is all about changes for the future. The amount of money going into the areas of hon. Members who have spoken in this evening's debate is substantial. There is no question that more money has been invested in the NHS. In all the constituencies of hon. Members in their places tonight, people have benefited from greater access to treatment faster than ever before. The minimum standards applied to our targets will continue to apply in the future, but to get to a place where we can think more creatively about provision of the services that we more or less all want, we have to deal with these financial problems and there is no easy route to achieve that.

I want to highlight a few points about how health is changing. In the Gloucestershire area, more people are admitted to hospital than the national average and more people are spending longer there. I acknowledge the point of the hon. Member for Cotswold (Mr. Clifton-Brown) when he said, "Hang on a second—we should not be kicking people out of hospital who need to be there." Of course not. I have to say that I have heard some worrying stories of older people being kept in beds on hospital wards in unsuitable circumstances when they really would be better looked after elsewhere. I accept that it can be an issue around partnership with social services and it is sometimes the result of a baffling lack of co-ordination with respect to the particular problems.

Let me provide one example relating to another part of the country. Someone was receiving acute care in an acute hospital for his condition and was then transferred to a bed in a smaller community hospital. Why could he not come out of that community hospital? Partly because he had been diagnosed with diabetes and an at-home service for insulin care and management could not be provided. In that context, discussions about support for that individual included the point that choices had to be made about whether to provide the relatively straightforward services that were needed in that gentleman's home in the community or whether he should spend four months in hospital until something was sorted out. There are legitimate debates about that choice.

About 70 per cent. of people now have surgery as day-care patients, which is a huge change from the past. Nationally, the number of NHS beds has fallen by more than 30 per cent. over the past 20 years, while the number of NHS out-patients has risen by almost 60 per cent. That has changed over the decades, not just in the last few years. Of course, there are new technologies, better drugs, advanced surgical techniques and improved management practices—*[Interruption.]* The hon. Member for Cheltenham (Martin Horwood) keeps making comments from a sedentary position, but every time he raises questions about new drugs and other choices, it goes to the heart of the issue of trying to provide a health service that can meet people's needs, but needs to be managed locally.

Martin Horwood *rose—*

Caroline Flint: No, I am not giving way again. I have already given way several times to the hon. Gentleman and responded even to his sedentary comments.

The hon. Member for Tewkesbury raised some specific questions about Winchcombe hospital. I understand that, as part of the consultation, it is planned to enhance services at the Tewkesbury hospital, invest in community services and provide more rehabilitation and support in the home. The consultation will be for 12 weeks and he will be able to explore how that will happen—a pertinent question for the consultation.

I understand that some of the Winchcombe hospital's problems relate to the building and that maintenance costs are £500,000 a year. The point was raised whether the hospital could be refurbished and used for other services, but it is felt that the fabric of the building is too old, so it would not be cost-effective to do so.

I understand that out-patient and therapy services will be relocated and that, working in partnership, another eight beds will be provided elsewhere for rehab and palliative care. Clearly, those issues will be discussed as part of the consultation exercise. Certainly, in a number of areas, including Gloucestershire, as with other parts of the country, there are options that seek to enhance and improve some of the other community hospitals or services. I understand that one of the options for Dursley is to build a new health and social care facility in partnership with an independent sector provider.

The hon. Member for Cotswold made a point about possible partnerships at Fairford hospital. It is difficult for me to comment to on that, but, clearly, he could have a conversation with PCTs and SHAs about any possible partnership development. Although the number of beds has been reduced at one facility—I think it was Tetbury hospital, which is an independent not-for-profit hospital; I look to the hon. Gentleman for reassurance and see that he is nodding—I understand that there is a discussion about how that service provider could provide more support and care in people's homes, rather than in hospital, and that it is keen to explore those opportunities.

I will come to the financial balance, but I want to say something about maternity hospital services—an issue that has been raised by several hon. Members this evening. I have glanced at the report in *The Citizen* local paper. Clearly, there was a well-attended rally on the issue at the weekend. As hon. Members will be aware, the proposal is that, over the next three years, all in-patient births at Stroud maternity hospital will move to Gloucester. I understand that there are just under 6,000 births in the Gloucester area, which services Cheltenham, Gloucester and Stroud, of which about

300 take place at Stroud hospital. Again, I am sure that that issue will be discussed as part of the consultation exercise, but that is quite a small number, and the birth rate is dropping, too.

Clearly, considering what services need to be provided is an issue. This might not meet everyone's concerns, but I noticed in the article in *The Citizen* that one lady was talking about the fantastic service that she received in having a midwife-led home birth. That service will continue, including, I understand, both antenatal and postnatal support. The difference is—I am not going to cover it up, because it is in the consultation—that in-hospital births at Stroud will be moved to Gloucester. However, I want to put on the record that antenatal and postnatal services and the opportunity for those women who want to have a midwife-led home birth will still be available to women in Stroud and the surrounding area.

Again, this is a difficult issue. I have looked at the figures: women are having children older, which presents some issues. Women who have IVF treatment are more likely to have multiple births. Other issues need to be considered when providing consultant-led maternity services, particularly working times and the hours worked by consultants, as well as other health professionals. Again, those are factors in the provision of services. There are clearly financial considerations, as in everything, but there are some real issues about providing the best service possible, particularly to those most in need of that specialist service. Several Members have made points about the arrangements for getting to hospital in time, and there is no easy answer. Planning in relation to antenatal services is part of that process, and women and their partners and families need to be aware of what services are available and what arrangements they might need to make in such circumstances. Although I was in hospital for four days when I had my first child, times have changed, and for a straightforward birth, most people are in and out of hospital that day. Everyone wants to be there in the first few hours—I am not trying to mitigate that—but, for most people, days do not have to be extended for visits to their daughter or sister and her new child.

On mental health, my hon. Friend the Member for Stroud (Mr. Drew) referred to the percentage contribution being asked from mental health services, which I will draw to the attention of the Minister of State, my hon. Friend the Member for Doncaster, Central (Ms Winterton), who has been monitoring how mental health services are being affected, the proportions involved and what the safeguards should be.

All Members who have contributed to the debate this evening referred to the financial balance. As they will be aware, strategic health authorities are responsible for the performance management of their NHS organisation and for ensuring that they achieve financial balance. The aim is for the NHS as a whole to have returned to financial balance by the end of 2006-07. As I mentioned this evening and in a previous debate with my hon. Friend the Member for Gloucester (Mr. Dhanda), who asked similar questions, within an overall NHS balance position, a minority of NHS organisations might be unable to achieve a balance position within the time frame. However, all organisations that overspend will be expected to show an improvement during 2006-07. By the end of the year, every organisation should have monthly income covering monthly expenditure or a date by which that will be achieved in 2007-08. Strategic health authorities take a reserve at the start of the year, mainly from PCTs, and will not redistribute resources to overspending organisations but will allow them to return to financial balance across the patch with any deficits offset by the reserve held by the SHA. Reserves will have to be paid back to organisations in future years when the organisations currently in deficit start producing surpluses.

The key benefit of the new system is that it provides financial certainty as reserves will be lodged from the start of the year. That means that SHAs will not need to spend time and energy later in the year trying to persuade organisations to underspend and produce a surplus. Despite the difficulties, that has tended to be the way that it has worked—people have planned for a year and then been asked to pull back later in relation to the year ahead. Trevor Jones, chief executive of Avon, Gloucestershire and Wiltshire SHA, said in his letter of 7 June that there is

> "a clear requirement for NHS bodies to achieve in-year balance and to recover 2005/06 deficits...In exceptional circumstances, organisations formally included in the Department of Health's 'turnaround programme' may be allowed more time to recover the 2005/06 deficit. In Gloucestershire, only Cotswold and Vale PCT is receiving turnaround support and it will receive £6.8m from the PCT pool in 2005/06 which must be repaid in later years."

That is saying that organisations must show that they are in balance in terms of their monthly income and expenditure, but that the pool provided allows the SHA to show that the whole local health economy is in balance against the deficits. That recognises that recovering some deficits might take more time in certain areas.

That issue will have to be explored locally, but it must also be recognised that the recovery of deficits cannot keep being put off until tomorrow. That is why consultation, not just about finance but about creating a health service that is better for the future, is so important. We need systems that will improve outcomes, but will also put the service on track to achieve a meaningful financial balance that is not just secured through the reserve produced by the strategic health authority.

Mr. Clifton-Brown: I think that the Minister is eliding two requirements. One is the return to financial balance by the end of the financial year: it seems that by the end of March next year, provided that primary care trusts are back in balance, the first of the Minister's criteria will be met. However, the Minister confused the issue by quoting from a letter from Trevor Jones saying that past deficits must be recovered by the end of the financial year. That is a much stricter and more stringent criterion than our PCTs have been led to expect. Are they to expect the first, or the first and the second?

Caroline Flint: I think it is a combination of the two. Organisations must ensure that their income and expenditure are in balance on a monthly basis by the end of the year, but must also establish plans to show how they will recover their deficits. By pooling reserve money, SHAs are helping to ensure that the whole health economy is better protected against the deficits that some areas are facing. I shall be happy to write to

[Caroline Flint]

the hon. Gentleman, but I can say no more than that. All organisations that are overspending will be expected to show an improvement during the current financial year, and by the end of the year every organisation should have monthly income covering monthly expenditure or give a date by which that will be achieved in 2007-08.

Mr. Laurence Robertson *rose—*

Mr. Drew *rose—*

Caroline Flint: I will give way to my hon. Friend the Member for Stroud first. Then I will give way to the hon. Member for Tewkesbury, as he initiated the debate.

Mr. Drew: The Minister will understand why we feel so much in need of clarification. I have seen the correspondence from and to the chief executive of the SHA. I would not like it, but I think that I would understand, if all parts of the SHA worked with the same rigour that is being requested of Gloucestershire, but I ask the Minister—if nothing else—to examine the figures from the different parts of the SHA. I cannot see that other parts of the authority are being asked to face the same pain as Gloucestershire. If they are, can the Minister make that clear in the letter that she is going to send us?

Caroline Flint: I shall be happy to follow that up.

Mr. Laurence Robertson: I think the hon. Member for Stroud (Mr. Drew) made the point that I intended to make, but I will say this. I am grateful to the Minister for her sympathetic approach and I think we all accept that the organisations should be in monthly balance by the end of this financial year. That is a sensible requirement, to which we have never objected. We should like to know, however, whether the requirement for everything to balance—including historic deficits—relates to this financial year. Could it be extended to, for example, three years? That would make all the difference. I realise that the subject is hugely complicated, but perhaps the Minister could focus on that when she returns to it.

Caroline Flint: As I have said, the problems in different trusts must first be identified, along with the amounts of money involved. The trusts will be expected to produce a financial plan to turn their position around, although we want to see a monthly financial balance. As I have said, I will write to hon. Members including my hon. Friend the Member for Stroud. My hon. Friend made a point that I intend to follow up.

Martin Horwood: I am grateful for the Minister's patience in giving way to me again.

Part of the problem may be the term "monthly balance". That may be what we are struggling with. Does that mean monthly balance in terms of the normal revenue income and expenditure that trusts would have if there were top-slicing for deficits, or does it mean monthly balance including the need to meet the top-slicing requirement? Can she clarify that?

Caroline Flint: I understand that it is in terms of income and expenditure, but there is also the issue around the outstanding deficits that organisations have. Those have to be dealt with too. Part of the top-slicing that is happening in those parts of the health sector or health trust that are in balance is to try to ensure that there is, if you like, shared responsibility for maintaining health across communities, to follow up on the point that my hon. Friend the Member for Stroud made about what is being asked of different parts of the health service in his strategic health authority area to deal with particular problems and issues.

That still requires an openness to debate some issues that involve some hard decisions and hard choices about the services that are necessary for the future. It raises issues around engaging the public. Importantly, as I said earlier, it involves having a discussion about what sort of services people want but also, in order to get those services, what is necessary. It is undoubtedly the case that, with the best will in the world, for some of our most advanced services to get the personnel to provide the best techniques in certain areas of health in our hospitals, some consolidation is necessary.

It is also clear that, particularly in respect of older people, we have to address some legacy issues of community hospitals, which were created with the best intentions, and to consider whether they can meet the needs of the future. I raise another issue in relation to health staff. Talking to a nurse the other week, I found that one of the problems has been that, in some of our community hospitals—as I say, I do not know enough about all the individual community hospitals in hon. Members' areas—the sort of service that they are offering, which is at its best a holding bed for older people, is not providing training and other opportunities for staff who want to work in this sector, particularly those who want to work closer to where people live in the community, providing a 24/7 district nurse service, for example, for people who most of the time do not need to go into hospital. They could get the services they need at home, with little disturbance to their life and none of the problems about relatives having to try to visit them and all those other things.

We have had an interesting debate. I hope that we have explored, possibly in a wider way, some of the challenges that face the health service. It is about value for money but importantly it is also about dealing with a problem which has been happening for many years in respect of the way in which health has been funded. It is also about dealing with perhaps some decisions that should have been made earlier about the sort of health service we want, which as I said is about prevention and support as well as treatment. However, to get to the place where we can have that discussion and start thinking about a 21st-century health service, undoubtedly, these problems have to be resolved financially but also in terms of the organisation of services.

Question put and agreed to.

Adjourned accordingly at three minutes past Nine o'clock.

House of Commons

Tuesday 13 June 2006

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Swinden Quarry-Grassington Rail Service

1. **Mr. Gordon Prentice** (Pendle) (Lab): What estimate he has made of the cost of reinstating the railway from Swinden quarry near Linton to Grassington. [76574]

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): We have made no estimate of the costs of reinstating the railway from Swinden quarry to Grassington, but the current north Yorkshire local transport plan refers to a study of this proposal that was made in 2002.

Mr. Prentice: It is disappointing that the Government have not made an estimate, because at the moment quarry traffic runs to within two miles of Grassington, which, as you know Mr. Speaker, is the capital of lower Wharfedale—deep in the Yorkshire dales. At a time when we are trying to get people out of their cars to enjoy the countryside, surely it makes economic sense, political sense and good social sense to reinstate that railway and get people to the beauties of the dales without their having to rely on their own transport.

Derek Twigg: I agree that it is beautiful part of the world. My hon. Friend is a great champion of the need to improve the local railway and I know that he has raised many issues about it. However, the study did not show a positive cost-benefit ratio and therefore the business case has not been made. As he knows, we are investing a record amount in the railway. I am only sorry that I cannot be helpful to him today.

Mr. David Curry (Skipton and Ripon) (Con): The concern of the hon. Member for Pendle (Mr. Prentice) for my constituency is touching from a neighbour and I am grateful to him. Will the Minister note that, over the last few weeks, there have been four reports on the condition of the countryside, all of which highlight the problems of rural transport? If any resources were to become available for extending passenger rail links, will he bear in mind that getting ordinary people who do not have the means of transport to work and enabling them to carry out their normal daily tasks is more important than transporting tourists to the Yorkshire dales?

Derek Twigg: Rural railways and local railways are important, which is why we have developed the community rail partnership and why we are seeing investment in community rail. At the same time, there have to be enough passengers to justify the service. If there is a case for extending rail links in the future, that will have to be made by the local authority, working with Network Rail. We are keen on developing community rail, which is why the partnership has developed well.

Transport Innovation Fund

2. **Kerry McCarthy** (Bristol, East) (Lab): What role the transport innovation fund will play in tackling road congestion through demand management. [76575]

The Secretary of State for Transport (Mr. Douglas Alexander): Up to £200 million a year of the transport innovation fund has been made available to support local packages of measures to address congestion. Those include demand management measures, such as road pricing, as well as investment in public transport to ensure that our towns and cities support the long-term economic success of the UK.

Kerry McCarthy: I am sure that my right hon. Friend is aware that Bristol is one of the local authorities that is bidding for funds from the transport innovation fund to run a road pricing pilot. What support will the local authority be given from the Department for Transport in that bid?

Mr. Alexander: I thank my hon. Friend for that question. We have already given the greater Bristol area £1.5 million of so-called pump-priming money to support the development of a potential bid for the transport innovation fund. The four unitary authorities in the area are working together to investigate the potential for using demand management and road pricing to address the problems of local congestion. I would expect to receive the first scheme proposals next year, with pricing pilots possibly going live in four to five years.

Mr. John Leech (Manchester, Withington) (LD): Will the Secretary of State say whether he expects any bids for money from the transport innovation fund to be successful if they do not include an element of congestion charging or road-user pricing?

Mr. Alexander: Those issues are covered in the guidance notes. We have made no secret of the fact that we think that there is considerable potential to learn useful lessons from the pilots, but that is one element of the opportunities that are available to local authorities, given that there have to be local solutions that work in local areas.

Richard Burden (Birmingham, Northfield) (Lab): I welcome my right hon. Friend's inclusion of the west midlands conurbation area in the feasibility study to bid for money from the transport innovation fund. What consideration has he given—perhaps with his colleagues at the Department of Trade and Industry—to how initiatives such as the transport innovation fund can be used to maximise the technological, industrial and employment potential of different kinds of traffic management schemes, as well as reducing road congestion?

Mr. Alexander: I am grateful to my hon. Friend for his remarks about the west midlands, which is one of the seven areas that are benefiting from the pump-priming money, as I described it. The broader relationship between transport and economic growth will be addressed by the Eddington study, which was commissioned jointly by the Chancellor of the Exchequer and my predecessor. The study should come to us later this year and will address exactly that type of relationship.

Chris Grayling (Epsom and Ewell) (Con): First, I welcome the Secretary of State to the Dispatch Box for the first time in his new job and congratulate him on his promotion to the Cabinet. I also congratulate the Under-Secretary of State for Transport, the hon. Member for Lincoln (Gillian Merron) on her promotion. It is a shame that they come to the Dispatch Box on a day when the Government have cut back the time that is available for Transport questions, which demonstrates what a low priority transport is for this Government. In the Secretary of State's first speech, he confirmed plans for a national road pricing scheme. He has made reference again today to the concept of pilots by 2010 in areas such as the west midlands and Bristol. Does he yet have an idea of what form the pilot will take? In particular, will it involve only vehicles registered in the area covered by the pilot, will it be fiscally neutral for those involved and what technology will it use?

Mr. Alexander: I am grateful to the hon. Gentleman for his kind remarks, in relation both to me and to my ministerial colleague. I said in the speech that I wanted to make a personal priority of taking forward the debate on a national road pricing scheme. We need such a debate, partly because there are genuine questions in the minds of motorists and other members of the public that need to be addressed. We would aim for a national consensus, and I hope that we can secure it over the months ahead, or at least begin to unbundle some of the questions that have been directed at me today. I make no secret of the fact that genuine technological questions need to be addressed. I hope that the local pilots will help us to answer other questions, which is why I think that it is sensible to have a graduated response that shows the benefits of road pricing in areas in which that can be seen to be an effective solution to congestion.

Chris Grayling: I was interested to note that the Secretary of State was not able to give specific answers to my questions. I have talked to people in the west midlands and Greater Manchester who are involved in the potential pilots and they have no idea of what is going on, what the technology involved will be, or what the pilots will look like. When will they get some information about what they should expect?

Mr. Alexander: Business cases are being worked up and it is important that those responsible for the areas themselves work out a solution that works for them. I have examined the matter quite carefully in recent weeks. The hon. Gentleman puts his points to me, but I have no idea whatsoever about his position on the questions that have been asked. We will bring forward detailed proposals from the seven areas, and that will be the basis on which we can examine the range of alternatives that, in turn, will inform the thinking that we develop on national road pricing.

Graham Stringer (Manchester, Blackley) (Lab): My right hon. Friend's predecessor assured the House on many occasions that road charging would not be a condition for future funding of the tram system in Manchester, yet we appear to be entering into a competition for transport innovation funds between Manchester and Birmingham that will almost certainly require road charging. Does my right hon. Friend agree that rather than getting into such a destructive competition, it would be much more sensible to use the TIF money to lever in private sector funds, or as a basis for prudential borrowing, so that Birmingham, Manchester, Leeds, Bristol—all the cities—can have the tram systems that they require?

Mr. Alexander: I pay tribute to the leadership role that my hon. Friend has played in Manchester over a number of years, both in local government and now here in the Commons. Within days of my appointment as Secretary of State, I travelled to Manchester and reiterated the commitment that my predecessor had given on the funds available for the Manchester Metrolink. Discussions continue with the Manchester authorities and I hope that we can bring them to a conclusion relatively quickly. I understand that in addition to those discussions, consideration is being given in Manchester to the applicability of TIF funding in the future. However, in the weeks ahead, I will not in any way resile from the commitment given by my predecessor to Manchester.

Rural/Community Railway Lines

3. **Ann Winterton** (Congleton) (Con): If he will make a statement on his policy on the future of rural and community railway lines. [76576]

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): The Government recognise the importance of local railway lines to the communities they serve and seek to support their development, primarily through the implementation of the community rail development strategy.

Ann Winterton: When will the Government publish their response to the recent consultation on the future of rural and community railway lines? Does the Minister accept that it is vital that there are improved connections between the rural lines which survive the forthcoming cuts and the national network, which

would bring increased revenue to offset public subsidy? Would that not be a simple example of an integrated transport policy, which was much heralded nine years ago by the Deputy Prime Minister, although it subsequently appears to have sunk without trace?

Derek Twigg: I do not accept that. We launched three franchises only last week: new cross country, west midlands and east midlands. They will lead to a 3 to 5 per cent. increase in services. The east and west midlands franchises will be asked to work with and develop community rail. We are thus seeing an improvement to services and an increase in their number as a result of what the Government are doing. Part of the west midlands franchise will be a new hourly service between Birmingham and Manchester that will serve Congleton, which is in the hon. Lady's constituency.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will the Minister give an indication of the Government's thinking on the National Forest line, a passenger service that would be restored to the Leicester to Burton section of the rail network? It seems to tick all the boxes that are necessary, but in his answer to my hon. Friend the Member for Pendle (Mr. Prentice), he talked about a business case. This line has one that is strong environmentally, economically, socially and, dare I say, running through four marginal Labour seats, politically?

Derek Twigg: My hon. Friend makes an interesting point, especially his last comment. On business cases, there is a great demand for services and improvements to stations and lines. Although a record amount of money is going to the railway and significant improvements have been made, we have to consider such cases. In the first instance, it is up to the local authority, as the promoter, working with Network Rail to produce a business case. However, my hon. Friend will be aware, that as I just mentioned, last week we published the east midlands and cross-country franchise consultation documents, which set out the minimum service required. We want views from a range of stakeholders, and I am sure that we will hear from him, about what people want. We will consider responses carefully before we make final decisions about the franchise.

Mr. Boris Johnson (Henley) (Con): Will the Minister repeat the assurances of earlier occupants of his post that neither the Henley-Twyford line nor any other such line will be converted to a community railway without the express support of the community concerned, even though the line runs through solid Conservative territory?

Derek Twigg: Community rail development obviously has to have the support of the community; otherwise, it does not stack up and make sense. If there is no community support for a line to be designated as a community line, it will not happen. The important point to make is that the more involvement there is, whether it is through the more formal process of community development or from the local community, local business and people generally within particular areas covered by a railway station and service, the better it is. If the line is supported and more people use it, its viability is increased and it makes good business sense. There are, however lots of opportunities without necessarily going down the community rail development route. That said; it is an excellent scheme, but if it is not supported, it will not happen.

Stephen Hammond (Wimbledon) (Con): In the Minister's answers to my hon. Friends, he reiterated the Government's rhetoric that rural, community and light rail are important to them. However, if they really believed their own rhetoric, they would not be closing rural railway lines but increasing their usage, and they would have spent more than 0.3 per cent. of the Department for Transport's budget on light rail. The consultation that is now happening is leading to the closure of rural, smaller and community rail links. They are surely on the way to ditching another policy. That means another policy will be ditched, another policy will be U-turned, and there will be more problems for the travelling public.

Derek Twigg: That is a bit rich coming from the Conservatives, who gave us botched privatisation, Railtrack, and years and years of underinvestment in the railway. We have seen record investment in the railway under this Government. I keep asking, as I did earlier, which line we have plans to close. Can the hon. Gentleman let us know?

We have 2,500 stations, and I have opened two or three new ones in the past 12 months; for example, Liverpool Parkway is opening and the east midlands line is being developed. There has been a growth in services as part of the franchises for east midlands, west midlands and Virgin. I am afraid that the hon. Gentleman's arguments do not stack up.

Mottram-Tintwistle Bypass

4. **Mr. Michael Clapham** (Barnsley, West and Penistone) (Lab): How many submissions have been received by the Highways Agency in connection with the proposed Mottram-Tintwistle bypass; and what proportion of these submissions objected to the proposal. [76577]

The Minister of State, Department for Transport (Dr. Stephen Ladyman): The draft orders for the scheme were published on 31 January 2006 and a 13-week period ending on 5 May 2006 was provided to allow affected parties and other members of the public to provide their comments. By the end of this period the Highways Agency had received 2,691 pieces of correspondence concerning the proposals. Some 1,446 objections, 997 support letters, 28 representations and another 220 miscellaneous pieces of correspondence, which included queries, freedom of information requests and other questions were received.

Mr. Clapham: I am grateful to my hon. Friend for that answer. May I tell him why I could not agree to the proposals? In my constituency, the scheme will displace

the problems that have been experienced in Tintwistle. For example, on the A628, over Salters bridge, the traffic in 2010 will increase by 56 per cent. and in 2025 by 94 per cent. Those are already busy roads. It is a similar story through Penistone, Thurlstone and Millhouse Green. On the A616 on the other side of my constituency, there will also be marked increases in traffic through Bolsterstone, Midhopestones and Langsett. Does he agree that there need to be robust restraining measures to ensure that the lorries—

Mr. Speaker: Order. I think that the Minister knows that the hon. Gentleman is displeased with his proposal.

Dr. Ladyman: I am grateful to my hon. Friend for bringing his concerns to my attention. I am happy to hold a meeting with him so that he can discuss them in detail. However, he is entirely right that there are issues that need to be addressed, including possible restraint measures and restrictions on heavy goods vehicle access to the road if it goes ahead. The Highways Agency has already considered such proposals, and I am happy to pass on any suggestions that he wishes to draw to my attention.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): My hon. Friend will be aware that the proposals affect my part of south Yorkshire, too, including the villages of Langsett, Midhopestones and Bolsterstone. I am therefore pleased that he has made a commitment to a meeting, and I hope that he will invite all the MPs in south Yorkshire who are affected.

Dr. Ladyman: I am certainly happy to meet my hon. Friend, too, to hear her objections. I do not know whether she wishes me to invite to that meeting Government Members who support the proposals strongly, or whether we should have a separate meeting to discuss the issues.

Rail Services

5. **Mr. Jim Devine** (Livingston) (Lab): What steps his Department has taken to improve the punctuality and reliability of rail services since 1997. [76578]

7. **Mr. Andrew Love** (Edmonton) (Lab/Co-op): What steps his Department has taken to improve the punctuality and reliability of commuter rail services. [76580]

The Secretary of State for Transport (Mr. Douglas Alexander): The rail network has undergone major improvements in recent years. Punctuality on the network is now 86.7 per cent.—the highest level since May 2000. Following the 2004 White Paper, Network Rail is now accountable for performance and for co-ordinating rail industry planning and operational management. My Department holds regular meetings with Network Rail and industry representatives to discuss further performance improvements.

Mr. Devine: I am grateful to my right hon. Friend for that answer. Will he join me in congratulating the Labour-led Scottish Executive on improving punctuality and reliability? Only two weeks ago, they announced that they would extend the rail line from Bathgate to Airdrie, ensuring that my constituents have three direct rail routes to Glasgow and Edinburgh.

Mr. Alexander: It is obviously the case that punctuality and reliability are challenges in every part of the United Kingdom, but I join my hon. Friend in those congratulations.

Mr. Love: May I draw to my right hon. Friend's attention the continuing problems with One railway in my north London constituency? In February, the Under-Secretary of State for Transport, my hon. Friend the Member for Halton (Derek Twigg), wrote to me about the difficulties that had occurred as a result of industrial action on the railways. Since then, very little has improved. Four days ago, my constituent, Ray Knight, received a letter from the Advertising Standards Authority, in which it said that it was instructing One

"to change their advertising to remove the claim regarding a 30 minute frequency where it does not apply".

Can my right hon. Friend reassure my constituents that the Government will undertake a robust review of the franchise agreement to ensure the reliability of rail services in my constituency?

Mr. Alexander: In the first instance, it is for Network Rail, working closely with One management, to try to secure the performance improvements that we all want. There has been a decline in performance in the past year, albeit from a higher base than elsewhere in the country. I understand that 87 per cent. of One services run on time, against a national average of 86.8 per cent. One management has recently been restructured, and performance has shown signs of improvement, but I will ensure that the point made by my hon. Friend's constituent is passed on directly to Network Rail and, indeed, One management.

Damian Green (Ashford) (Con): Will the Secretary of State consider the future of commuter services in Kent, particularly when the high speed channel tunnel rail link is finished, which will provide many welcome benefits? Can he guarantee that that will not be used as an excuse to cut services, especially to smaller rural stations in my constituency and elsewhere in Kent?

Mr. Alexander: Passenger numbers on the railways have been increasing significantly in recent years. We now have a billion-passenger railway. On the other hand, as my predecessor once remarked, we are not in the business of carting fresh air around the countryside. It is inherent in a confident growing number of passengers that we face challenging decisions at times. We therefore need to consider how we can secure value for money from the network, but that is clearly in the context of continuing to grow the railways.

Mr. Michael Fallon (Sevenoaks) (Con): How will punctuality and reliability be improved by the Secretary of State's extraordinary proposal to extend the Mayor of London's power to set fares and control service levels to stations such as Sevenoaks, outside the

London boundary, where my constituents cannot vote for the Mayor of London and certainly would not do so if they could?

Mr. Alexander: My understanding is that the services are predominantly within London, but that matter is being consulted upon.

Fiona Mactaggart (Slough) (Lab): May I welcome the Minister to his new role? As someone who is quite good at spotting odd cover-ups, let me tell him that all Thames valley MPs of all parties are concerned about the punctuality and efficiency of the commuter service that leads into the Thames valley. The service between Slough and Paddington has become less frequent, and because of the reduction in frequency, it might appear more punctual and more effective. Unless we have an effective rail commuter service into the Thames valley, which is the engine of Britain's economy, we risk losing much inward investment into the UK.

Mr. Alexander: We continue to invest record amounts in the British railways, but in the context of those rising passenger numbers, it is necessary at times to introduce changes to the schedules that make sense in the context of the differing demands in different parts of the country. However, the improvements that we have seen over recent years are the result not only of more sensible timetabling changes, but of the better integration of working relationships between the train operating companies and Network Rail.

Dr. Vincent Cable (Twickenham) (LD): In order to improve the punctuality and reliability of congested peak-hour commuter services, what action is the right hon. Gentleman taking to replace the present chaotic system of rail fares among the rail companies with consistent and generous incentives for off-peak use?

Mr. Alexander: A balance must be struck, given that there are essentially two sources of funding to the railway: there are funds provided by the taxpayer and there are funds provided by the fare payer. However, the hon. Gentleman raises an important point, which was previously raised by the Transport Committee, about the present complexity of some of those fares. We are deliberating about our response to that Select Committee report.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): The Secretary of State will be aware that some train companies are almost as creative about their timetabling as they are about their accounts. Will he please look carefully at some mainline services, where the airline habit of adding in minutes to schedules is being used in order to improve the running of trains? The Secretary of State is doing a good job. He has given the train companies the money. Let us make sure we get value for it.

Mr. Alexander: I concur with my hon. Friend's final point about securing value for the investment that has been made. As I say, it is inevitable that there will periodically be timetable changes. It is important that those changes are made not simply to slacken the performance, but to reflect the changing demands over time on the network.

Mr. Rob Wilson (Reading, East) (Con): Is the Secretary of State aware that one of the things he could do to improve the punctuality and reliability of commuter services is to unplug the national bottleneck that exists at Reading station? Will he finally announce that the funds will be made available?

Mr. Alexander: Discussions are continuing on that. I am aware that in a previous answer to, I think, my hon. Friend the Member for Reading, West (Martin Salter), my predecessor explained that he had seen the station at Reading, was aware of the difficulties and recognised the challenges that are faced.

Road Accidents

6. **Ann McKechin** (Glasgow, North) (Lab): What progress has been made in reducing the number of people killed and seriously injured in road accidents since 1997. [76579]

The Minister of State, Department for Transport (Dr. Stephen Ladyman): Our provisional statistics for 2005 indicate that 32,150 people were killed or seriously injured in accidents reported to the police in Great Britain, which is 33 per cent. less than the baseline average between 1994 and 1998 and 31 per cent. less than the figure in 1997.

Ann McKechin: I thank my hon. Friend for his response and welcome the reduction in the number of deaths and injuries. However, far too many people still suffer death and injury as a result of drink-driving. Does he agree that now is the time to consider reducing the alcohol limit from 80 mg to 50 mg, which would bring us in line with other European countries?

Dr. Ladyman: I agree with my hon. Friend that we need to do more to reduce drink-driving. She will have seen the campaign launched by right hon. Friend the Secretary of State for Transport about drinking during the summer months and the World cup, and other extensive efforts in education are continuing. However, we are still not enforcing the 80 mg limit as strictly as I would like, and we should put our resources into that before we reduce the level to 50 mg. When we have achieved strict enforcement at 80 mg, perhaps we can re-examine the matter.

Charles Hendry (Wealden) (Con): When will the Minister publish the Department's new guidelines on speed limits in villages? He will be aware that the parish councils and highways authorities believe that the speed limit should be reduced in many villages, but until his Department produces the guidelines, they cannot reduce speed limits for fear that they will have to reverse their decision when the guidelines are issued.

Dr. Ladyman: We will publish the guidance shortly. Over the next year or two, it is important that all highways authorities use the guidance to review all the speed limits on our roads. Speed limits should be set appropriately—they can be reduced for safety purposes or, where engineering or other improvements have happened on a stretch of road, they can be increased. That is an important part of the deal that we need to strike with motorists, and we must be seen to set speed limits fairly and in accordance with objective criteria.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I was a bit disappointed by the Minister's answer to my hon. Friend the Member for Glasgow, North (Ann McKechin). The Association of Chief Police Officers in Scotland has recently indicated its support for a reduction in the alcohol limit, and there is a growing body of opinion within the road safety community in favour of that. Will the Minister think again and consider the advantages of reducing the limit in terms of saving lives and reducing injuries on the roads?

Dr. Ladyman: I hear what my hon. Friend has said and acknowledge his interest in the matter. I have spoken to the Association of Chief Police Officers in England, which has expressed the view that it would like to see the level come down to 50 mg at some point. However, there is no point in discussing harmonisation with the level in Europe, because, although most states in Europe specify lower levels of alcohol in their law, they do not enforce at those levels. In this country, we are at least enforcing hard at 80 mg. I have pointed out to ACPO that the police need to put resources into making sure that nobody breaks the 80 mg limit. When we are confident that we are achieving success at that level, it will be time to think about further reducing the level.

Paul Rowen (Rochdale) (LD): May I begin by congratulating the Secretary of State and the Minister on their appointments? Does the Minister agree that a major problem is the courts' interpretation and use of laws passed in this House? In my constituency, for example, there is a young man with three convictions: first, he left a boy of five paralysed and was given a two-month driving ban; secondly, he left a 67-year-old woman for dead; thirdly, he stole a car and crashed into a stationary car, which led to a four-month suspended sentence. Working with other Departments, what can the Minister do to ensure that the courts enforce the laws that we pass?

Dr. Ladyman: We must work with the courts, the Department for Constitutional Affairs and others on reviewing the sentencing guidelines. The courts need to understand that it is the wish of this House that serious punishments should be issued for such offences. People around the country are fed up with seeing people avoid long sentences, and being given a tap on the wrist for some of the most serious offences that we can envisage. I hope that the hon. Gentleman and his party will support us in our approach.

DVLA

8. **Mrs. Siân C. James** (Swansea, East) (Lab): What recent discussions he has had with trade unions on employment issues in the Driver and Vehicle Licensing Agency. [76581]

The Minister of State, Department for Transport (Dr. Stephen Ladyman): The DVLA has ongoing and regular discussions with the trade unions on all issues affecting the agency and its staff, in line with its partnership agreement. The most recent meeting took place between the chief executive and Public and Commercial Services Union officers at national and local level on 1 June, when they were brought up to date with the agency's resourcing plans to March 2008.

Mrs. James: I thank my hon. Friend for his answer, and for the opportunity to meet him to discuss this matter. He is aware that several of my constituents have written to me to say that they do not wish their jobs to be outsourced to a private company, but want to remain within the DVLA doing the job that they are doing very well. Will he ensure that when he next meets the director of the DVLA he will make those representations to him on my behalf and that of the union?

Dr. Ladyman: First, it is important that I stress that no decisions have been made as yet. It is essential that we review these matters from time to time. All the agencies make sure that they are getting the most cost-effective use of the funds and resources that they are given. I am meeting the chief executive tomorrow, and I will certainly ensure that the views expressed by my hon. Friend are made known to him.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): Is the Minister aware that UK British citizens living in Northern Ireland continue to experience problems because their driving licences are not issued by the DVLA in Great Britain, which means that they are being discriminated against as regards penalty points, the recognition of their driving licences and the registration of their vehicles? Will he work with his colleague in Northern Ireland to end that anomaly?

Dr. Ladyman: I am aware of the anomaly, and I am talking to my colleagues in Northern Ireland about it. If the hon. Gentleman wishes to provide me with further evidence of the problems facing his constituents, I shall be grateful to receive it.

Rail Infrastructure

9. **Julie Morgan** (Cardiff, North) (Lab): What plans he has to improve the condition of railway banks and stations. [76582]

The Parliamentary Under-Secretary of State for Transport (Gillian Merron): Responsibility for the condition of railway embankments is an operational matter for Network Rail. Responsibility for the condition of stations is shared between Network Rail and the train operating companies. In addition,

franchise agreements require the train operators to keep their stations in a clean condition.

Julie Morgan: Is my hon. Friend aware of the amount of fly-tipping and dumping of rubbish taking place on railway banks and land around stations in Cardiff, particularly next to Lisvane station in my constituency, where sewage pipes, fallen lamp-posts, television sets and a whole load of cans are dumped? Things are similar at Llandaff North station.

Gillian Merron: My hon. Friend raises important local matters, which all hon. Members know are of direct concern to her and her constituents. Through my discussions with her, I am aware of the instances that she mentions. It may be helpful to say that the land is owned by Network Rail and leased to Arriva Trains Wales, which is responsible for removing the litter and fly-tipped material. I know of my hon. Friend's considerable efforts on behalf of her constituents, and I will be pleased to assist her further by raising the matter with Arriva Trains Wales.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Is the Minister aware that pesticide run-off, which is often a big problem on the rail network and with highways weed control, is often blamed on farmers? Will she work with Network Rail to try to minimise that problem as, despite the fact that the problem is not caused by farmers, it may result in some important pesticides being limited for agricultural use?

Gillian Merron: I thank the hon. Gentleman for making that point. It would be helpful to me, in pursuing the matter, if he gave me some specific examples. As he says, bank maintenance is a matter for Network Rail, which is more than willing to arrange meetings with any Members of Parliament who have particular concerns. I would be happy to facilitate that for him.

Mr. Jim McGovern (Dundee, West) (Lab): I am sure that my hon. Friend will agree that the condition of a city's railway station plays an incredibly important role, as it provides the first impression, and the last memory, for many visitors. Will she therefore join me in calling on the relevant authorities to support my campaign to upgrade Dundee's Tay Bridge station, which has lain in a neglected state for many years now?

Gillian Merron: My right hon. Friend the Secretary of State is also Secretary of State for Scotland, so clearly he is aware—as I am—of the importance of the campaign. From my experience, I share the view that the condition of stations is important both for visitors' perceptions and for our constituents who use the stations as residents.

Rail Services

10. **Dr. John Pugh** (Southport) (LD): What funds the Department has made available for extending the rail network over the next three years. [76583]

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): The then Secretary of State's statement to the House on 10 February 2005 set out the Government's spending plans for rail for 2004-05 to 2008-09. In that period, the Government are to spend more than £23 billion on Britain's railways, to make up for years of underinvestment. That is an average of around £88 million a week.

Dr. Pugh: The Under-Secretary will acknowledge that there are many excellent schemes that can increase rail capacity at limited cost, such as Burscough curves near my constituency and the Halton curve near his. However, he will also acknowledge that there is no formal mechanism for opening lines, although there is a clear formal mechanism for closing them. What can we do about that?

Derek Twigg: As the hon. Gentleman knows, I visited Burscough a few months ago to open the new station there. I looked at the area and I appreciate that he has been promoting it, as has the local Member of Parliament, my hon. Friend the Member for West Lancashire (Rosie Cooper). As he points out, there is a procedure, which involves going though a sponsoring body such as a local authority and a rail operator. Merseyrail has examined the matter. Lancashire county council previously considered it but decided that the business case did not stack up. It had aspirations for the Blackburn-Preston-Bolton-Manchester corridor. Merseyrail has been working on the issue, and I know that the hon. Gentleman has been liaising with it. It is a matter for Merseyrail to take forward with the relevant local authorities.

CONSTITUTIONAL AFFAIRS

The Minister of State was asked—

Boundary Reform

20. **Mr. Andrew Robathan** (Blaby) (Con): If she will consider the merits of boundary reform to equalise voter numbers in each constituency. [76560]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Bridget Prentice): The independent parliamentary boundary commissions review parliamentary boundaries every eight to 12 years. Although the electoral quota is important, it is necessary to take other factors into account, such as geographical and community issues. The boundary commissions consider all those factors when conducting their reviews.

Mr. Robathan: How can it be right for, for example, Birmingham, Yardley to have an electorate of fewer than 51,000, when in the same old county of Warwickshire, Rugby and Kenilworth has an electorate of more than 83,000? The Boundary Commission for England recommends an average of 70,000 electors per constituency and is trundling through its changes. However, the Boundary Commission for Wales will still have only 56,000 electors per constituency. Will the

Government review the terms of reference for all the boundary commissions of the United Kingdom to ensure that the priority is equalisation of voters, so that each elector's vote has the same value? I suggest a standard of 80,000 electors per constituency. That would also reduce the number of politicians, which would be popular with the British people.

Bridget Prentice: I do not know whether the hon. Gentleman is volunteering to stand down—but that might be welcome in several places.

The boundary commissions take into account not only numbers but geography and community issues. There have been historic arrangements for Wales to compensate for its smaller size. If the hon. Gentleman suggests that Welsh constituencies should be the same size as English ones, he might just as logically say that the Welsh Assembly should have the same powers and authority as the Scottish Parliament.

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): Does my hon. Friend accept that getting equality between numbers of electors takes us only part of the way to our destination? The objective should be equality between numbers of residents, and that means getting the percentage of residents who register to vote up to nearer 100 per cent. If we do not achieve that, young people, people in rented accommodation and others are less likely to register to vote. Some constituencies, especially those in inner-city areas, have far more residents than those in the leafy suburbs.

Bridget Prentice: My hon. Friend makes an important point, which we shall doubtless debate later today when we consider the Electoral Administration Bill, which deals with registration. I take his point seriously. The number of people who live in inner cities but are not registered and therefore not counted by the boundary commissions makes a considerable difference. He makes a good point about ensuring that everyone is counted and registered, so that we properly reflect the communities that we are supposed to represent.

Mr. Andrew Mackay (Bracknell) (Con): Does the Minister accept that the criteria given to the Boundary Commission by the House need to change? The reason why constituencies are so hopelessly out of kilter in numbers of electors is that the commission is always working on out-of-date statistics. It is allowed to look backwards but not forwards, and this causes huge anomalies that could easily be avoided. Will the Minister give me an undertaking that this matter will be looked at?

Bridget Prentice: I think that I can give the right hon. Gentleman that undertaking. He has made a valid point, and I shall take it on board and discuss it with the boundary commissions in due course.

Simon Hughes (North Southwark and Bermondsey) (LD): Following the tone of earlier questions, may I push the Minister to consult her colleagues to see whether she can come up with a Government policy to ensure that the same number of adults are entitled to vote in every constituency across the United Kingdom for this Parliament? There can be no justification these days for a differential figure in Wales, Scotland, Northern Ireland and England, if each vote is to be of equal value. Of course, the number of residents entitled to vote is just as good a test as the number who actually end up getting their names on the register.

Bridget Prentice: The hon. Gentleman makes an interesting point. Hon. Members have in the past raised the issue of the Isle of Wight, a constituency with a very large number of electors. If we did not take geographical issues into account, the Isle of Wight would have to be considered with at least one other part of the south of England; it would be very difficult to make it into two or more constituencies. Nevertheless, I hear what the hon. Gentleman has said, and in my discussions with the Boundary Commission, I shall look at all aspects of ensuring that every constituency represents the people who live in it as well as possible.

Mr. Oliver Heald (North-East Hertfordshire) (Con): But does the Minister not accept that there is a bit of party politics going on here? She will know that, after last month's local elections, Sir Michael Lyons—a former Labour councillor and an adviser to the Government—said that council boundaries should now be politically redrawn to make council elections more "closely competitive". Of course, we know what happened in those local elections. Is the Minister intending to follow this principle for parliamentary elections? Is it not the case that if Labour cannot win elections, its first instinct is to gerrymander the boundaries involved?

Bridget Prentice: Dear, oh dear. I really think that the hon. Gentleman ought to reflect on what he has just said. The Labour party has won the last three general elections, I am very pleased to say—*[Interruption.]* The Boundary Commission is an independent, non-party-political organisation—*[Interruption.]*

Mr. Speaker: Order. Let the Minister answer.

Bridget Prentice: Thank you, Mr. Speaker.

I would just remind the hon. Gentleman that the Boundary Commission, which recommends changes to the boundaries, is a neutral, non-party-political organisation. This is not done on a party basis. It is done in a logical, neutral way, and I hope that the hon. Gentleman will reflect on what he has said and consider whether the changes that the Boundary Commission has made over the years have also benefited his party from time to time.

Limitations of Actions

21. **Hugh Bayley** (City of York) (Lab): When the Government plan to implement the recommendations in the Law Commission's 2001 report on limitations of actions. [76561]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Vera Baird): Those are recommendations from the Law Commission's report that the limitation period—the time within which one person may bring a civil action against another—ought to be made more flexible. The Government announced their acceptance in principle of the recommendations in 2002, subject to further consideration of some aspects of the Law Commission's report. That work is now well advanced and it should end shortly. We will then seek a legislative opportunity to reform the law.

Hugh Bayley: Four years is a long time to wait. My constituent, Kevin Young, was repeatedly sexually abused by a prison officer while he was in a youth offender institution 29 years ago. He wants the terms of the Limitation Act 1980 changed to make it easier for people like him to claim compensation. In a letter to me in March, Baroness Ashton said that it might be possible to use the Legislative and Regulatory Reform Bill, if it is passed by Parliament, to change the law more quickly by statutory instrument. Will the Government will look into that?

Vera Baird: Yes. It is correct to say that there is a fast-track provision in that Bill to introduce non-contentious recommendations by the Law Commission by statutory instrument, and that could be used to fast-track these proposals. I am very sympathetic to my hon. Friend and his constituent. People who suffered sex abuse when they were children and did not appreciate its impact until much later often find themselves outside the limitation period, and therefore suffer injustice. We will certainly look at using that Bill to bring such a proposal forward; otherwise we will seek an early legislative opportunity.

Peter Bottomley (Worthing, West) (Con): The Minister referred to the four years since the Government basically accepted the Law Commission's recommendation. Would it help to produce parliamentary encouragement for the Government if a list of all the outstanding Law Commission recommendations was published each year, outlining what progress is being made and what blockages there are to fulfilling those steps towards greater justice?

Vera Baird: I am sure that from time to time we do indicate the progress that is being made on Law Commission proposals, and of course the hon. Gentleman can, and will, ask questions of the Department about precisely that. The recommendations went far wider than the concern raised by my hon. Friend the Member for City of York (Hugh Bayley), as they also related to matters such as time limits on squatters' rights, corruption, insolvency applications and compulsory purchase orders. A great deal of work has had to be done across a number of Departments, which explains the delay. My noble Friend Baroness Ashton, whose portfolio this relates to, and the Lord Chancellor are particularly keen to get on with implementing this change.

Courts Service

22. **Mr. David Burrowes** (Enfield, Southgate) (Con): What assessment she has made of the likely impact of changes in the Courts Service's budget on the Government's plans for the court system. [76562]

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): The courts are working to deliver the Government's plans for the court system, particularly improving public safety and increasing public confidence through simpler, speedier justice. Like all public services, the courts are facing tight spending limits this year.

Mr. Burrowes: I declare a relevant interest as a solicitor. What is the hope for improved administration of justice in Enfield magistrates court when the north-west London region courts were told last month that, following the Lord Chancellor's overestimate of legal aid savings, they need to find £2 million-worth of savings this financial year? Is that not good news for fine defaulters and compensation defaulters, and bad news for court users and victims?

Ms Harman: We have to be sure that the Department as a whole lives within its financial spending limits, but within that we can improve the services that we provide. I believe that it is possible to meet both those aims.

Keith Vaz (Leicester, East) (Lab): Has my right hon. and learned Friend had an opportunity to see the evidence of Sir Mark Potter, the president of the family division, to the Constitutional Affairs Committee? He says that any changes in the budget will dramatically affect his ability to bring down the current casework delay in the family division. I know that my right hon. and learned Friend is very keen on modernising the Courts Service and that she has great ambitions to do so, but a cut in the budget that is not agreed with the judiciary will have serious implications for the delays that are still inherent in our family justice system.

Ms Harman: We are all concerned that there should be no unnecessary delay in court processes, especially where children are involved. I have discussed the delays with the president of the family division and his fellow judges. One of our aims is to ensure that as many cases as possible do not come to court at all, but can be agreed outside it, as well as ensuring that cases that are brought to court are dealt with more swiftly.

Mr. Jonathan Djanogly (Huntingdon) (Con): We understand that the £80 million cut in the court budget this year could lead to a reduction of services and the loss of up to 1,300 jobs. Last week, the Minister of State revealed to me that the courts failed to collect some £282 million-worth of fines. Does not that debacle prove once again the Government's inability to run public services, and the inability of Constitutional Affairs Ministers to run their own Department?

Ms Harman: No, it does not. The hon. Gentleman is well aware that we inherited a position in which nearly half the fines imposed by the courts were not collected, a great deal of work has been done between the police and the courts across the country, and the collection rate has been increased to more than 80 per cent. That money goes to the Treasury, which I am sure is extremely pleased to receive it. The finances of the

Courts Service are not what the hon. Gentleman said that they were. In fact, the courts did not spend the full amount that they thought that they would in the previous year. Perhaps, to help hon. Members to understand the exact position, I will place in the Library a copy of the permanent secretary's letter to all court staff. That would enable hon. Members to see the financial situation, which is challenging, but not of the dimensions that the hon. Gentleman implied.

Ms Sally Keeble (Northampton, North) (Lab): Further to the Government's plans for the court system, will my right hon. and learned Friend say what plans she has for the family courts, especially in relation to ending their ability to send people to prison—for example, for contempt of court for breach of a contact order—without having a public hearing?

Ms Harman: My hon. Friend raises an extremely important point, which she has put to me in a written question, so I know what the answer is. Last year something like 200 people were sent to prison by the family courts, which happens in complete privacy and secrecy. The idea that people are sent to prison without any reports of the proceedings makes even more important the work that we are undertaking with the family courts, and with the important intervention of the Constitutional Affairs Committee, to open them up so that they act in the public interest while maintaining personal privacy.

Colchester Courthouse

23. **Bob Russell** (Colchester) (LD): If she will make a statement on progress on the planned new courthouse at Colchester. [76563]

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): The Courts Service has now purchased a site in Colchester for the new courthouse. The next step is to appoint a firm to construct the building. [Hon. Members: "Hooray!"] Before hon. Members cheer, I must tell them that that is subject to funding discussions with Her Majesty's Treasury.

Bob Russell: The time taken between the decision to build a new courthouse in Colchester and the present day is longer than the duration of the second world war. Does the Minister regard that as a success or a failure, with regard to the concept of the private finance initiative?

Ms Harman: Obviously, we would have liked the hon. Gentleman's local courthouse to have been renewed earlier. When he last made the comparison between the duration of the second world war and the time taken to build the new Colchester courthouse, the land had not yet been purchased. On that basis, at least, we are making progress. We will let him know when the construction company has been appointed, and I am sure that he will ask a question about that.

Mrs. Siân C. James (Swansea, East) (Lab) *rose—*

Mr. Speaker: Order. The hon. Lady's constituency is much too far from the area under discussion for me to call her.

Dr. David Kelly

24. **Norman Baker** (Lewes) (LD): If she will make a statement on the coroner's inquest into the death of Dr. David Kelly. [76564]

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): The Oxfordshire coroner opened and adjourned the inquest into the death of Dr. David Kelly on 17 July 2003. He resumed the inquest on 14 August 2003 to admit post-mortem evidence from the Home Office pathologist and a toxicology report. He then adjourned the inquest as directed by the Lord Chancellor pending Lord Hutton's public inquiry into the circumstances surrounding the death of Dr. Kelly. Having read the Hutton report, the coroner announced at an open hearing on 16 March 2004 that there was no exceptional reason to resume the inquest.

Norman Baker: The Minister will be aware that under the 1984 coroner's rules, as amended in 2002, where an inquest has been adjourned for any reason, an interim certificate of death shall be issued, which accepts that the death has occurred without giving the precise reasons for the death. Why, then, did the Oxfordshire coroner, on 18 August—barely a week after Lord Hutton began taking evidence—issue a full death certificate giving reasons for the death? What was the point of the Hutton inquiry if the death certificate already gave the reasons?

Ms Harman: The Hutton report obviously ranged much more widely, which is one of the reasons why a further inquest by the Oxfordshire coroner was not necessary.

Cohabiting Couples

25. **Mary Creagh** (Wakefield) (Lab): What plans the Government have to reform the law relating to the rights of cohabiting couples. [76565]

The Parliamentary Under-Secretary of State for Constitutional Affairs (Vera Baird): The current state of play is that the Law Commission published a consultation paper about cohabitation on 31 May. That consultation paper poses questions on how the law in this area might be reformed, and we look forward to the outcome of the consultation and will consider any recommendations made. We expect the final report in summer 2007.

Mary Creagh: I thank my hon. and learned Friend for her reply and congratulate her on her new position. Does she agree that the principle of equal rights for cohabiting couples is based on the principle of fairness? I have received an anonymous letter from a woman who has lived with a man for 17 years and has borne five of his children, but who now finds herself unable to leave him as he refuses to give her a share in

the family home, which is in his name. She describes her position as that of a concubine. What steps is the Department taking to make people aware that there is no such thing as a common-law marriage, and that they need to protect their rights if they are embarking on cohabitation?

Vera Baird: The Law Commission produced its paper at the request of the Lord Chancellor because of concern about the fact that there are now 2 million cohabiting couples in England and Wales and about 1.25 million children dependent on them. We must think about reducing the potential financial hardship suffered by cohabitants when there is a break-up.

Apparently, 56 per cent. of people who responded to a survey thought that there was such a thing as common-law marriage, and that cohabitants' rights to property and finance were very similar to those of married people. That is not correct. We have engaged two charitable not-for-profit groups to try to make people aware of the limitations on the legal status of people who cohabit, but the important point is that the Law Commission, at our request, is considering responsibly—as is essential when so many individuals, including children, are involved—whether there should be some sort of safety net in the event of a break-up.

John Bercow (Buckingham) (Con): I welcome the Law Commission's consultation paper. As a co-sponsor of the early-day motion on this subject tabled by the hon. Member for Wakefield (Mary Creagh), may I implore the hon. and learned Lady—whom I welcome to her responsibilities—to recognise the powerful case for a change in the law? Overwhelmingly, this is not about the distribution of largesse or about providing a rival to marriage, but about fairness, and, in many cases, about rescuing people from the destitution to which they would otherwise be consigned.

Vera Baird: I entirely recognise that. Let me make what may be a partisan point, and say that it is women, usually, who are left high and dry after cohabitation, perhaps having dreamt that they did have some property rights, and they may indeed be thrown into destitution. It is important for us to examine the whole subject with a great deal of care. It involves sensitivities on numerous fronts, which is why it was appropriate for us to ask the Law Commission to consider it. We look forward to the results of the commission's consultation, which will doubtless be followed by plenty of debate.

Deepcut Review

3.32 pm

The Minister of State, Ministry of Defence (Mr. Adam Ingram): On 29 March I announced to the House the publication of the Government-commissioned Deepcut review, undertaken independently by Nicholas Blake QC. It looked into the circumstances surrounding the deaths of four young soldiers who were training at Princess Royal barracks, Deepcut, between 1995 and 2002. I gave the House an assurance that I was determined to deal with the issues raised by Mr. Blake, and undertook to ensure that everything possible would be done to prevent similar tragedies occurring in the future. I said that we would look at every one of Mr. Blake's 34 recommendations to see how they should best be implemented to address the weaknesses that had been identified as quickly and effectively as possible.

Today I am publishing the Government's response to the Deepcut review. Copies will be placed in the Libraries of both Houses. I understand that the publication of our response will inevitably evoke sad memories for the families of the soldiers who died at Deepcut. I hope that they will find some comfort in our response to Mr. Blake's recommendations.

Having completed the detailed analysis of the report, I reiterate that it is an exhaustive, illuminating and thorough review, and I repeat my tribute and gratitude to Mr. Blake for such a comprehensive piece of work. I am confident that its enduring legacy will be a better and more caring framework for young trainees and service personnel more generally. The Government have acknowledged that mistakes were made in the past, and that there were failures in the way in which young and sometimes vulnerable recruits were cared for. I believe that the report will constitute a watershed in the treatment of our servicemen and women.

The services had, of course, already made significant changes and improvements before the Deepcut review, as Mr. Blake readily acknowledges in his report. For example, much greater attention is being paid to risk of self-harm and preventive measures; there are stricter controls over access to firearms; supervision of recruits and trainees has improved; appreciable new investment in facilities and accommodation has occurred and is ongoing; and a new harassment complaints procedure has been implemented.

However, the Deepcut review has highlighted that there is more that we can do, particularly in some key areas. I can confirm to the House that we accept the great majority of the review's recommendations, although in some cases with necessary and justifiable modification or qualification, as explained in our response. However, in those cases we are still confident that we can give meaning to the intent behind the recommendation. There are very few recommendations that we cannot meet either wholly or in substantial part, and I now turn to these.

Recommendation 30 concerns the availability of an inquest wherever the death occurs, in this country or overseas. We are very much in sympathy with this thinking, but of course, it bears upon the draft Coroners Bill that has been published for consultation. Consequently, we are in discussion with the Department for Constitutional Affairs as to how that recommendation might be given effect.

Recommendation 31 also concerns inquests, in this case ensuring that the family of a deceased soldier has access to legal advice and representation. It is our intention to support families as much as we can throughout what are sad and distressing events, but there is a general presumption that interested persons at an inquest do not normally need to be legally represented. However, there is provision, in exceptional cases, for application for funding to be made to the Legal Services Commission. I believe that to be the appropriate mechanism and process to satisfy the recommendation.

Finally, recommendation 33 recommends to the Surrey police that the families of Sean Benton, Cheryl James and Geoff Gray be provided with copies of the respective Surrey police reports, solely for the purpose of considering whether an application should be made to the High Court to set aside the previous inquest into their child's death. That is of course entirely a matter for the Surrey police, but I have written to the chief constable stating that, in the Ministry of Defence's view, that is a helpful suggestion from Mr. Blake, and that, for our part, we would be happy to co-operate fully in such a process.

As I said earlier, we have accepted the great majority of the Deepcut review's recommendations, and, as the response that I have published today shows, some are already in the process of being implemented. Work has already begun to address the rest. However, I know that a number of the issues raised in the review are of particular interest to Members, and it is to those that I now turn.

First, let me emphasise that we fully accept and agree with the review's concern that the needs of service personnel under the age of 18—and their vulnerabilities—should be recognised. That is now reflected in new guidance to commanding officers. A "care of trainees" module was introduced to the training programme for instructors and other supervisory staff in 2004. That has now been incorporated in the "train the trainer" course for instructors, which has been introduced across the armed forces.

A new supervisory care policy in phase 1 and 2 training establishments was introduced in March this year, and each unit is required to compile an assessment of the risk to trainees that takes account of the particular circumstances of that establishment and its population. There are specific policies aimed at the well-being of under-18s in terms of how they are accommodated, their recreational and social facilities, and their duties, including access to firearms.

One of the most significant areas of the review is the provision of independent assurance of our processes, and in particular the military justice system and the military complaints systems. We intend to introduce or enhance independent oversight of both those areas. The Police and Justice Bill will provide for the creation of a new combined inspectorate for the criminal justice system. Following discussion with the Attorney-General, the Lord Chancellor and Home Secretary, we intend to use that opportunity to extend and deepen

inspection arrangements across the military justice system. Those working within that system strive to perform with professionalism and to standards comparable to those in the civilian criminal justice system. External assurance will serve further to demonstrate that.

Turning to the military redress of complaints system, as the House is aware, we have already made proposals under the Armed Forces Bill to improve that process and to introduce an independent element to it. We intend that the service complaint panels dealing with complaints such as those relating to harassment and bullying will include an independent member, and that the complaints process will be reviewed annually and publicly by an independent external reviewer. But in the light of the recommendations of the Deepcut review, and of representations made by Members during the consideration of the Bill by the Armed Forces Bill Select Committee, we propose to go further. We propose that the role of the external reviewer should be extended, providing him or her with the ability to accept complaints directly from a serviceperson or a family member, or another third party on their behalf; to have the power to refer such complaints to the chain of command for appropriate action; and to be informed of the outcome of that complaint.

That wider role would justify the title of service complaints commissioner. Critically, the commissioner would have direct access to Ministers. Furthermore, to ensure effective oversight the commissioner would report annually to Parliament. The House will note that in some practical respects this model for a commissioner is different from that proposed in the Deepcut review. Let me stress that there is, however, no difference between the Government and Mr. Blake over the fundamental intent, which is to promote the effective operation of existing military proceedings and provide independent assurance that the procedures are working effectively, with systemic issues appropriately addressed.

I now turn to the proposal that a commissioner might have the right to be consulted in disciplinary matters, or have the ability to intervene to institute legal proceedings against prosecution decisions. We believe that that would potentially undermine the role and independence of the prosecuting authorities. I know of no precedent for such a role in the civilian criminal justice system.

We have listened carefully to evidence given to various Select Committees and by Members of both Houses. We maintain—and I hope that right hon. and hon. Members would share this view—that the chain of command's primary responsibility for welfare should not be undermined. However, in providing for a service complaints commissioner, we accept the need for external, independent assurance, especially for a vulnerable young trainee—or his family or friends—who may feel uncomfortable about approaching a commanding officer directly. Subject to views expressed in this House and in the other place, the Government would propose to bring forward amendments to the Armed Forces Bill to provide for a service complaints commissioner.

Our armed forces are deeply valued by the Government and by the whole House. Their well-being is very much at the heart of this response to the Deepcut review. We are committed to improving the way in which all our recruits are trained, developed and looked after. We are resolute in our aim to deliver real, measurable and tangible improvements to the benefit of all our personnel who serve our country so well. As I stated earlier, this will be a watershed in how our servicemen and women are treated. I am determined to deliver on the commitments, and the external scrutiny that will be put in place will hold us to account now and in the future.

Dr. Liam Fox (Woodspring) (Con): I am sure that I speak for both sides of the House when I say that we wish profoundly that the tragic deaths of four young people had not made this report necessary, but I am grateful to the Minister for his response and his courtesy in making the statement available to us in advance.

As I said the last time that we discussed this subject, the social trends in our country today mean that an increasing number of recruits come from broken family backgrounds, have poor academic achievements and are often deficient in basic skills. The fact that the Army can transform them into world class soldiers is something of which we should all be justly proud. We also need to remember that the cases that we are discussing today are very much the exceptions, and I am sure that the Minister would want to underline that.

Let us remind ourselves of some of the basic facts of this tragedy. Of the four young victims, two had previous clearly recorded episodes of self-harm in their medical notes prior to recruitment. One of the others had clearly documented episodes of self-harm while in the Army. Another was about to be forced to leave the Army against his will. These vulnerable individuals were not only given loaded guns, but put on solitary guard duty in remote locations. They were given both means and opportunity and, as the Minister said, the Government accept that that represented a failure in duty of care.

The Blake report found that there was bullying, but that it was by no means endemic nor clearly linked to any of the four deaths. However, it also said that there were too few non-commissioned officers to supervise training properly—a fact that the Army had pointed out already. What can we learn from the Government's response to the report, and how can we ensure that the tragedies cannot be repeated?

To begin with, we must make sure that there is a comprehensive system for assessing a recruit's medical history. That means more than merely having sight of medical notes: there must be a proper investigation into the medical history of all recruits. Will the Minister confirm that that has been happening in all cases since 2004?

What about the ratio of NCOs to recruits? The 2002 report by the Deputy Adjutant-General found that the level of supervision

"was wholly inadequate and greatly magnified the level of risk."

What has been done to improve that ratio?

The Minister spoke about phase 2 training, but the problem went beyond supervision. The indeterminate

[Dr. Liam Fox]

length of that training was a factor that exacerbated the unhappiness of many recruits, so what has been done to ameliorate that?

The Minister was right to talk about the inquests system, but merely amending the forthcoming Bill is not good enough. At present, 59 inquests into the deaths of servicemen killed in Iraq remain outstanding. There needs to be a change in how the system is operated or funded. I know that the Secretary of State is looking at that, and I hope that the Minister will say where the Government have got to in respect of dealing with the backlog and with the current failures in the inquests system.

I am pleased that the Government have not caved in to the arguments for introducing a full-blown ombudsman, and that the Minister said that the chain of command's primary responsibility for welfare should not be undermined. The Opposition completely agree, but how will the relationship between commissioner and commander work in practice? What will the interface be? Who will select the commissioner, and according to what criteria? What sort of background will the commissioner have? We would much prefer it if he had a military background, and therefore an understanding of the pressures in the chain of command.

I am grateful to the Government for their response. We shall look constructively and in detail at what they propose. We need a training system that is nurturing and without harassment or bullying, yet robust enough to prepare youngsters for the sort of tasks that they face in the brutal realities of Iraq or Afghanistan.

We want the Government to ensure that there is a duty of care, but all hon. Members are fully aware that, in the end, we are training soldiers.

Mr. Ingram: I do not intend to comment about the four individual deaths to which the hon. Member for Woodspring (Dr. Fox) referred. Enough grief has washed over the families involved already, and this has been another bad and difficult day for them. The report looks at those deaths, but goes much wider. I agree with the hon. Gentleman's assessment of the achievements of our training environment, and I shall not elaborate on what has been said time and again about the quality produced at Deepcut and elsewhere.

The hon. Member for Woodspring asked a range of questions, some of which have been answered on previous occasions. Additional resources for instructors have been made available, and we are constantly looking at the balance in this matter. I do not want to go into the history too much, but part of the problem in the past was that the training environment was stripped out to meet front-line demand. The Government inherited that problem and have been trying to address it, but strengthening the training environment means that senior and capable personnel are taken away from the front line at an exceptionally busy time. The Government must strike the right balance, and we are making significant progress.

The hon. Gentleman asked about the way in which we assess the background of recruits. New procedures have been put in place to do that, so that we have the best assessment of the nature and characteristics of the young people in question. Not all of them come from vulnerable backgrounds or are damaged individuals, and I would not like it to be thought that that is the quality of the young recruits to Her Majesty's armed forces. It is not. There are some with those characteristics, but many come from stable family homes and military families. None the less, we have to understand the breadth of the range of individuals with whom we are dealing.

The hon. Gentleman raised the unquestionably important matter of phase 1 and phase 2 training. Our aim is to make sure that we do not have recruits, in effect, sitting around doing nothing while they wait for their next posting, and that has been tackled substantially. The average number of soldiers awaiting trade training for more than 14 days has decreased from more than 1,100 in 2003-04 to 456 in 2005-06, and we shall work to improve that. For Deepcut alone, the comparable figures are a decrease from 136 to 75. Sometimes it happens for a good reason, but we recognise that it is an issue none the less.

The hon. Gentleman asked about coroner's inquests and the backlog in what is done for those whose bodies are repatriated from Iraq, Afghanistan and elsewhere. We have announced new measures, in consultation with the Department for Constitutional Affairs. Three additional assistant deputy coroners, one of whom is a retired High Court judge, will be appointed to assist the Oxfordshire coroner in dealing with the backlog of Iraq-related inquests. As of last week, 59 inquests were outstanding on service personnel whose bodies were repatriated to RAF Brize Norton. We have at all times recognised that that is a problem, and we are now beginning to tackle it. Throughout, the interests of the grieving families must remain paramount.

The hon. Gentleman asked specific questions about the role of the commissioner and he expressed a strong—indeed, prescriptive—view. I would say, let us examine the merits of the role of the commissioner. In the Armed Forces Bill, we will define in broad terms what the commissioner will do—we will have to table amendments, which will be subject to debate in the other place, where the Bill now is, and perhaps in this place when the Bill returns to the Commons. It is worth having the arguments; I simply ask the hon. Gentleman and his colleagues to have an open mind and not to be too prescriptive. Let us see what the best method and the most acceptable solution are. I believe that the framework that we have set out has great merit. An important aspect of that is that it does not undermine the chain of command, which is paramount in all that we seek to do.

Nick Harvey (North Devon) (LD): I thank the Minister for the statement and for advance notice of it. I welcome the Government's positive response to some of the Blake recommendations.

On the matter of Surrey police sharing with the families evidence to which they have been struggling to gain access for more than three years, I applaud the fact that the right hon. Gentleman has entered into correspondence with the chief constable. If the problem is that the police believe that people gave evidence on an anonymous basis, will he explore with

the chief constable the possibility of disclosing the evidence at least initially on an anonymous basis, with names obscured?

Turning to the crux of the matter, the Minister has just responded to the shadow Secretary of State on the proposed service complaints commissioner. I welcome the Government talking about the importance of independence and bringing independent assurance to the process, but I am sorry that the Minister turned down the opportunity to tell us more about the remit of the commissioner. Who will appoint the commissioner? What will his powers be and what resources will he have? To what extent will the commissioner have the power to instruct a remedy, or will he simply have an advisory role that goes back up the line of command? Will there be independent people on all service complaints panels? What ability will the commissioner have either to intervene in complaints or to initiate inquiries on the basis of evidence that he sees, or of a pattern or picture that he sees emerging? We need to hear a lot more about this matter before we can judge whether, as the Minister says, the title of service complaints commissioner is justified.

On accommodation for young recruits and recommendations 2 and 8, will the Minister explain why the recommendation to train under-17s in establishments exclusive to that age group has been rejected? Will he reflect on the findings of the Armed Forces Pay Review Body and the comments of the previous Secretary of State that accommodation is in a "worse position" than anything else. What does he intend to do about the accommodation issue?

Mr. Ingram: I thank the hon. Gentleman for some of his comments, but perhaps not all of them. On the question of Surrey police, we are talking about something that is a matter for the police. The fact that I have written to the chief constable to indicate what I think would be of benefit reflects a view that I have taken from the early stages—as my knowledge grew—that the reopening of the inquests would be desirable. It is not in my power to so direct. The Surrey police information may provide sufficient grounds to allow that to happen, but I do not know, because I have not seen it in detail. I cannot intrude in that matter other than to indicate my strong preference as to what should happen. I cannot direct on that matter.

On the commissioner's role, the hon. Gentleman had an early view of my statement and I have set out what the remit of the commissioner would be. I have been careful in the response—I do not want to say that this tops and bottoms it or ends it. We are fortunate that we have the Armed Forces Bill where this matter will be ventilated and can be discussed and examined. I would not want to close down on any reasonable suggestion. However, I do not want to put in place or encourage anything that seeks to undermine the important role of the chain of command. That is why we have said that the independent commissioner would have the right of reporting to the commanding officer, the right of follow-up in terms of finding out what happened as a result of all that, and, importantly, the right of access to Ministers and to report annually to Parliament. If there was a pattern developing, or even a significant case, it would be down to that individual to draw the Minister's attention to it if he felt that there was reluctance, unwillingness or blocking on the part of the commanding officer or the system itself. So, we have an insight into what is going on. That has not been there before. However, I will resist any attempt to undermine the independence of the commanding officer or their right to ensure that proper discipline is maintained in their unit. We have made a substantial move and, hopefully, it is to be welcomed and subject to further examination.

Accommodation is a big issue; there is no question about that. That is why we have re-profiled a lot of our spending approaches to try to make sure that we can lift the quality of accommodation. We have a massive backlog to attend to. The moneys would not simply be available to anyone. We are not talking about a wish list, but about practicalities, given the hundreds of millions—if not billions—of pounds that would be required to improve that accommodation. We have a progressive programme to deal with all that. Although we can see the objectives of the recommendations, the delivery will take some time to achieve. That is what we have now set out to seek to achieve.

I suggest that the hon. Gentleman take the time to read our response to the recommendations—I accept that he has not had that opportunity. We set out the rationale. It is fairly long and I do not want to read it out in detail, other than to say this: we recognise that there is an issue and we are seeking to address it. We have best practice and very good training environments at Harrogate and Bassingbourn. We can see the quality that comes out of that type of training establishment, where there is a separation of the single young people, and the type of training that we can give them. Whether that can be matched across the whole of the training environment has to be judged in terms of what we are trying to train. We are talking about a soldier going into the front line. We have got to judge the quality and robustness of that training.

I make a final point to the hon. Gentleman. Mr. Blake's report referred to the unsolicited comment of a young trainee in which he said that he felt that he was being mollycoddled. Soldiers react to being mollycoddled because they might be in the front line tomorrow, so that is why a balance has to be struck.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I welcome the considered and detailed response that the Minister has given to Nicholas Blake's review. May I question him further on the independent commissioner—the service complaints commissioner? As he is aware, I would have preferred a commissioner with the powers that Nicholas Blake outlined; nevertheless, I welcome the establishment of a service complaints commissioner. As we will be having further discussions on the matter, will the Minister consider the independence and powers of the commissioner, because families will be asking questions about that? For example, he outlined that one of the commissioner's powers will be to refer complaints to the chain of command for appropriate action, but what will happen if the chain of command has already considered those complaints? In such circumstances, the individual concerned and his or her family will want reassurances about the powers of the commissioner and the way in which the commissioner can investigate. Will the Minister consider those powers

[Mrs. Joan Humble]

and give assurances about independence so that the families, in turn, can be reassured?

Mr. Ingram: I fully respect and understand the position that my hon. Friend takes, but I ask her to take account of all the other things that we have done. The adult learning inspectorate can carry out notified and unnotified visits to training establishments. It can then examine all the things that we have put in place regarding duty of care to determine whether that is being effectively delivered. The overall delivery is thus subject to independent scrutiny.

The commissioner will bring to the process a recognition of the fact that many young people feel that they do not have confidence in the system. The same may be the case for their parents, although the young people might not be fortunate enough to have parents who care for them directly. Indeed, a friend of the young person or someone serving alongside them could trigger the process. The people or their families could tell the commissioner that something that had happened had been brushed over. A one-off incident would be bad enough, but if an incident indicated that there was a pattern of events, the commissioner would be on to that very quickly. If there was any indication that the system—be that an individual commanding officer, or a more institutional process—was blocking what the commissioner was trying to do, the commissioner would have access to the Minister and could report accordingly.

There is now enough raised awareness in the Ministry of Defence for us to realise that we cannot allow the problems of the past to recur. However, we can never guarantee that sad incidents will not happen. We cannot be perfect, and we will never be able—in any part of civil or military life, or any aspect of society—to avoid self-harm or difficult circumstances arising owing to bullying and harassment. However, we are trying to put in place an environment that will ensure that those who have direct responsibility through the zero-tolerance approach will fully understand what they have to do. If they are not delivering, the commissioner will be able to take the matter up with the commanding officer and report to the Minister. There is also the independent overview from the adult learning inspectorate. I do not think that there is any other aspect of what the public service delivers that has such public scrutiny. We have not yet reached a conclusion on the final role of the commissioner, because that will be determined as part of the proceedings on the Armed Forces Bill.

Michael Gove (Surrey Heath) (Con): I thank the Minister for his thoughtful and considered statement. As the constituency Member for Deepcut, I would like to ask about the Government's response to recommendation 8, which was about the future of the training estate. I wrote to the then Secretary of State for Defence two months ago to explain to him that Defence Estates had slated the entire Deepcut barracks for sell-off and future development. Understandably, there is concern in my constituency that the Ministry of Defence wants to wash its hands of Deepcut. Can the Minister assure me that he has total confidence in the current leadership at Deepcut? Will he assure the leadership and the broader community that an excellent job is now being done? Will he give us a clear indication of what the future of the barracks will be and tell us what Defence Estates is up to?

Mr. Ingram: I pay tribute to the current leadership and those who carry out the role of instructor. The quality of the young corporals and sergeants, who throw their hearts into trying to create the high-quality trainees and front-line soldiers that we so need, never ceases to amaze me, as I saw on my last visit. There is no question about that. The last inspection by the adult learning inspectorate said that Deepcut had become an exemplar. Perhaps that is a feature of the focus that has been on it, but I think that it would have happened anyway because of the intense effort that has gone in to lift the quality of what we do in the training environment. The "train the trainers" process will train instructors. We are opening a school at Pirbright in 2007 to do just that, and it will be designed to give quality training to those who become trainers. That has not been done before and was a deficiency. I pay tribute to those who deliver training at Deepcut.

I have not seen the hon. Gentleman's letter. I do not know what has happened to it. It was not addressed to me and I suppose that it is somewhere within the big sausage machine. No doubt he will get an answer in due course. The defence training review means that I cannot tell him the future of Deepcut, any more than I can tell him the future of any part of the training environment. It is a comprehensive undertaking and a major examination of how best we can deliver training outputs. There will be change. I cannot say how it will affect Deepcut. I do not think that people want to wash their hands of it, which is why I pay tribute to those who deliver the service there. Let us remember that 1,700 recruits go through that establishment each year, as I am sure he is only too well aware. All of them are of a very high quality.

Michael Jabez Foster (Hastings and Rye) (Lab): I thank my right hon. Friend for the comprehensive and thoughtful response to the Blake inquiry. Of course, families will not be wholly satisfied short of a public inquiry, but that was not recommended and I suspect that he will not suggest it today.

Recommendation 31 deals with legal representation before and during an inquest, and with legal advice that is given earlier. My right hon. Friend said that exceptional funding is available for inquests, but given what else he said, such tragedies will be more exceptional. Is it possible for him to say that legal representation will be available in every case to assist families immediately and in the inquests that may follow?

Mr. Ingram: My hon. Friend is right about the public inquiry. He is only too well aware that Mr. Blake did not, after all his examination, consider it necessary, assuming that a lot of other things take place. We are delivering on those.

I gave a lot of thought to all the recommendations, but to recommendation 31 in particular because of the position that families find themselves in at coroners' inquests. However, inquests are not adversarial, as my

hon. Friend will know. If we inject a legal process into the arrangements, we could change their very nature. There are other ways in which individuals and families can seek legal remedy, given the circumstances.

The process is about establishing the facts and getting as much background as possible on what happened. It is then left to others to judge whether a wrongdoing or whatever had taken place. The approach that we—society as a whole—take to supporting families at coroners' inquests or fatal accident inquiries in Scotland is to give legal support only in exceptional circumstances. It is a matter for the Department with responsibility to consider whether it needs to change the scope and framework of inquests. A Coroners Bill is out for consultation. My hon. Friend may want to make representations accordingly.

Pete Wishart (Perth and North Perthshire) (SNP): May I, too, congratulate the Government on their positive response to some of the recommendations? Does the Minister accept, however, that my constituents, Jim and Yvonne Collinson, and the other Deepcut families are no closer to finding out how and why their children died? The Blake report was good in places, but it only told us so much about what happened at Deepcut. Does he accept that, given the Government's positive response to the report, we must find out how and why those young people died? The only way to do so is to compel witnesses to come forward and cross-examine them in a public inquiry.

Mr. Ingram: No, I do not, because that would not achieve the end result sought by the hon. Gentleman. The Blake review was exhaustive, and it examined all of that territory. I do not think that anything was held back or that Mr. Blake was hoodwinked—I am not saying that the hon. Gentleman made such a suggestion. Mr. Blake put a great deal of effort into the review and, while he was critical of some aspects of what was going on, he revealed information of which we were not previously aware, allowing us to take action accordingly.

The presumption behind the hon. Gentleman's question is that the process of a public inquiry would lead to the "how" and "why", but we cannot be certain that it would do so. There have been five police reports, and we have conducted our own internal investigations. He said that Blake's was a good report in part, but I think that it is a good report in total. If Mr. Blake had concluded that a public inquiry was necessary, I would have been in a dilemma, given my view that that was not the case. I would have had to weigh his opinion against my own. It is with a sense of relief that I find that I do not have to do so, as he advances an extremely solid argument to support the conclusion that a public inquiry is not necessary. I hope that we all use our best judgment to find on the same basis. It is easy to continue running a campaign, but for what purpose, if it does not produce the result that is sought?

Mr. Kevan Jones (North Durham) (Lab): I often think that dealing with the Ministry of Defence is like pushing water uphill. We are slowly getting there, given the announcement of a commissioner, who will provide the independent oversight that is needed. Like the hon. Member for North Devon (Nick Harvey) and my hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble), I am concerned that we have not been provided with details of the commissioner's role and remit. My right hon. Friend the Minister said that we needed more discussion, but following a report by the Select Committee on Defence and discussion of the Armed Forces Bill, is it not time to determine the detail of the commissioner's role? Unless we do so, we will be reluctant to support the proposal when we debate the Armed Forces Bill in the House. Unlike the hon. Member for Woodspring (Dr. Fox), I believe that it is vital that the commissioner should be independent. The expectation that he should be associated with the armed forces is quite wrong, so I urge the Minister not to appoint anyone who is connected in any way with the military chain of command.

Mr. Ingram: I am sorry that my hon. Friend thinks that he is pushing water uphill. I do not know whether he is Jack and I am Jill, or whether it is the other way round, but this is a very good complex issue. Having served on a Select Committee, I know that it is easy for Select Committees to offer headline solutions.

Mr. Kevan Jones: Rubbish!

Mr. Ingram: The hon. Gentleman is critical, but I should be grateful if he allowed me to express my view. It is easy to provide headlines and expect someone else to deliver, which is exactly what the Select Committee recommended. It was a helpful recommendation, and I do not wish to diminish it. The first piece of legislation that I steered through the House as a Northern Ireland Minister dealt with the reform of the Royal Ulster Constabulary, and one of the main issues that it addressed was the need to put in place an ombudsman to deal with police complaints. It took us a long time to achieve agreement, as my hon. Friend will accept, but it was not a case of pushing water uphill. It was a case of getting the best definition because it had to stand the test of time.

We are fortunate that we have the Armed Forces Bill, which allows proper scrutiny through the parliamentary process, rather than a prescriptive definition, top and bottom, by a Minister, albeit a Minister such as I, who has a great deal of detailed knowledge of the subject. I am prepared to set out the very broad but very specific parameters of what we are seeking to do with the new position, and I want to hear what is said and whether we have gone far enough once we define it in the Bill.

I can think of no better way of arriving at the best conclusion than having that whole debate in the open, rather than by ministerial edict. As for being prescriptive, my hon. Friend said what should not happen. I am not responding to that, because I want to hear the arguments for and against. We have time to do it. We can do it through a form of legislation. We have the vehicle for that, fortuitously. I know that my hon. Friend will continue to participate in that debate.

Mike Penning (Hemel Hempstead) (Con): I am sure the Minister will agree that we need fair, robust and disciplined training for our armed forces. When I went through basic training as a 16-year-old soldier, one

[Mike Penning]

thing that we had then which we do not have now to address the myriad problems that young people have was trained soldiers in the barrack rooms with us throughout our basic training. When I recently visited the training regiment at Pirbright, several times while I was there the question was, "Would you like to have training soldiers in the rooms with you?" and the answer was, "Yes, we would," because it addresses the camaraderie and the training that they needed. Will the Minister consider that? He mentioned that we would debate the Armed Forces Bill when it returns from the other place. Can he confirm that we will have an opportunity to debate it in the House?

Mr. Ingram: On the latter point, was the hon. Gentleman asking when or whether the Bill would come back to the House?

Mike Penning: Will it come back here for debate?

Mr. Ingram: That depends what happens in the other place. I am not the master of that. The fact that the Bill is to be amended means that it will have to come back. I will not go into parliamentary procedure, but I am sure the hon. Gentleman will find an opportunity to say what he wants to say about the detail.

On the subject of trained soldiers alongside recruits, is that desirable? Does it raise accommodation issues? I prefer to hear what those who are expert in the matter say, rather than expressing the ministerial position. It could be a sensible proposition. The hon. Gentleman said it helped him, but maybe he needed a lot of help.

Mike Penning: Trained soldiers asked me, because they needed help.

Mr. Ingram: We must consider what benefits would flow from the proposal. Then there is the question of how many people would be required. Is there a benefit? Possibly. How many would need to be available to deliver it? The instructors are trained soldiers, as we know—

Mike Penning: No, they are not.

Mr. Speaker: Order. I know the hon. Gentleman is an ex-serviceman and has a great deal of knowledge, but when he asks a question of a Minister, he must get a reply, just as in the Army, when the sergeant starts speaking, he has to listen.

Mr. Ingram: I hope I do not get the same admonition, Mr. Speaker.

One of the aims that we seek to achieve with the new accommodation blocks is a better spirit of camaraderie. One of the failings of single living accommodation was that it allowed individuals, trained or untrained, to live in an isolated room of their own. We have therefore reconstructed our approach so that there is now a common area and more integration. We need trained personnel close to all of that, but—at the risk of contradicting my earlier comment that it would be wrong of a Minister to try to impose a solution—it would have to be with a light touch, not a heavy touch. It must be carefully managed so that people grow and are not dragged up. People should grow naturally with best example, not forced example.

Meg Hillier (Hackney, South and Shoreditch) (Lab/Co-op): I want to preface my remarks to the hon. Member for Woodspring (Dr. Fox)—

Mr. Speaker: Order. I know that the hon. Lady is a new Member. She does not need to preface her remarks to an Opposition Member. She needs to ask the Minister one supplementary question.

Meg Hillier: Forgive me, Mr. Speaker. I will speak to the hon. Member for Woodspring later. I have three quick questions—

Mr. Speaker: Order. I have said just one.

Meg Hillier: I have one quick question. I am heartened that the Minister has written to Surrey police, but I want to place it on the record that I have not received a response to my letter to Surrey police in two and a half months and that none of the families—I represent the Gray family—has received anything. Can anything be done to pursue that matter? On recommendation 31, I fully endorse the comments by my right hon. Friend the Minister and wonder what conversations he has had with the Department for Constitutional Affairs. On recommendation 26, has he had any contact with the Canadian forces about their experiment with an ombudsman, which has been highly successful and did not involve anyone with a military background? I welcome the steps in response to recommendation 26, but I wonder what further progress will be made.

Mr. Ingram: I am sorry that my hon. Friend did not get the chance to put all her questions. I am also sorry to hear her comments about Surrey police, and suggest that she take up the matter with the relevant Minister. It is a matter of regret that the families have not received a response, and I will see what more I can do in that particular area. On the experience of others, whether it involves Canadians, Australians or the Dutch, we have examined how we can best deliver our objectives. I have not had a discussion with the Canadian forces, but I have examined what is possible in terms of structure and therefore output.

The window has been left slightly open because of the Armed Forces Bill. We have defined the broad parameters of what we are seeking to do, and our objectives are comprehensive and will make a substantial difference. If, however, other examples are brought into play during the process of consideration, we must consider them and respond according to the normal democratic processes. There is no doubt in my mind that the debate in the other place on that issue will be intense.

Lembit Öpik (Montgomeryshire) (LD): Nicholas Blake clearly stated that if the Government refused to establish an independent commissioner for military complaints, he would call for a full, independent public inquiry into the Deepcut deaths. Is it not obvious that the Government have refused that specific

recommendation and that years of co-operation and patience on the part of the parents have been paid back with secrecy and defensiveness by the authorities and a process that actually refers complaints back into the chain of command for action? Does the Minister recognise that he has left us no option but to force a full independent public inquiry, presumably with Nicholas Blake's support, without which the parents will receive few answers, little disclosure, no commissioner and no justice?

Mr. Ingram: The hon. Gentleman and I have worked closely on this matter, but a big gap has appeared, which I regret. Nicholas Blake did not make that point in his report and did not make it a condition, and only he can comment on whether he is satisfied or otherwise with our recommendations. Rather than jumping to the conclusion that Mr. Blake is not satisfied, the hon. Gentleman should wait to hear what, if anything, Mr. Blake says. I do not accept that there has been secrecy and defensiveness. I do not know how many statements I have made to the House or how much more transparency is required. Our actions have been extensive, and I think that we have gone a considerable way to meeting what the hon. Gentleman wants. The point underlying the hon. Gentleman's argument is that the chain of command should be stripped of responsibility.

Lembit Öpik *indicated dissent.*

Mr. Ingram: I am trying to interpret what the hon. Gentleman has said, in the same way as he interpreted what Mr. Blake has said. If he is saying that putting the complaint back to the chain of command somehow undermines the quality of the decision-making process, I disagree fundamentally, and I will tell him why. The chain of command has to ensure proper discipline and structure in the organisation for which it is responsible. We cannot allow that to be transferred to someone else, even someone with a military background. We have rejected Mr. Blake's recommendation that someone with a civilian background should try to determine the right to go to legal process, because there is nowhere in our civil processes where that would apply.

This matter has been given very careful consideration. I uphold the primacy of the chain of command. I recognise that it has made mistakes in the past and will do so in the future. It is not perfect, but that is not for the want of professionalism, commitment and a determination to deliver what is best. The hon. Gentleman's judgment should be based on how many recruits go through that training environment year upon year. It is not a broken regime. If anything, it is an exemplar for the rest of the public service, and it passes muster with anything internationally.

Mr. Crispin Blunt (Reigate) (Con): Following Deepcut and, perhaps more importantly, the growing separation between the military and the rest of society and the enormous operational commitment now undertaken by the armed forces, the challenge faced by the training establishment in producing the world-class soldiers referred to by my hon. Friend the Member for Woodspring (Dr. Fox) grows all the time. Does the Minister accept not only that the Army must put its best officers and NCOs into the training establishment, but that the Government must support investment in the training establishment—preferably with money from the Treasury, but if that is not available, from the balance of resources that he presides over? The training establishment will have to get more resources, perhaps at the expense of the equipment programme or other areas, because people who are making the change from ordinary members of society into world-class soldiers must have the necessary investment now and a growing scale of investment in future.

Mr. Ingram: If I did not know that before, I certainly know it now, not only because of what the hon. Gentleman has said but because of the learning process that I have had to go through over the past five years in dealing with this issue. That is why more resources have been put into the training environment and why we corrected the decision made in past years. I am not making an adverse comment, but merely saying that a decision was taken that had to be reversed because it had not produced the right results, and we therefore had to find a new way of doing things.

We are instituting the "train the trainer" environment and opening up a new school for all instructors because, as the hon. Gentleman will know, the best soldier is not necessarily the best instructor and the best officer is not necessarily the best person to run a training establishment. It is a question of finding the right people for the right roles. If someone needs to make up a deficiency in their knowledge base, that is what their training process will entail. It will lift their skills and knowledge and the subtleties that they have to apply in dealing with young people, and sometimes not-so-young people, as they put them through that training environment. I would argue that we have very high-quality training, although I know that the hon. Gentleman is not saying anything different. I agree, however, that we have to make it even better because of the demands that are now placed upon our service personnel.

Mark Pritchard (The Wrekin) (Con): The introduction of the service complaints commissioner provides a new process by which people can make complaints, but it is a formal process which some recruits might find intimidating. Does the Minister agree that the Army chaplaincy plays a valuable role as regards complaints within the armed services? Is he aware that currently the Territorial Army is 26 undermanned as far as chaplains are concerned and that the regular Army is looking for 16 extra chaplains? What will he do to address that important issue?

Mr. Ingram: I agree with what the hon. Gentleman says. Others should listen to the way in which the argument was presented. If the process that we are considering has to be triggered, that almost constitutes a failure because it means that all the other duty of care mechanisms that we have put in place will somehow not have picked up the problem. That is why we are investing so heavily not only in the chaplaincy but in all the other informal and formal structures so that people know that anonymous helplines are available, that they can go to Samaritans, the Women's Royal Voluntary Service and a range of contact points.

[Mr. Ingram]

The other important aspect is that all our instructors will be better trained to pick up the noises off. If there is a problem, they should tackle it quickly. If anything goes to the commissioner, that is, in a sense, a failure, assuming that the case is proven. It may not be—a case could be anecdotal or not add up to anything. However, we need the protective mechanism so that, if people feel that nobody has been listening to them—that has been part of the complaint in the past—that final recourse is available. It could end up on a Minister's desk. The process is therefore well rounded but it has to succeed at the bottom, not only at the top. If it does not succeed at the bottom, we have a problem. I do not believe that we have a problem; we have issues to which we must attend, and we are doing that.

I cannot provide a specific answer on the chaplaincy—we do not have the power to dragoon members of the Churches or of other faiths into uniform. However, I appreciate that it is an important part of what we do and I hope that the Churches and other faith groups are examining how best they can help us.

BILL PRESENTED

HONOURS (PREVENTION OF CORRUPTION)

Mr. Angus MacNeil, supported by Dr. Richard Taylor, Mr. Elfyn Llwyd, Mr. Alex Salmond, Adam Price, Angus Robertson, Hywel Williams, Mr. Mike Weir, Stewart Hosie and Pete Wishart, presented a Bill to regulate the award of life peerages to donors to political parties; to create an Honours and Appointments Commission with responsibilities relating to the awarding of certain honours and life peerages to donors to political parties; to create a quarantine period between the award of an honour and a donation to a political party; to regulate donations to political parties from individuals or organisations who benefit from government contracts or sponsor government programmes; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 20 October, and to be printed. [Bill 196].

Special Educational Needs

4.31 pm

John Bercow (Buckingham) (Con): I beg to move,

That leave be given to bring in a Bill to require that statements by local authorities relating to special educational needs are issued independently of decisions about the funding of facilities and services arising from such needs.

In that context, I declare an interest as the father of a two-and-a-half-year-old boy who will almost certainly have special educational needs.

Interest in special educational needs in the House since the general election has been reflected in no fewer than 93 written and oral parliamentary questions. In addition, although there has been no debate on the subject in Government time, three debates have been held on the issue, notably those initiated by my right hon. Friend the Member for Witney (Mr. Cameron) on 22 June last year in Opposition time, my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries) on 29 November and the hon. Member for Warrington, North (Helen Jones) on 7 March, whose debate covered Asperger's syndrome in her constituency.

What are the central facts about special educational needs? There are currently 1,230,800 children with special educational needs, but without a statement, in this country. In addition, 242,600 children have special educational needs and a statement. Of course, the needs vary greatly. They can result from learning difficulties, sensory impairments or physical disabilities. It is important to understand that they can be moderate and one-dimensional. However, they can also be severe, complex and multifaceted. We can be fairly sure of one fact in that labyrinthine field: there is no evidence to suggest that any reduction in the number of children with special educational needs is likely soon. Indeed, the evidence points overwhelmingly in the opposite direction. A continuing increase in the number of children with special educational needs is expected.

It is therefore noteworthy and a source of concern that, as a result of direct Government encouragement, the number of new statements of special educational needs is in marked decline. In 1998, 35,650 new statements were issued; by 2004, the figure had fallen to 26,000. It is important for all right hon. and hon. Members to reflect and to come to a view on the statementing process.

I want to make a number of observations that seem to be fair-minded and relevant. First, a great many parents regard a statement as a lever that they can pull, a source of comfort or a guarantee of assistance. I do not sniff at that; it is extremely important. However, large numbers of them are simultaneously gravely concerned by the weaknesses in the existing statementing process. To put it simply, the process is too bureaucratic, too adversarial, too time-consuming, too expensive and, all too often, too vague. As a consequence of those failings in the system, too many children wait too long, are promised too little and receive even less.

We can observe the evidence recently produced in a serious study by the National Autistic Society. It conducted a survey that showed that 31 per cent. of

children, according to their parents, are not getting the help that has been promised in their statement, and that only 55 per cent. of children are receiving the speech and language therapy that their statement stipulates that they should receive. In the light of those statistics, it is perhaps unsurprising that 79 per cent. of the parents who appeal, in protest against that lamentable state of affairs, to the special educational needs and disability tribunal—SENDIST—are successful in their appeals.

This is a serious situation. People have to wait a long time and are often promised less than they think is their due. They then find that they are not even to be given what they have belatedly and inadequately been promised. It is incredibly difficult even to enforce the entitlement that they have, in a very delayed fashion, been given. These are serious concerns.

The second concern involves SENDIST itself. Thousands of parents appeal every year. They do so because they have been denied a statutory assessment of their child, or because they have been denied the issue of a statement for their child. They appeal because there is an insufficiency of specific support in their child's statement, or because they have been denied their preference of school for their child.

Significantly, increasingly and ominously, however, there is evidence of difference in success at the tribunals depending on socio-economic status. To put it bluntly, someone who is educated, articulate and relatively deep-pocketed will do well at a tribunal because they make their appeal, they hire the solicitors, they secure the specialist reports and they fight the system. Those people are successful. However, people who are uneducated, inarticulate and have no money are less likely to go to a tribunal. If they do, they are less likely to succeed, because they are less likely to be able to afford or secure the specialist services that are often a prerequisite of success. They will fail. They will lose.

The time has come to change the system, and I would like to make a number of specific suggestions in the context of adopting a new approach. First, we should dispense with statements and replace them with special needs profiles. The responsibility for crafting such profiles would fall to accredited assessors from the educational psychology profession. They would decide on the level of support that should be provided to the child, choosing from a number of tiers.

Secondly, we need to establish a national funding agency separate from and independent of the arrangements outlined in my first proposal. The necessary payment would come from that funding agency, and it would go with the parent, on behalf of the pupil, travelling with him or her to the institution that he or she attends.

My third proposal is that we establish a special educational needs standing commission. Its role would be to accredit the assessors, to hear appeals and to offer advice—in the light of emerging practice and policy—to the national funding agency about requirements and needs and the increase in public expenditure necessary to meet them.

My central thesis is that that would be a real advantage over the present system, which is weak because local education authorities assess and decide, pay and provide. For the most part, they are in control of the whole process, and we need to make it a great deal more independent. We need to make it quicker and fairer—independent of the Government, independent of local authorities and independent of the sources of supply. That, surely, makes sense.

I do not decry the very real efforts made in the field of special educational needs. It is a complex area, in which there is always a danger of generalisation. There is good practice, bad practice and indifferent practice. Every child is unique; each case is different; but there are serious weaknesses. I politely suggest to the Government that a real problem is now emerging: the desire to cut costs and the elevation of the useful tool of inclusion into some sort of dogmatic edict in every particular, which is grossly damaging and needs to be changed. We are talking not about guinea pigs in some giant experiment of starry-eyed social engineering, but about children who need help, more help and better help, and who need it now. My Bill will help to provide it, so I commend it with enthusiasm to the House.

Question put and agreed to.

Bill ordered to be brought in by John Bercow, Mr. Peter Bone, Mr. Douglas Carswell, Mrs. Nadine Dorries, Mr. Nick Gibb, Stephen Hammond, Mr. John Hayes, Mr. Philip Hollobone, Kelvin Hopkins, Dr. Julian Lewis, Mr. George Mudie and Bob Spink.

Special Educational Needs

John Bercow accordingly presented a Bill to require that statements by local authorities relating to special educational needs are issued independently of decisions about the funding of facilities and services arising from such needs: And the same was read the First time; and ordered to be read a Second time on Friday 20 October, and to be printed [Bill 195].

Points of Order

4.42 pm

Meg Hillier (Hackney, South and Shoreditch) (Lab/Co-op): On a point of order, Mr. Deputy Speaker. During the previous statement by the Minister of State, Ministry of Defence, the hon. Member for Woodspring (Dr. Fox) made some inaccurate comments—unintentionally, I am sure—about the reasons behind the death at Deepcut barracks of my constituent's son. For the family's sake, I want that inaccuracy to be put on the record.

Lembit Öpik (Montgomeryshire) (LD): Further to that point of order, Mr. Deputy Speaker. Cheryl James, the daughter of one of my constituents, also died at Deepcut barracks. For the avoidance of doubt, I support what the hon. Lady has said. No substantiated evidence of self-harm has been produced. It is important to put that on the record, because it has caused great distress to the parents. It would be a shame and very upsetting if that misunderstanding were repeated in today's record.

Mr. Deputy Speaker (Sir Alan Haselhurst): The whole House understands the sensitivity of the issues, but it does not prevent my saying that it is not in order to pursue a matter of debate in the guise of a point of order. In the case of the hon. Member for Hackney, South and Shoreditch (Meg Hillier), Mr. Speaker specifically refused her request earlier. Both hon. Members have now had their opportunity to make their point. As they must know, they will have further opportunities to raise particular matters of contention—including with the hon. Member for Woodspring (Dr. Fox), if they wish. They should also give him notice of their intention to pursue the debate in that way.

WORK AND FAMILIES BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Work and Families Bill for the purpose of supplementing the Order of 5th December 2005 (Work and Families Bill (Programme)):

Consideration of Lords Amendment

1. Proceedings on consideration of the Lords Amendment shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement at this day's sitting.

Subsequent Stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*[Steve McCabe.]*

Question agreed to.

Orders of the Day

Work and Families Bill

Lords amendment considered.

Schedule 1

LEAVE AND PAY RELATED TO BIRTH OR ADOPTION: FURTHER AMENDMENTS

Lords amendment: No. 1.

4.44 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): I beg to move, that this House agrees with the Lords in the said amendment.

The Lords amendment was tabled by the Government to correct a minor drafting error in schedule 1, which amends section 80E of the Employment Rights Act 1996. At paragraph 38, line 32 the schedule currently reads:

"The employers on whom duties may be imposed by regulations under section 80AA or 80BB include not only employees exercising rights by virtue of that section and their employers".

The paragraph then lists other people covered by the law. The correct wording is:

"The persons on whom duties may be imposed by regulations under section 80AA or 80BB include not only employees exercising rights by virtue of that section and their employers"

and so on.

As well as not achieving the policy intention of including mothers as well as employers, the current wording of paragraph 38(3) does not make sense, as the definition of employer cannot include employees. It is clear that that was a minor drafting error made during the construction of the Bill. The error was unfortunately only noticed shortly before Third Reading in the other place, hence the requirement to make an amendment at this late stage.

I ask hon. Members to agree with the Lords in accepting the amendment, and I apologise to the House for any inconvenience caused.

Mrs. Eleanor Laing (Epping Forest) (Con): May I take this opportunity to welcome the Minister to his new post and congratulate him on the excellent brevity of his first speech on this subject? May I astound the House by agreeing with him entirely in every word? This is clearly a drafting error. The Bill does not make sense as it stands and it must be corrected. I certainly do not oppose the Lords amendment. I will resist the temptation to go further into the rights and wrongs of the Employment Rights Act 1996, which, of course, was mostly right, not wrong, given its date. I entirely agree with the Minister and support the Lords amendment.

Mr. Edward Davey (Kingston and Surbiton) (LD): I welcome the Minister. We agree.

Lords amendment agreed to.

ELECTORAL ADMINISTRATION BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Electoral Administration Bill for the purpose of supplementing the Order of 25th October 2005 (Electoral Administration Bill (Programme)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion three hours after their commencement at this day's sitting or at the moment of interruption on this day, whichever is the later.

2. The Lords Amendments shall be considered in the following order, namely: 7 to 15, 61 to 75, 1 to 6, 16 to 60 and 76 to 132.

Subsequent Stages

3. Any further Message from the Lords may be considered forthwith without any Question being put.

4. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*[Steve McCabe.]*

Question agreed to.

Electoral Administration Bill

[Relevant documents: First Joint Report from the Constitutional Affairs and ODPM: Housing, Planning, Local Government and the Regions Committees, Session 2004-05, HC 243, on Electoral Registration; and the Government's response thereto, Cm 6647. Oral and Written Evidence, taken by the Constitutional Affairs Committee, Session 2005-06, on Electoral Administration, HC 640-i and 640-ii, and on Party Funding, HC 1060-i.]

Lords amendments considered.

New Clause

Lords amendment: No. 7, before clause 13, to insert a new clause—*Absent voting: personal identifiers.*

4.48 pm

The Parliamentary Under-Secretary of State for Constitutional Affairs (Bridget Prentice): I beg to move, That this House agrees with the Lords in the said amendment.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to take Lords amendment No. 8 and the Government motion to disagree thereto, and Lords amendments Nos. 9 to 15, 47 to 49, 59, 60, 79 to 81, 89 to 93, 95, 102 and 131.

Bridget Prentice: I have placed in the Vote Office an explanatory note on these Lords amendments that, I hope, will help hon. Members to wade through the 130-odd Lords amendments before us this evening. They simply explain what the amendments will do, rather than give any detailed background to them, but I hope that they will help us to move through the course of the debate.

I ask the House to agree with the Lords in amendments Nos. 7, 9 to 15, 47 to 49, 59, 60, 79 to 81, 89 to 93, 95, 102, and 131, but to disagree with the Lords in amendment No. 8.

Lords amendment No. 7 was tabled by Lord Elder and built upon by the Government. Taken together, the series of Lords amendments are designed to enhance the security of postal voting by establishing a scheme that provides for the use of identifiers by postal voters at elections. The amendments had support from all sides in the other place. They provide for the collection of personal identifiers from persons applying to vote by post or proxy. Postal and proxy vote applicants will be required to provide their date of birth and signature on application forms. The amendments provide for the retention of identifiers by electoral registration officers and set out the purposes for which they may be used.

At elections, postal voters will be required to provide their signature and date of birth on the postal voting statement that they must complete and return with their postal vote ballot paper. All postal voters, including proxy postal voters, will be subject to that requirement. A postal ballot paper will not be deemed valid if the postal voting statement does not include both a signature and a date of birth. Furthermore, returning officers will be required to take steps to verify the signature and date of birth on that statement, which will involve checking that the identifiers

[Bridget Prentice]

provided on the postal voting statement correspond with those previously provided on the postal vote application. If they do not correspond, the ballot paper will be rejected. The detailed arrangements for checking postal voting statements will be set out in regulations. Under the amendments, there will be no change to the current voter registration arrangements. The amendments therefore remove from the Bill the provisions that would have allowed personal identifiers to be piloted and rolled out as part of the voter registration system.

On Lords amendment No. 8, we have said previously that we accept the principle behind individual registration. We have also accepted the practical value that the use of personal identifiers might have in combating fraud. However, it is also an important principle that everyone who is entitled to register to vote is registered. Under-registration disfranchises individuals and skews the map of political representation. Northern Ireland is often cited on both sides of the debate. The main Opposition party has frequently called for us to introduce into Great Britain the tried and tested system of individual registration. Individual registration in Northern Ireland has had some benefits, especially for the perceived security of the process, but it is not true that the experience in Northern Ireland is an argument for that system to be extended to the rest of the United Kingdom.

When individual registration was first introduced in Northern Ireland, 120,000 entries dropped off the register—a decrease of some 10 per cent. in those on the register. The 1,192,136 entries in August 2002 had decreased to 1,072,425 by December of that year. At the next canvass, the total number of entries fell slightly further to 1,069,160. The Government have taken steps to address that decline, first by reintroducing a period of one year's grace before entries are removed from the register, and secondly by introducing new primary legislation.

Mr. Oliver Heald (North-East Hertfordshire) (Con): If the hon. Lady went to Northern Ireland and talked the matter through with its electoral registration officer, she would find that, as she says, there was a dip. However, as a result of active canvassing, within a matter of months, 92 per cent. of those on the census were registered to vote in Northern Ireland, which was described by the Northern Ireland Office at the time as an outstanding success. How can she try to wriggle out of what is the obvious solution?

Bridget Prentice: The rigorous canvassing did increase registration, which had suffered an extreme dip, but has not increased it to anything near the original figure of 1,190,000. As I said, new primary legislation has been required to try to rectify some of those issues. Therefore, we believe that individual registration is not yet ready to be extended to the rest of the United Kingdom.

Chris Ruane (Vale of Clwyd) (Lab): With regard to the Northern Ireland statistics showing that registration dipped as low as 82 per cent. and then increased to 92 per cent., a registration rate of 92 per cent. on the UK mainland would not be acceptable. We want 100 per cent. registration. Anything that decreases registration should not go ahead.

Bridget Prentice: My hon. Friend makes an important point, which he has raised with me and with other Ministers. It is essential for us to do all we can to ensure that everyone who is entitled to vote is on the register and we should therefore not introduce unnecessary blocks to prevent that. Such action would constitute as much of an insult to democracy as some of the other actions that we are discussing.

Mr. Gordon Prentice (Pendle) (Lab): Will my hon. Friend remind the House of the Electoral Commission's stance on individual voter registration?

Bridget Prentice: The commission supports individual voter registration. We in Government disagree with the commission, as I have explained. We have said that we agree with the principle and we are implementing it in relation to postal votes because of the particular problems that have arisen in that regard.

Mr. Heald: If the hon. Lady leaves all the bogus entries on the register, such as Hooty McBoob, Michael Mouse and Gus Troubev, which is an anagram of "bogus voter", and there is active canvassing of new people who should be on the register, registration could be as high as 110 per cent.

Bridget Prentice: As I think the hon. Gentleman knows, although that is an amusing suggestion, we shall not be implementing it. We have included a variety of processes for the canvass. Electoral registration officers can take a number of strong measures to ensure that the register is accurate, ensuring that those who should not be on the register are not on it and that those who should be on it are.

Philip Davies (Shipley) (Con): The Minister appears complacent. Is she aware of the position in my part of the world? In Bradford, election results have been called into question because of concern about voter fraud. There has also been concern about the police time taken up in investigation of all the fraud accusations. Does she accept that the amendments provide a simple way of addressing many of the worries in Bradford and in the country as a whole?

Bridget Prentice: I am pleased that the hon. Gentleman intervened. The amendments that I am asking the House to support will indeed address the points that he raised in relation to Bradford and elsewhere.

I mentioned the Northern Ireland example. We are also concerned about the drafting of Lords amendment No. 8. It makes several references to the role to be played by the Chief Electoral Officer. Outside Northern Ireland, there is no such officer; the role is played by local electoral registration officers. That would create a serious flaw in the operation of the proposed scheme.

Individual registration has potential benefits for the security of postal voting, particularly through the

collection of personal identifiers such as signature and date of birth. That is why we included it in the Bill. We wanted to test the use of personal identifiers. Because the provisions have not yet gained the confidence of Parliament, we have adopted the alternative compromise proposed by my noble Friend Lord Elder. As I have explained, the proposal targets the use of personal identifiers primarily at postal voting. It meets the security concerns about postal ballots, and deals with concerns about the impact of personal registration on the number of people registered to vote.

David Taylor (North-West Leicestershire) (Lab/Co-op): In the interests of absolute clarity, is the Government's reason for resisting the Lords amendment based solely on the perceived likely reduction in the level of registration? If it can be demonstrated that individual registration is far and away the best means of protecting against fraud, will the Government reconsider whether there are alternatives for tackling the slightly lower levels of registration that might result?

5 pm

Bridget Prentice: I said at the outset that, in principle, we accept individual registration; we do not have a principled objection to it. However, it is clear that there are two issues that should be considered, the first of which is that the term of punishment for any offence relating to false registration will be increased from six months to 51 weeks. Some 3 million people are not on the register who should be on it, and if there were a 10 per cent. drop in registration in Great Britain, that would add another 4 million people to that figure. A register that has up to 7.5 per cent. of its eligible electors missing does not make a good register.

The Bill includes a number of important changes to the way in which registration and elections will be run, and the Government are confident that they will meet our objectives. However, we will keep the impact of this legislation under review and share the results of our evaluation with the House. This may also be an appropriate issue for the Constitutional Affairs Committee to consider, and we would welcome any such further scrutiny from it.

We will also consider whether further evaluation may be appropriate once the Law Commission has concluded its report on the use of a formal process of post-legislative scrutiny. The Government believe that this is the appropriate way forward, and I therefore hope that Members will reject the amendment.

Mr. Heald: We in this House must do everything that we can to tackle electoral fraud. Faith in our democratic process has been undermined by recent allegations. A judge has said that our system is wide open to fraud and similar to that of a "banana republic". Only last week, election results in Coventry were questioned when it was found that people who were in Pakistan on the day of the vote somehow managed to vote in person at the polling station. I understand that there are currently no fewer than eight petitions in the High Court alleging electoral fraud in the recent local elections.

Parliament cannot ignore this problem, especially as we have always taken great pride in our democracy. We used to lecture the world about parliamentary democracy; now, we are in the dock, accused of complacency. Our system is criticised not only by the Electoral Commission—that is an important fact—and by judges; it was also criticised by international election observers at the last general election, including those from Ukraine and Serbia. A few years ago, we would not have expected to have to take lectures from such countries about our system. That says a lot about how our stock has fallen.

Bob Spink (Castle Point) (Con): My hon. Friend mentioned that there are eight outstanding electoral petitions. Does he accept that, if the hurdle to tabling electoral petitions was not set so high in financial terms and in other ways, there would be many more of them? A number of petitions that barristers said would certainly have succeeded have not gone forward because of those financial and other barriers. The House should act to remove them.

Mr. Heald: It is an expensive, time-consuming and difficult process, and the fact that there are as many as eight petitions says something, because that is a substantial number.

Every authority that has examined this question has called for individual voter registration and personal identifiers. I strongly support Lords amendment No. 8, and I pay tribute to my noble Friend Baroness Hanham. The amendment simply requires a signature and a date of birth for everyone going on to the voting register. I am disappointed that the Government continue to drag their feet on this issue. I have always said that I prefer the system used in Northern Ireland, where national insurance numbers are used to verify registration. That is an excellent example to follow, and the Government have crowed about that system as an outstanding success story. A consensus must be reached, and it could be reached around Lords amendment No. 8.

The Government have already accepted that voters who apply for postal votes should have to give their date of birth and signature. That was a welcome concession, made in Lords amendment No. 7. However, if that is all right for postal votes, why cannot it be done more generally? Given that it is already accepted that two forms of identification are required for a postal ballot, why is not that an acceptable approach that could be used for identifying voters more widely? The amendment would require a signature and date of birth to be included in all voters' registration, not only in that of postal voters. I would still like to see national insurance numbers added as a personal identifier for voter registration—indeed, I have argued myself into the ground about it—but in the interests of trying to achieve a consensus, I am prepared to leave it until another opportunity arises to get it on the statute book. I hope that that will not be as a result of another scandal of the sort that we have seen in recent months. We have to secure personal identifiers for voter registration generally.

Hon. Members will be aware of the Electoral Commission's campaign for individual voter registration and personal identifiers. From the outset

[Mr. Heald]

of proceedings on the Bill, it has called for personal identifiers. The Government have gone some way towards that, and we all welcome Lords amendment No. 7. However, in the commission's briefing for this debate it says:

"The Commission is delighted that the House of Lords has voted to accept an amendment tabled by Baroness Hanham requiring applicants to provide signatures and dates of birth when registering to vote."

The amendment introducing personal identifiers for postal voting was introduced by the Lord Elder, a Labour peer, and it had the support of my noble Friend Baroness Hanham and of Lord Rennard, so we managed to reach agreement across the parties, which all—apart from Labour—wanted to make further progress. The recent alleged fraud in Coventry was the background to the debate in the other place and spurred them on. They did not want to see such things happening again. The Coventry example is just one in a long line of cases where identity has allegedly been impersonated at the polling station. The use of personal identifiers would go a long way towards protecting individuals from that kind of fraud.

The Minister in the other place spoke in support of the principle time and time again. In Committee, she stated:

"collecting personal identifiers has the potential to improve security and integrity in the electoral process".—[*Official Report, House of Lords*, 16 March 2006; Vol. 679, c. GC593.]

At that stage she also expressed her strong views about making sure that forms requesting information from people should be simple and straightforward.

Schedule 1 requires voters to sign for their ballot paper at the polling station. The amendment would therefore introduce a useful check against fraud. Those registering to vote would provide a signature that would go on the register, which would then provide a check of whether the person signing for the vote was the same person who had registered. In circumstances such as those that allegedly occurred in Coventry, that would be extremely useful. I do not see how the provision of a signature at the polling station will be much use if there is no register of the original signature in the first place. What is more, our amendment would save voters the worry of finding a legitimate counterfoil to prove their signature in any fraud investigation.

There can be few legal forms that entitle one to do something but do not involve a signature and the provision of simple details, such as date of birth. It is suggested by some that it would be so difficult that it would put people off registering to vote. However, those of us who take a close interest in these matters know that people fill in forms for almost every activity in life and that they almost always have to sign their name and give their date of birth. How difficult is it for people to sign their names? That question shows how pathetic it is that this important change is not being made by all-party agreement.

During the Bill's passage through the House, the Government accepted that a person's signature and date of birth should be used for postal voting, so how can it be said that the same requirement is too hard to be used elsewhere? My voter registration form from the London borough of Lambeth says that any change of details must be backed up by a signature and a date of birth. Lord Rennard made the same point in the other place. Lambeth is an example of a Labour council already doing something that I am calling for.

Chris Ruane: Under the current system, people do not have to give their signature. Last September's Electoral Commission report on under-registration found that between 4 million and 4.5 million people were not registered to vote. Any requirement to supply a signature and therefore make filling in the form more difficult would cause the under-registration figure to increase to 5 million people.

Mr. Heald: I do not see why the hon. Gentleman should think that that would happen. For how many things in life are people required to sign their names? The answer is that they have to do so for almost anything. People have learned how to sign their names, even under the Labour education system. Even under Labour, they know when they were born. It is not too much to ask for such simple information.

Personally, I do not think that there is much harm in asking for a national insurance number, but I have given way on that because I want to achieve consensus. What the hon. Member for Vale of Clwyd (Chris Ruane) said is old-fashioned. Not only does he clearly believe in the patrician system, with the head of the household filling in the form for everyone else, but he fails to realise what the real problem is. What happens when a registration form goes out to a flat or a house in multiple occupation? The person whose name appears on the form may well throw it in the bin. What happens if it goes to a father who thinks that the women in the house should not vote? The form may not even have those women listed.

The range of possibilities is wide because the current process works against the grain of modern society. People see themselves as individuals with rights. It is true that our society is consumerist in its thinking, but people do not believe that the head of a household should organise how that household's members should vote. This is the 21st century, when we believe in one person, one vote.

It is about time that the hon. Member for Vale of Clwyd came up to date. Individual voter registration is proposed by the Electoral Commission, the body of independent experts set up by his Labour Government to advise on this very matter. Yet the Government have such utter contempt for its recommendations that they say that they are going to pick and choose between them. What a disgrace.

Chris Ruane: At present, between 4 million and 4.5 million people are not registered to vote. Last September's report from the Electoral Commission found that, in the main, they were unemployed, on low pay and living in council or social housing. They also included a lot of young people and people from the black and ethnic minorities. Is the hon. Gentleman so unconcerned about under-registration simply because people from those groups do not vote Conservative? If they lived in Acacia gardens as opposed to Corporation close, would he pay more attention to under-registration?

Mr. Heald: I am worried that the hon. Gentleman is letting his blind political prejudices get in the way of the obvious facts. People are not obliged to vote in our society if they do not want to, but getting them to register to vote requires a lot of hard work. People need to go out and canvass those homes, door to door. We used to do that in the old days, but we have made cutbacks and stopped doing that. That is what is needed—active campaigning to get people to register to vote.

We need to bear it in mind that people live in households as individuals and not necessarily with a—*[Interruption.]* The hon. Member for Vale of Clwyd is harking back to a patrician world where the head of the household—the father of the family—filled the form in for everyone. The world is not like that any more. He needs to get up to date.

5.15 pm

Mr. Clive Betts (Sheffield, Attercliffe) (Lab): The hon. Gentleman talks about campaigning to get people to register, but his political party did not deliver a single leaflet in my constituency during the local elections. Does he accept that a large percentage of the 4 million to 4.5 million people who are not registered are young people? It is an interesting fact that, among young people, the rate of registration decreases as they enter their 20s, primarily because when they live at home the head of the household registers them, whereas when they move out they tend not to register. There is a real problem and until we sort it out, the effect of his amendment—although I have some sympathy with it in principle—will be to increase under-registration among young people.

Mr. Heald: The hon. Gentleman misunderstands my point. I was not talking about political parties canvassing, although I think that that is vital to our system. I was talking about council officers—the electoral registration officer and his team—canvassing door to door to encourage registration. He might not have come across that, but it used to happen: large numbers of people were employed to go out and canvass for registration. I did it myself before becoming politically active.

As for the hon. Gentleman's other point, part of the reason why people living in student accommodation and others in that age group do not register is that we—or the Government—stubbornly, or perhaps blindly, insist that the head of the household should be responsible for registration, so the authorities send the form only to the first person of whom they are aware living at that address. It may well be that, when the form arrives, it is simply tossed and four of the five people who are sharing the flat never hear anything about it. That is a problem that active canvassing—really going after those people and encouraging registration—could help to solve. That is why I welcome later amendments in which we insist that electoral registration officers make a real effort.

Mr. Gordon Prentice: We have to think laterally. Why can we not positively reward people for going on the electoral register? We could adjust the tax code of people in work, adjust the state pension of retired people, or tweak the benefits of people who receive them. We could give people a lottery ticket for registering. Why can we not do that to encourage people to register?

Mr. Heald: Perhaps the hon. Gentleman should work out the details of that suggestion and propose a scheme. We should consider all reasonable options to encourage people to register to vote. I am not sure how the lottery ticket idea would work, but incentivising people to register might be possible.

We should make a serious effort to get those who are not currently registered on to the register, but we should always bear it in mind that it is wrong to deal with matters such as the size of constituencies based on some back-of-the-envelope calculation of how many people may be entitled to vote in a certain area. The registration system must be what we rely on and I would like it to be much better in our country than it is now. The Government have accepted a requirement for a signature and date of birth for postal voting and it seems to me illogical that they will not go the whole way, especially given that the Bill requires people to sign for their vote at the polling station.

Door-to-door canvassing is an important part of electoral registration practice, and we need to improve what we do in that respect. I believe that a reason for the decline in the quality of our electoral registration system over the past 20 years is that local authorities have cut back in that respect. Certainly, they have felt squeezed and obliged to deal with other matters. Local authorities need to be able actively to canvass to achieve the best possible result. There is a great deal of disquiet about the potential for electoral fraud. It has grown significantly over the last few years. The Electoral Commission was set up to give independent advice on that issue. The House of Lords—the other place; not the democratic Chamber—has said that this measure is necessary in the interests of democracy. The Government should not contemptuously ignore the Lords.

Mr. Gordon Prentice: I agree with an awful lot of that. There are dozens of MPs in the Commons who have majorities in three figures. I wonder about the integrity of the ballot and I have done for years. I think that there is a huge amount of fiddling and cheating going on. I am disappointed that the Government are resisting Lords amendment No. 8. The Minister drew our attention to some flaws in the amendment: there is no chief electoral officer in Great Britain, although there is in Northern Ireland. It is unfortunate that the Lords did not pick up on that point. I am heartened that she accepts the principle behind individual voter registration. It is clearly just the practicalities that the Government are concerned about, not the principle, which she has conceded. We have an Electoral Commission and its job is to police the electoral system. If it thinks that there is fraud and malpractice, it should blow the whistle and the rest of us should stand to attention when we hear it.

Bob Spink: I thought that I would sit here and agree with everything that the hon. Gentleman said, but I disagree with what he said about the Electoral Commission. The Electoral Commission is not there to police; it is there to advise and to set out what the

[Bob Spink]

law is. It will not get involved in any way in policing accusations of fraud or questions that have been raised. That is for individual returning officers. The system falls down because there is no way of controlling the actions of an errant, or even corrupt, electoral returning officer. That is where we need to strengthen matters.

Mr. Prentice: I hear what the hon. Gentleman says. I am not an expert in these matters.

Bob Spink: I just wanted to get that point on the record.

Mr. Prentice: I understand that.

The Electoral Commission takes a view on the electoral system. As I said a few moments ago, if it believes that the system needs improving in some way, it will make recommendations. It made specific recommendations in the case of individual voter registration. The Government have moved towards that in part, but not entirely. I was left reflecting on what the response of the Electoral Commission should be. The Electoral Commission has been turned over by the Government before, when its recommendations have been put to one side. My view is that if the Electoral Commission thinks that this matter is important enough, its members ought to resign—or Sam Younger ought to resign. That would make us all pay attention. If members of the Electoral Commission were to resign en masse, there would not be a dozen or two dozen people in the Chamber; it would be packed to the gunnels to discuss the issue.

The Government's position turns on the whole business of increasing voter turnout. I believe, as I said a few moments ago, that we need to think laterally about that. I would reward people. There is an alternative, put forward by our colleague, Lord Kinnock: compulsory voting. I am not in favour of compulsory voting, but that is one way forward. I prefer to reward people for going on the electoral register and to recognise that they are participating in a civic process, which should be rewarded in some way by the state. That has never been done here, and a lot of people probably think that the idea is zany and a bit eccentric. However, we must consider such solutions if we are to address the point that my friend the Member for Vale of Clwyd (Chris Ruane) constantly makes about the number of young people and people from ethnic minorities and other groups who are not represented on the electoral register.

I take the point made by the Conservative Front Bench spokesman about international observers. I want international observers to police—if I may use that word—our domestic elections in the United Kingdom, but it is a sad state of affairs that I think that that is necessary.

Mr. Heald: While the hon. Gentleman is on the subject of international observers, those from the Organisation for Security and Co-operation in Europe advised that we should have individual voter registration in this country.

Mr. Prentice: If the Electoral Commission and international observers are recommending that, and given that the Government accept the principle, but will not embrace the system for practical reasons, the argument is made.

I rely on my own experiences on this matter, as I do on many other issues. At the time of the last general election, my Liberal Democrat opponent, Shazad Anwar, had two sisters and a brother registered at his home in Pendle, although the election literature referred to only Shazad Anwar and his wife, Raisa. We checked the electoral registers for Pendle and next-door Burnley, where Shazad Anwar's father lived. The same two sisters and the brother were also registered in Burnley. Exactly the same thing had happened the year before: two sisters and a brother were registered at Kibble grove in Brierfield and the same two sisters and a brother were registered in Burnley.

When the matter was drawn to the attention of my Liberal Democrat opponent, he told the *Nelson Leader*, just a few days before the general election on 29 April 2005:

"It was a mistake. My father must have returned the Burnley forms without omitting their names. My two sisters and brother live with my wife and I."

How one can send off a registration form without realising that it records people who do not actually live in a house beats me.

That situation brings me back to a point made by the Member for North-East Hertfordshire (Mr. Heald) with which I agree 100 per cent. In the 21st century, we should not be relying on the quaint 19th-century concept of heads of household. It is absolutely absurd in this day and age that we expect one person who is designated as the head of household to certify that other people in the house should be on the electoral register. I am disappointed that the Government and the Minister have taken such a view on Lords amendment No. 8, because we are missing a great opportunity to clean up our electoral system.

Simon Hughes (North Southwark and Bermondsey) (LD): We are having an important debate that has carried on up and down the corridors of this building since the Bill was introduced. I pay tribute to my hon. Friend the Member for Somerton and Frome (Mr. Heath), who is in the Chamber. He started looking after the Bill on behalf of the Liberal Democrats and will continue to help me today as part of his other responsibilities. He and our colleagues at the other end of the building have been extremely diligent in working with Members of other parties to try to ensure that we get this matter and—as far as possible—electoral law right.

Although I picked up the baton on the Bill, I had an interest in it before and kept a watching brief. I pay tribute to the three Ministers involved in the passage of the Bill, who have been assiduous in ensuring that we all at least understand what we are trying to achieve, even if we sometimes disagree: the Under-Secretary of State for Constitutional Affairs, the hon. Member for Lewisham, East (Bridget Prentice), who is in the Chamber; the Minister of State, Department for Constitutional Affairs, the right hon. and learned Member for Camberwell and Peckham (Ms Harman),

who is my neighbour, and Baroness Ashton of Upholland, who looked after the Bill in the Lords.

The controversial aspect of the group of amendments is the fact that the Government wish to persuade the House to disagree with the Lords in Lords amendment No. 8. I will set down our position immediately. We will vote with those on the Conservative Front Bench and, I anticipate, some Labour Members to uphold what the Lords did when they voted by a majority of 23 for the principle of individual voter registration not just for postal votes, but for other votes as well. My noble Friend Lord Rennard set out why we would do that. We have adopted that as a party policy position and it would be impossible not to support it when it comes before us as a proposition in law. So we will vote to keep the Bill as the Lords amended it and will vote against the Government.

I understand the issue acutely. I want the hon. Member for Ruabon—

5.30 pm

Chris Ruane: Vale of Clwyd.

Simon Hughes: Somewhere beautiful up in north Wales, which we all know well.

Chris Ruane: You are supposed to be Welsh.

Simon Hughes: I am indeed, and I have been there often. I just could not remember the latest title of the hon. Gentleman's important constituency.

I understand the issue that exercises the hon. Gentleman, as it exercised the Minister of State and as it exercises me. There is still something rotten—not functioning—in the state of electoral registration in Britain and in the state of our democracy. One option is compulsory registration. The hon. Member for Pendle (Mr. Prentice) alluded to it, and it is an argument that people have made. I have resisted it. I do not agree with it, and nor do my colleagues. However, even that would not be perfect because we could have compulsory registration in theory, but not everyone who was meant to register would do so. Let us not delude ourselves. It would not mean that every person who was entitled to a vote was registered, let alone voted. In theory, however, we would get a bigger turnout.

Part of the reason why compulsory registration is not a good system is that it conceals the positive or negative response to the electoral process. Turnout goes up in close or important elections, and we can see that. If politicians are not responding to the electorate well, turnout goes down. In the local elections in our borough of Southwark last month, the turnout varied from something in the order of 25 per cent. in one ward to more than 50 per cent. in another. It depends on local circumstances.

Chris Ruane: The hon. Gentleman mentions the local elections last month. He has an enlightened view on maximising electoral registration. What would he say to the leading Liberal Democrat on Islington council who, when asked for his group's support for an electoral registration drive before those elections, said that it would not support it, and that is how it wins elections?

Simon Hughes: I do not know the quote and would want to check it, out of loyalty to my friend. If that is what he said, it is not my view. I am on the record as saying to the Minister of State, across the Floor of the House, that we need much more effective ways of getting people on to the list. I will suggest two.

I share the view of the hon. Member for Pendle. There is serious merit in considering the idea that we might give somebody a discount on their council tax for being on the electoral register. I take the view, as hon. Members would expect me to, that we have moved on from the patrician days when somebody registers on behalf of the household. We need individual responsibility, with people registering at the age of 18. However, we need to do many other things to get people on the list. First, as people cross the threshold into voting age—my party takes the view that that should be 16, not 18—they should be automatically registered from the beginning by the institution, college or school that they attend.

Secondly, from the moment that they are on the register, there could be an incentive of a discount on council tax. It would be small, but worth having, like the vouchers for computers for schools. Vouchers for small amounts are worth having and we redeem them. I got some in the paper the other day to give me free editions of World cup posters, supplements and so on. It is 40p off and worth having.

Thirdly, and most importantly, as I have told Ministers before, the only way in which we can achieve a significant increase in annual registration is to conduct an annual campaign. In February, which is usually 28 days long, but is 29 days long every fourth year, we should count down through newspaper, radio and television adverts to "democracy day" on 1 March. During that period, campaigners sign up voters at bus stops, and outside railway stations, supermarkets, pubs and football grounds in a huge effort to increase registration. Such a campaign should happen regularly because, with the best will in the world, canvassers are never entirely successful in their efforts at registration. When I was in the Minister's constituency on the day of the marathon, canvassers were struggling to find addresses in Blackheath. I remember canvassing in the Northfield by-election and trying hard to find addresses—it took me 20 minutes to go round the back of a block of flats, up a ladder and over a roof before I found Nos. 63 to 92 Bristol road south. It is sometimes difficult to find addresses but, when one does so, lots of people are not in, as more and more individuals do not keep conventional hours.

Chris Ruane: They are working, under a Labour Government.

Simon Hughes: Or they are travelling on EasyJet. They are certainly not in, even if they are not working. They may be in bed and not answering the door, because they think that the caller is someone else.

Trying to encourage people to register is a serious issue. In my constituency, there is a serious problem of

[Simon Hughes]

under-registration. The hon. Member for Vale of Clwyd (Chris Ruane) is right, as is the Minister of State, that the poor and less well educated, the young and people from black and minority ethnic communities are usually significantly under-represented.

Mr. Gordon Marsden (Blackpool, South) (Lab): The hon. Gentleman could add to those under-registered groups people who live in houses in multiple occupation, which are common in my constituency, many other seaside towns and inner-city areas. How will a proposal for individual registration assist efforts to put such people on the register?

Simon Hughes: The hon. Gentleman is quite right. Blackpool is an obvious example, as are many student towns and cities. Hon. Members may not be aware of the fact, but every year in my constituency, which is a couple of miles from the House, a quarter of the electorate move house. They do not all move out of the constituency—

Mr. Gordon Prentice: They are trying to get away from the hon. Gentleman.

Simon Hughes: In case that is reported in *Hansard*, I must explain that they are not doing that—usually, they want to stay and upgrade. About 25 per cent. of people in my constituency move because they want a bigger place or choose to live somewhere else. We must therefore make it easier for them to re-register, and we should not rely on a canvass officer bumping into them on their doorstep, as that does not usually happen. The chance of their being in when the officer comes round so that they can fill in the form is very small indeed.

Mr. Andrew Love (Edmonton) (Lab/Co-op): The hon. Gentleman appears to be speaking against the proposition that he supports. People are required to return their electoral registration form, but we do not implement that requirement, so compulsion is not the answer. However, to take up the point that he has just made, people who canvass my constituency, where more than 9,000 people are missing from the register, say that, for various reasons, it is increasingly difficult to contact electors. My electoral registration officer says that if individual voter registration is introduced, it will decimate the register. Is the hon. Gentleman prepared to accept the fact that the 9,000 people missing from my register will increase to 18,000? I suspect that the increase will be even higher in his constituency.

Simon Hughes: I am sure the numbers are significant, but by definition one does not know what they are. Of course I do not want the number of registered voters reduced. I share the concern about what we should do, and I have suggested various ways of increasing registration.

The other side of the argument is how we avoid fraud and the abuse of the system. Every year when I look at my electoral register, I know for a fact that names are repeated and that the names of people who have moved or who have died still appear. It is not an up-to-date list that records the position at the beginning of the electoral year. Again, that is more often the case in urban than in rural areas.

On balance, the argument should be that people must take, and know that they have to take, personal responsibility. The starting point should be that they register either once or annually, and that they register in their own name. The question is whether the proposal that the Lords have passed into law and which is included in the Bill will have a significant downward effect on voting. The fact that the form goes in with the person's signature and date of birth substantially reduces the likelihood of that. If there were no other circumstances, my judgment is that voting would not be affected much, if at all, for the reason given by the hon. Member for North-East Hertfordshire (Mr. Heald) and others.

On any official form people generally expect to sign their name and, although I am not in favour of data being collected unnecessarily, often give their date of birth. For people who have come from the developing world and may not know their date of birth, it is traditional that they give as their date of birth 1 January of the year in which they were born. That convention is generally accepted. There is no problem with people who do not know their specific date of birth, or who have come as refugees and do not have their birth certificates.

We need to watch closely what happens. The Northern Ireland experience is relevant, but not entirely parallel. We are trying to overcome all the shortcomings and defects with a single piece of legislation. We want a better campaign to recruit people on to the list. We want to give them incentives to go on the list. We want to make it easy for young voters to go on for the first time. We may also want to do one other thing, which is where the difficulty has arisen.

At present, electoral registration officers have the choice whether to keep somebody on the list at the end of the year or take them off if they cannot check their eligibility. We need a better system to ensure that people can confirm that they are where they used to be, without necessarily having to go through the rigmarole of filling in the form, signing it and providing their date of birth. Suppose someone is away when the form arrives. A business man in my constituency, for example, went to India the other day. He may want to vote, always votes, but was not at home at the time. He needs an easy way of checking whether he is on the list. There is a package of things that we need to do, but we must avoid what most brings the system into disrepute—fraud and abuse of the system.

David Taylor: The hon. Gentleman said that he supported the suggestion by my hon. Friend the Member for Pendle (Mr. Prentice) of worthwhile incentives for people to register, but he will not want to ignore the significant cost that would be associated with that. Even the worthwhile sum of, say, £10 per registration would mean £750,000 in a typical constituency, and £2 million in a London borough containing two and a half constituencies. Ought that not to be funded centrally, because it is in the national interest that we have the highest level of registration possible?

Simon Hughes: Indeed, or it would be unfair on local authorities with different needs. Areas with the more difficult, the more mobile and the more transient populations—student towns, university towns, seaside towns and inner cities—would suffer most.

Mr. Marsden: I thank the hon. Gentleman for giving way again. Has he not exposed the problem with individual registration in his remarks about electoral registration officers and how they deal with voters who cannot be contacted? He is right to say that some keep them on and some keep them off. We are entirely dependent on the degree of registration and participation, and on the commitment of individual electoral registration officers to the process. Unless the House is prepared to set minimum standards, that situation will be made even worse by individual registration.

Simon Hughes: My hon. Friend the Member for Somerton and Frome has watched the Bill closely from the beginning, and he says that it will help with that matter. Nobody is pretending that we will get a perfect system after the Bill is enacted, but a lot of the proposals which come from the Electoral Commission, the Speaker's Committee on the Electoral Commission and other places concern that process.

5.45 pm

We should do much better in modern Britain, as the hon. Member for North-East Hertfordshire has said. For example, why do we not have lots of people out on the streets in towns such as Blackpool in February, which I have been told is the last month in which it is manageable to conduct such activities in time for a May election? We may not get people to fill in forms at midnight on a Friday, but it is possible to catch them at the bus stop on their way to work. We must try very hard by, for example, visiting FE colleges, guesthouses and businesses. We should also use technology by asking people for their e-mail addresses in order to check annually whether we have got their residential addresses right, which might be more convenient for them.

We also need to keep the system under review. After next year's local elections in England and the elections in Scotland and Wales, the local elections and London elections in the following year and the European elections across the United Kingdom in the year after that—there will probably be a general election in that period, too—we should be able to see whether the proposals have had the effect that we all want or whether we are still failing. If we are still failing, we may need to do other things, but we should start from the basis that people should have to start the ball rolling themselves by signing and submitting a form.

We need to agree a convenient system for keeping people on the register. The process should be led by the customer—the voter—rather than by bureaucracy.

Mr. Heald: Does the hon. Gentleman agree that in countries in which the register is more accurate such as Australia and, indeed, Northern Ireland, it has not proved necessary to re-examine the register every year, because it is possible to maintain an accurate register by using the methods that he has discussed? Data matching is another way to use technology. A lot of councils have got plenty of information about the people who are not registered, and data matching across the council's information is a useful way to ensure that as many people as possible are registered.

Simon Hughes: There are some dangers down that road. I am always nervous about the Big Brother state collecting information for one purpose before passing it on for another, which is a point that applies to both central Government and local government.

Bob Spink: The important point concerns avoiding fraud in order to maintain and rebuild public confidence in our precious electoral system and democracy. The hon. Gentleman speaks for the Liberal party, but there is cross-party support for the concept that all fraud, particularly where it involves a candidate or agent, should always be investigated by the police and referred to the courts by the Director of Public Prosecutions. That is the only way in which we can rebuild confidence in our electoral system in this country, which is sadly lacking at the moment.

Simon Hughes: That is one area in which zero tolerance is appropriate. People should know that if they abuse the system by which we run our democracy, they are at risk of prosecution, conviction and, potentially, serious and exemplary punishment. If the person involved is locally elected or holds office in the community, one would expect an exemplary punishment to be imposed.

There are currently eight petitions on that point, but that may be the tip of the iceberg, because it is difficult to launch an electoral petition. I am sure that there are many other places in which the electoral register and those who voted did not accurately reflect who turned out on election day.

Mr. Love: There is as much concern about fraud among Labour Members as among any other Members, but certain balancing factors must be taken into account. I want to issue a health warning in relation to the siren voices that use Australia as a comparison, as it has compulsory voting. The situation in Northern Ireland is apposite, because it has a settled population, whereas London does not. If an equivalent decline in the number of people registered in Northern Ireland occurred in a non-settled population such as that of London, that would be catastrophic.

Simon Hughes: As the hon. Gentleman and all of us in urban constituencies well know, we must be realistic about who is sent out to do any of these jobs. I am sure he, like me, knows pretty well at what times the automatic door entry systems open and close, and where to find every address barring those that have just come on to the register. If a couple of people are recruited for a month to carry out the electoral canvass, there is only a small probability of their knowing where all the entrances are and what is the best time to find people in, even with the best advice in the world. We need people who are part of the community and really know what is going on, even though they may have other jobs at other times of the year.

[Simon Hughes]

Another group of people who come into the community with entitlements to vote comprises those who become citizens. We now have citizenship ceremonies. People who are Irish, Commonwealth or European Union citizens with the right to vote here, depending on which kind of election it is, should be given the forms at that moment. If they are not already on the electoral register, they should not leave the town hall until they have been asked to sign up to become part of the electorate. We have to consider every possible proactive way of ensuring that every adult from all our communities who is entitled to vote is on the list.

The Lords amendment is logical. It has some risks, but those can be compensated for by taking all the other necessary steps. We have a huge shared duty to ensure that we do much better than we have in the recent past.

Chris Ruane: I fully agree with my hon. Friend the Member for Edmonton (Mr. Love) that Labour Members are as concerned as any others about electoral fraud, but we need to get things in perspective. When I tabled parliamentary questions on the number of cases of electoral fraud at local and parliamentary level, I was told that there were one or two a year out of an adult population of 45 million. That is one or two too many. On the other side of the balance, 4.5 million are currently not registered to vote. That is without having put in place any barriers whatsoever—no date of birth, no signature and no national insurance number. Every additional barrier that one puts in front of the registration process will result in additional people not being registered.

Simon Hughes *indicated dissent.*

Chris Ruane: The hon. Gentleman shakes his head. It was proved in Northern Ireland that when barriers were put in place electoral registration dipped, and then it rose to 92 per cent.

Mr. Heald: As the hon. Gentleman knows, the Electoral Commission looked at this and found that he is completely wrong. In previous debates, Members from Northern Ireland have explained that the system was subject to fraud in Northern Ireland and that the effect of the changes was to clean up the registers. How can he go on, time after time, saying something that is incorrect?

Chris Ruane: It is correct. Registration in Northern Ireland dipped to a percentage in the low 80s, and after a registration drive it went up to 92 per cent.

In the UK, with 4.5 million people missing from the register, the figure is 92 per cent., so we are starting from the base that Northern Ireland is currently at. Any additional barriers put in place will reduce that percentage. In Northern Ireland, 92 per cent. is an average. In many of the Belfast seats, which probably include the poorest communities in the whole of the UK, registration is at 70 per cent. In my constituency, the poorest registration area is central Denbigh, at 76 per cent. Some wards in Aberystwyth have 50 per cent. registration. That is completely unacceptable. We need to get those people on to the register. If we start to introduce barriers such as signatures, dates of birth and national insurance numbers, we will keep on adding to the number of people who are unregistered. We might go from 4.5 million to 7.5 million unregistered people, who will be concentrated in the poorest communities in the UK. We do not have a fully functioning democracy if 7.5 million of the most dispossessed people are off the register.

Mr. David Heath (Somerton and Frome) (LD): We have already established that we all want maximum registration, but I am deeply worried by what Labour Back Benchers are saying. Yesterday, we were told by a Labour Back Bencher that people on council estates had a higher propensity to commit crime; now, the hon. Gentleman is making the deeply patronising assumption that because someone lives in a deprived area, they cannot sign their name in order to get a vote. I do not accept for one moment that that is a barrier, and if he insists that it is, he is basing his entire premise on a fiction.

Chris Ruane: They are not my opinions but those of the Electoral Commission, which is put on a pedestal by the hon. Gentleman. When it carried out detailed research on unregistered people—its findings were reported last September—it found that most unregistered people are unemployed, low-paid, in council housing, black or ethnic, or young. That matches my experience. When I ask for a breakdown of the electoral registration percentages in my wards, I find that the poorest wards are those most affected, and that the poorest streets in those wards have the greatest under-registration. We need to get those people back on to the register. It might suit the political advantage of the Conservatives, or indeed the Liberal Democrats, to keep 7.5 million people off the electoral register—

Mr. Heath: Hardly.

Chris Ruane: I refer the hon. Gentleman to the remark that I quoted earlier. When one of the leading Liberal councillors on Islington council was asked to support an electoral registration drive before this year's local elections, he said, "We will not support it—that's how we win elections."

Mr. Heath: I will not accept that until the hon. Gentleman provides proof. Undoubtedly, people in the most deprived areas are least liable to register, for a variety of reasons. For instance, they often move more frequently because they are more likely to live in houses in multiple occupation. That is a reason to target those areas for increased registration drives, but to say that such people would be inhibited by having to provide a signature is deeply patronising and frankly incorrect.

Chris Ruane: As I said, even without having to provide a signature, date of birth or national insurance number, 4.5 million are not registered, and any additional barrier will increase that number.

David Taylor: Does my hon. Friend accept that one of the core reasons why a substantial number of people are not registered is alienation from the political process, not difficulty in registering, which is simple? If parallel extra effort went into the registration process, would he be happier with the proposal from the other place about incorporating individual registration as an additional barrier?

6 pm

Chris Ruane: No, I would not be happy with that. I revert to my original point that any additional barrier will lead to greater voter under-registration. It is great if we can have party unity about the Bill, but it is not essential. Our proposal for getting 4.5 million people back on the register should be viewed in the same light as male emancipation in the 19th century and female emancipation in the 20th century. The Bill is in the great tradition of emancipating people and getting them on the register. It should be perceived in that way.

Some political parties will not want 4.5 million poorer people on the register because it is not in their political interest. That is probably why a leading Liberal Democrat councillor in Islington said what he did. The leader of such a council is on £50,000 a year and cabinet members are on £17,000 to £20,000 a year. Is it in their interests to have 10,000 extra poor people on the register who may not vote Liberal Democrat or Conservative—

David Taylor: Who may not vote at all.

Chris Ruane: Indeed.

Mr. Marsden: My hon. Friend, in his description of what happens in constituencies, has brought an air of practical, down-to-earth reality to the implications of the Lords proposal. Does he agree that, in the areas that he describes as deficient in voter registration, there has often not been a great push by local electoral registration officers and that, until we have the minimum standards that have been mentioned, it would be dangerous to follow a suck-it-and-see route only to find, too late, that 5 per cent. or 10 per cent. of an already small electorate had been lost?

Chris Ruane: I agree. Local authorities' allocation of resources needs to be examined carefully. I tabled a parliamentary question which asked for the amounts of money spent by each local authority in England on electoral registration to be specified. The answer stated that the figures are not collected centrally. I asked my Labour Assembly colleague in Wales to table the same question. The information is collected centrally in Wales and, of the 22 authorities, lo and behold, those that spent the most per capita on registration had the best registration rates and those that spent least had the worst rates.

The Bill allocates an extra £17 million of resources to electoral registration. I ask the Under-Secretary to consider the matter carefully, because that extra money has not been ring-fenced but will be given as part of a local government settlement. I believe that, if £17 million of a budget of, for example, £120 billion is not ring-fenced, local authorities, perhaps of a different political persuasion, that have no interest in electoral registration, could cream it off. I therefore ask the Under-Secretary to look into that because registration is not only for local government elections but for European and parliamentary elections. The money should be ring-fenced.

Some members of political parties throughout the country will try to preserve their positions—as council leaders, cabinet members and so on—in a local authority and will not want more poorer people on the register who may threaten their incomes and livelihoods. We need to deal with local authorities that are dogmatic about the matter. When we say, "These are our new standards," but they say, "We won't obey them," and when we say, "Here is the money," but they say, "We won't spend it," we need a last resort. We need to tell truculent, politically motivated authorities, "We've given you the resources. Here are the new guidelines. If you don't use them, we'll give you one of three options. Because electoral registration is so poor, we'll take the responsibility from you and give it either to a neighbouring authority or to the Electoral Commission, or we'll privatise it." We need to be as blunt as that with local authorities that refuse to implement the proposed legislation.

Mr. Andrew Turner (Isle of Wight) (Con): The hon. Gentleman's speech has been characterised so far by assertion without evidence. Will he identify those politically motivated local authorities to which he referred?

Chris Ruane: I am looking to the future. I have already mentioned one such authority—Islington, where a leading Liberal Democrat said that he would not support an electoral registration drive because of the way in which the party wins elections. I have therefore given one firm example—there will be others. However, I am also looking to the future. If we implement the Bill, introduce all the benchmarks and provide additional funding, and a politically motivated local authority pays them no heed because it is not in its political or financial interest to do so, there must be a last resort whereby we can say, "We've given you the tools to finish the job. You've refused, so we're taking that responsibility from you."

Simon Hughes: As somebody who represents a larger proportion of council tenants than any other Member of Parliament in England, who has campaigned for better registration, and who had a Labour council that did not do nearly enough but has done more in the past few years, let me say that we could all make party political points, but it is not helpful. A better, non-partisan point would be that local authorities should be given an incentive based on percentage of increase of validly registered electors. That could be reflected in some form of adjusted settlement so that, whatever the party and administration, an incentive exists to do a much better job.

Chris Ruane: Incentives are welcome but as well as a carrot, we need a stick to beat local authorities that refuse to obey legislation that the House has endorsed.

I oppose Lords amendment No. 8. The Bill is long overdue and will result in getting a good proportion of

[Chris Ruane]

those 4.5 million citizens back on the electoral register and participating fully in democratic life in this country.

Mr. Robert Syms (Poole) (Con): We have got on to a bit of a rollercoaster with postal voting. Like many hon. Members, when I first became involved in politics I found that we made a fetish of making it almost impossible for people to get a postal vote for an election, because by the time one had got around to trying to register someone, the date had passed.

I have therefore welcomed the general trend of making it easier for people to obtain postal votes. However, the Government clearly went too fast, in the teeth of opposition by the Electoral Commission. There have been several incidents of fraud, and public confidence has been knocked to the point where one or two people whom I know have been put off voting by post because they feel that the system is not as robust and trusted as it once was. I therefore welcome amendment No. 7 and the Government's acceptance of it, because it is sensible to move to a system whereby people have to give their date of birth and signature.

I wish to raise some technical points. Under our system, we always involve political parties. As we all know, at the count, several ballots are questionable, and at the end, the returning officer calls the agents or candidates over and they go through the 20, 30, 50 or 100 that are not entirely clear. Although the final decision rests with the returning officer, whether something is counted or not depends on nods and assent from the political parties. The Under-Secretary said in her opening remarks that returning officers would check the ballots against their records and that rejection of ballots would be up to them. I presume that the political parties will still be included in the process.

At the end of the process of verifying postal votes, the handwriting on some will raise questions,—we all receive things through the post that are not entirely clear, and they are put in a pile. If the returning officer intends to reject something, the political parties are included at that point. Of 8,000 postal votes, there may be a genuine concern about the accuracy of a signature on 200 of them. In such cases, I personally would like the agents or the candidates to be involved in the process so that they can see how the returning officer is making decisions. So if there were widespread fraud or concerns about a number of the ballots, the political parties could be very much part of the process of dealing with that, and would not then be surprised if someone jumped up at the end of it to say, "I've rejected 1,000 ballots." They would have been able to see the process taking place, which is important.

It is a pity that the Government will not accept Lords amendment No. 8, because individual registration is the way to go. We have talked in the debate about benefit, and there are benefits involved in being registered. Anyone who goes into Dixon's or Curry's and tries to get credit will know that one of the ways of judging whether they are worthy of getting credit to buy a hi-fi system or a TV is whether their name and address pop up in a search of the electoral register. However, I accept the argument that if we make the registration process more complicated, we might put people off. That is why, if we accepted Lords amendment No. 8, we should also have to have a package of measures to encourage people to register under the new system.

We have all had experience of electoral registration departments. They are usually underfunded and overworked. They have some very good-quality people working in them, but this issue is hardly the highest priority of most local authorities, which are struggling to deal with money and personnel and consequently have other priorities. One of the most productive things that we, as politicians across the House, could do would be to ensure that registration offices were better funded. Sometimes, when I look at the glossy brochures produced by the Electoral Commission, I think that some of that money would be better spent on registering voters at the sharp end.

I am attracted to the idea put forward by the hon. Member for Pendle (Mr. Prentice). Why not give people some benefit for registering, beyond the one that I have just mentioned with regard to obtaining credit? It could be a lottery ticket, premium bonds or whatever. That could form part of a successful national campaign. It is in the national interest to get people to register.

Mr. Gordon Prentice: I have raised this issue with Sam Younger at the Electoral Commission—some colleagues present tonight were also at that meeting—and I think that he is minded to see whether it would be possible to have a pilot to test that idea.

Mr. Syms: That would be a useful way of proceeding.

The suggestions in the Lords amendments on postal votes are sensible, as are their suggestions on ordinary registration for voting. If those proposals were combined with a package of measures to provide people with an incentive to register, and if investment went into electoral registration, we could all support that.

Houses in multiple occupation were mentioned earlier, and we know that when polling cards are delivered to a building containing 40 or 50 flats and end up in the postal area in the basement, there are occasions on which they disappear. People then turn up at the polling station to discover that someone else has voted in their place.

I agree with the hon. Member for North Southwark and Bermondsey (Simon Hughes) that these proposals are not a panacea, but they represent a small step forward. They will make those who want to commit fraud think again, because they will slightly increase the prospect of their getting caught and prosecuted. In particular, a system of registration for ordinary voters that involved the checking of a person's date of birth in the polling station would provide a much better chance of catching people who are voting when they should not be. That would add integrity to the process. It would be a step forward, and it is a pity that the Government are not going to accept Lords amendment

No. 8. That proposal, combined with the package of measures that Members on both sides accept would be necessary to implement it, would create a better and more robust system.

Mr. Heath: The hon. Gentleman made the point that electoral registration officers need the necessary resources to do their job effectively, and that they must not be prey to the whims of their political masters in county or city halls. The Bill will achieve that objective by placing clear duties on electoral registration officers and providing a clear requirement for them to have the necessary funding to perform their duties. There are also reserve powers in the Bill to ensure that that requirement is consistently applied across the country. So we can be assured that the situation will improve if the Bill is passed into law.

Mr. Syms: We can all welcome that. We are making progress. There will be some votes this evening, as we do not agree on everything, but in electoral terms, we are going in the right direction. Lords amendment No. 7 would certainly help people to feel better about the integrity of the postal voting system. It is a pity that Lords amendment No. 8 will not be accepted, but I suspect that this argument will run and run.

6.15 pm

Mr. Betts : In many senses, this amendment goes to the heart of a real dilemma. There is general agreement on both sides of the House about where we want to get to on these issues. In principle, everyone is in favour of a safer and more secure voting system and, they say, of a higher level of voter registration. The fundamental problem is how we achieve that. I am not accusing Conservative Members of wanting under-registration. Equally, I hope that they will not accuse Labour Members who vote with the Government on this issue of being complacent or of wanting to see voter fraud continue.

We need to identify the fundamental problem with our electoral registration system. From all the data that we have—thanks to the efforts of my hon. Friend the Member for Vale of Clwyd (Chris Ruane)—we can conclude that the scale of under-registration is the fundamental problem. There are 4.5 million people who ought to be on our electoral registers but who are not. Given that attempts to improve that situation are at the heart of the Bill, we must think very carefully about any proposals that would make it worse, and probably draw back from them at this stage.

Dr. Julian Lewis (New Forest, East) (Con): Everyone agrees with the hon. Gentleman and the hon. Member for Vale of Clwyd (Chris Ruane) that there should be no question of bringing in measures that would result in real people disappearing from a register. Does the hon. Gentleman accept, however, that although the introduction of certain measures to cut out fraud would result in a reduction of the number of people on a register, they would not be real people? They would be bogus people, and bogus people cannot make up for real people who are not registering.

Mr. Betts: Obviously, I am not in favour of bogus people being on any register. However, I am concerned that the present system allows for a massive amount of under-registration of real people, and that even more people might not register if we pursue the issue of personal identifiers and personal individual registration in the present circumstances. I want to see the most secure voting system possible, and I am in favour in principle of individual registration. I want us to get there in due course, but I want that to happen at a time when the level of registration is much higher, when more of the real people who are currently missing from the register are on it.

We can all go out and see, sometimes in local authorities of our own political persuasion, that the effort put into electoral registration amounts only to sending out two forms to households. In many cases, the forms do not get returned, but the system then gives up on those individuals. There are local authorities across the country that do not think that this is a priority. They do not put money into it, and most councillors are not awfully interested. All right, they have other things to do—they have education and social services systems to run and the environment to look after. Those are very big issues. The councillors concerned get lots of letters from their constituents about them, and they quite rightly respond to them.

Electoral registration often comes quite far down the list and, provided that there is no specific requirement for it to be put on the agenda and for electoral registration officers to carry out specific duties that can be monitored and scrutinised by the local council and the Electoral Commission, we shall continue to have the system that we have today. I accept that the Bill takes us forward in regard to trying to get the levels of registration up.

I hope that the Minister will give us reassurance on a point raised by my hon. Friend the Member for Vale of Clwyd. If we are putting extra money into the system, how can we be sure that it will be spent on the system? Some local authorities will take the grant and use it for other purposes. How can we be sure that the £17 million—and there will be questions as to whether that is enough—is spent on improving the system?

Hon. Members on both sides of the House have expressed their concern whether, even if we improve the level of canvassing, it will really catch the people whom we are worried about, who do not fill in or send back the forms. It is that much harder when we are dealing with people living in houses in multiple occupation.

Chris Ruane: On targeting people who are the most difficult to get to register, will my hon. Friend reflect on a suggestion from Wales? Public or voluntary bodies that target socially excluded people on council estates, such as black and ethnic minorities or people on low pay, could ask, "And how about registration?" while carrying out their other work. Different bodies that are already active and have gained the trust of people in the community could also help with registration.

Mr. Betts: My hon. Friend makes a valid point. Electoral registration officers should be imaginative in how they go about encouraging registration. Let us increase the canvass as well, although that will not do anything like 100 per cent. of the job. We have to deal with trying to get data and information from other sources, and that is in the Bill. When the data

[Mr. Betts]

protection people gave evidence to the Select Committee hearings, they were not worried about cross-matching data provided that it was clear from the initial collection what purpose it would be used for—that is the issue.

There is a genuine concern not only that electoral registration officers are not currently cross-matching data to which they have access within the local authority, but that they may need to access data outside the authority. In some cases, local authorities wanting to obtain data on young people becoming 18 can go to their own schools. In my constituency, most young people becoming 18 are based in the college, which is outside the local authority, rather than a school within it. How can we stop the problem of bias in the system, which means that data can be captured in some authorities but not in others?

Stock transfers of houses are another problem. Local authorities can access data on their own council tenants before such a transfer, but I am not sure whether they can afterwards. I do not know, but the question has to be answered. Housing associations are sometimes set up to take over stock transfer properties and they take over documentation and data about tenants with them. Those are the sort of problems that have to be dealt with. How can we ensure that access to data and cross-matching goes wider than the local authority, into the rest of the public sector and probably outside it into organisations such as the utilities and the Post Office?

I now come to the crucial point. I believe that the Bill is a halfway house in a number of senses. Eventually, we want to get to individual registration, but we want to do so with a much fuller registration system in which we can be certain of getting the registration percentage into the higher 90s just like the Australians, who reach 98 per cent. They do not rely on canvassing as the primary means of drawing up the register; rather, they rely on data from a range of sources. They rely on the utilities, postal services, local authorities and other bodies to give information to electoral registration officers—in Australia there is an electoral commission for each state. All the information from those bodies is used to establish when people have moved in or out of properties, when people have become 18 or died and so forth. They check whether the information is correct and draw up the data on that basis.

The Australians ask why, in this country, we bother with annual registration when we get forms back, by and large, from people who have lived in a property for 20 years, rather than capturing data from people who change their property regularly, sometimes annually, particularly in the private rented sector. The Australians concentrate on households where the information has changed from one year to the next. They follow that up closely and ensure that it benefits the registration process. Better use is made of registration officers' time because their efforts are spread throughout the year rather than for three or four months with little concentration of effort for the rest of the year.

We have a lopsided system that, to use the currently in-vogue jargon, is not fit for purpose. The Bill is a great step forward in giving more powers and responsibilities to electoral registration officers, but it takes us only part of the way there. I would like us to think about consulting on a new Bill, perhaps in three or four years' time, which deals with how best to move towards the Australian system, while tightening up the security of the voting system by taking individual registration into account.

Simon Hughes: The hon. Gentleman has outlined some very good ideas, but I hope that he accepts that there are good things that electoral officers and their teams could do now. Forms could be placed with estate agents or solicitors who do the conveyancing or sent out with Inland Revenue or social security material, or sent with all the other items delivered through our letterboxes. It just requires some lateral thinking about how to reach people as they move, arrive or connect in various ways with the authorities.

Mr. Betts: I agree with the hon. Gentleman on that point. I am all in favour of every imaginative way possible to try to improve registration and put registration forms in front of people, but we must consider the fact that we are trying to improve a system that is not the best fundamental system for registration purposes.

Jim Cousins (Newcastle upon Tyne, Central) (Lab): Will my hon. Friend consider the situation in my constituency, where 6,000 voters in purpose-built student accommodation are block registered by their landlords, who never consult the students concerned? This year, the registrar of the university of Newcastle refused, on data protection grounds, to register 3,000 students in their own accommodation. The electoral registration officers, seeing 3,000 voters disappearing off the register, prevailed on him to block register the students again. At no stage in the process was a single student consulted about whether he or she wanted to be on the register.

Mr. Betts: The reality is, of course, that there is a legal requirement for people to register, so I am not sure whether consulting people on whether they want to register is the legal position. I am in favour of universities co-operating in the business of registration. In some cities, one university co-operates and another does not. That creates an imbalance in the figures. I am in favour of electoral registration officers being able to gain access to information from universities. Co-operating in a process that involves a legal requirement to register should be encouraged. Electoral registration officers should have access to that information, and universities and others ought to have a responsibility to provide it.

I am sure that my final point will not receive any agreement from Opposition Members. We can make improvements with the Bill, but not necessarily reach the ideal position. When we come to the further Bill, which I hope will come about in three or four years' time, we will be developing a form of registration that will be ideal for the purpose—it goes with the creation of the identity card scheme. That will eventually provide the basis on which we can create an accurate register—*[Interruption.]* If Opposition Members are

concerned about voter fraud and people trying to register twice or three times, they should consider the fact that a national identity card register, with only one identity for every individual, is a sure-fire way to get 99.9 per cent. registration on the most secure basis possible. I hope that Opposition Members will eventually understand that point.

Mr. John Horam (Orpington) (Con): The hon. Member for Sheffield, Attercliffe (Mr. Betts) latterly proposed, perhaps not wholly seriously, a rather imaginative idea for advancing his cause. I agreed with much of his speech, frankly, especially on the need to improve our data, and he has some imaginative ideas about how to do so. The hon. Member for Vale of Clwyd (Chris Ruane) made similar points in saying that many people are not on the electoral register.

I understand where Labour Members are coming from, but do they not recognise that, in effect, we politicians are bound, to some extent, to be biased on this issue one way or another. My hon. Friends and I are perhaps more concerned about fraud; Labour Members are perhaps more concerned about under-representation. However, the fact is that the Government contracted out such things to the Electoral Commission, which is an independent body, and it came up with a view of how we should look at our electoral system. It made suggestions and recommendations—for example, on individual registration and using personal identifiers on a larger scale—and the Government were willing to accept them.

The Government found a way out of such problems by using an independently established body, which can take an objective view. That body has existed for five or six years. The problem with the proposals from the hon. Member for Sheffield, Attercliffe is that, once again, they kick things further and further into the future. Do we want to go on for ever trying to improve or change what we have got? Are we no longer prepared to listen to a perfectly respectable independent body, which the Government set up? It seems a great pity that the Government are not prepared to accept its advice and suggestions.

Bridget Prentice: This has been an excellent debate, which, as expected, has reflected the strong views held on both sides of the House.

On the question of fraud, the hon. Member for North-East Hertfordshire (Mr. Heald) mentioned yet again the judge who referred to our system as being like that of a banana republic. I remind him that that unfortunate and terrible phrase was used about the situation before 2004, and a number of measures have been put in place since then. On the whole, therefore, the elections this year reflect that we have tightened up on the abuses that took place in Birmingham.

6.30 pm

I hope that every Member of the House believes in zero tolerance in response to anyone who abuses the system through fraudulent registration or voting. That is why the Bill increases the penalties for such behaviour. Several Members referred earlier to the registration form being sent to the head of household. In fact, it is not sent to the head of household—we do not use such Victorian terms—but to the occupier.

On the issue of fraud versus the register, which seemed to be a theme throughout the debate, my hon. Friend the Member for Vale of Clwyd (Chris Ruane) referred to petitions. At present, eight petitions are before the courts, four of which are about election fraud, while the other four are about other election issues. The Coventry petition relates to about 10 electors, which, as my hon. Friend the Member for Vale of Clwyd rightly pointed out, should be compared with the 3.5 million to 4 million people who are not on the register. Therefore, while we all agree that fraud is bad and dangerous, we should look at it from the perspective of the number of elections that took place this year, the number of people involved in those elections, and the fact that a huge number of people are not yet on the register. That is why we have approached the issue as we have done. We have tried to be proportionate and to strike a balance, which is why we have accepted the Lords amendments on identifiers for postal votes.

I agreed with virtually everything that the hon. Member for North Southwark and Bermondsey (Simon Hughes) said, apart from his comments about personal identifiers. As he and I represent inner-London seats, we know exactly the problems that people face in getting on the register. It is not a case, as his hon. Friend the Member for Somerton and Frome (Mr. Heath) said, of being patronising about those living on council estates or in houses in multiple occupation, the unemployed, young people and black and ethnic minorities. Their disfranchisement, as we know, relates not just to the register but to a variety of issues, and their disfranchisement from the register arises in a sense from all of those. It is therefore important that we try to get those people on to the register, as well as doing all the other things on the Government's social exclusion agenda.

Mr. Heath: To correct the record, I made it absolutely plain that it was not remotely patronising to point out that such groups are under-registered and that there is a real need to address that under-registration. I said that it was patronising to suggest that asking those particular people for a signature would significantly deter them from voting, whereas it would not deter the rest of the population. I hold to that view.

Bridget Prentice: The hon. Gentleman is, of course, entitled to his view, and I think that he is wrong.

The hon. Member for North Southwark and Bermondsey made several positive points about the variety of ways in which we can and should encourage people to vote. I agree with the idea of a democracy day. I hope that after the Bill is passed by the House and the other place, we can engage in some cross-party lateral thinking about the creative methods that can be used to get people to register and to participate actively in citizenship.

On data sharing, my hon. Friend the Member for Sheffield, Attercliffe (Mr. Betts) is right that returning officers already have at their disposal a huge variety of ways of using that. Sadly, a number of them do not take advantage of those. Perhaps obstacles are put in

[Bridget Prentice]

their way by other organisations that could be more positive. The hon. Member for North Southwark and Bermondsey alluded to a possible role for estate agents, solicitors' offices and so on. Of course, when people move into an area and register for council tax, there is no reason whatever why the local authority should not send out a registration form with its council tax bill.

On the issue of the canvass, the Bill includes measures on physical canvassing. I suspect that I am no different from many Members in that when the canvasser comes around, I am not in—I might be out canvassing myself. In the 15 years that I have lived in my current house, I have only been in once when a canvasser has knocked on the door, on a Sunday afternoon. My local authority allows me to register by telephone, which is another way in which people can ensure that they are on the register.

On funding, I had a lot of sympathy with what several colleagues said. We have been relatively generous in relation to funding—around £21 million will be provided to cover the costs of the Bill. All the returning officers and electoral administrators with whom I have had conversations feel that that money, if it reaches them, would cover their costs. The funding is not ring-fenced, however, and they are aware, like a number of my colleagues, that local authorities sometimes use the money for other items. As has been pointed out, the Bill also introduces performance standards that will be overseen by the Electoral Commission. We will also ask for accounts showing the amount of money spent on the election process. I hope that those measures will help to counter any temptation by local authorities to spend the money on something other than electoral registration and so on.

The hon. Member for Castle Point (Bob Spink) was concerned about errant returning officers. The Representation of the People Acts include provisions to prosecute returning officers if they breach their duty. As I said, the Bill also includes performance standards, which will be set by the Electoral Commission. That will help to improve the standard of electoral administration.

The hon. Member for Poole (Mr. Syms), who made a thoughtful speech, asked about the verification of postal votes. I assure him that candidates can be present at the checking of disputed postal votes. Details of that will be included in the regulations. He also welcomed the fact that the Government are moving in the right direction, as did a number of other colleagues. That is true—the Bill moves us forward both by tightening up the system to counter any possibility of fraud and by tackling under-representation in this country. I hope that Members will support the Bill in that respect.

Simon Hughes: I realise that the Minister is approaching the end of her speech, but may I ask her to consult on another matter? People become very frustrated when, having turned up at a polling station, they discover that they are not on the register. At that moment, they ought to be given a form and asked to fill it in and leave it there, or at least given a form to take away. If we could make people's bad experiences at polling stations far less frequent, gradually over the years there would be a more positive response from those who currently feel that they are not wanted.

Bridget Prentice: Again, the hon. Gentleman has made an important point. I hope that, in further discussions with the Electoral Commission and in cross-party discussions, we shall be able to consider the practicality of some of his proposals. I believe that we should make it as easy as possible for people who should be on the register to be on it. That means—in the words of my hon. Friend the Member for Pendle (Mr. Prentice)—thinking laterally. Perhaps there should be incentives; who knows?

I reiterate that the Government do not feel ready, at this stage, to accept personal identifiers across the board. We do think that they are appropriate for postal votes, and I therefore commend the Lords amendments on postal vote identifiers, which received cross-party consensus. I hope that we can make progress on the rest of the Bill in a consensual way, but I ask Members to reject Lords amendment No 8 when it is put to the House.

Lords amendment agreed to.

Lords amendment: No. 8.

Motion made, and Question put, That this House disagrees with the Lords in the said amendment.—*[Bridget Prentice.]*

The House divided: Ayes 281, Noes 202.

Division No. 258] **[6.41 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Davidson, Mr. Ian
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim

Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jimmy
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Killoyle, Mr. Peter
Knight, Jim
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Love, Mr. Andrew
MacDougall, Mr. John
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, Keith
Watho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Mrs. Betty
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Ian Cawsey and Tony Cunningham

NOES

Afriyie, Adam
Alexander, Danny
Arbuthnot, rh Mr. James
Bacon, Mr. Richard
Baker, Norman
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Bercow, John
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davies, Philip
Davies, Mr. Quentin
Dodds, Mr. Nigel
Donaldson, Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John

Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harris, Dr. Evan
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hermon, Lady
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, Mr. Peter
Rogerson, Mr. Dan
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Salmond, Mr. Alex
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. David Evennett and
Mr. Henry Bellingham

Question accordingly agreed to.

Lords amendment disagreed to.

Lords amendments Nos. 9 to 15 agreed to.

Clause 49

POLITICAL PARTY DESCRIPTIONS

Lords amendment: No. 61.

Bridget Prentice: I beg to move, That this House agrees with the Lords in the said amendment.

Mr. Deputy Speaker (Sir Michael Lord): With this we may discuss Lords amendments Nos. 62 to 75, 103, 110 to 122, and 126 to 129.

Bridget Prentice: Amendments Nos. 61 to 63 were introduced following pressure from both Houses for an increase in the number of descriptions that a party can register with the Electoral Commission. The original number was five, which was the number recommended by the Electoral Commission. That would allow, for example, one description for each of England, Northern Ireland, Scotland and Wales, and one for the United Kingdom as a whole. The Liberal Democrats introduced the amendments in another place. They sought to increase the number of descriptions to 12 because that equals the number of nations and regions in the United Kingdom, and so that parties could register descriptions such as "London Liberal Democrats", "East Anglian Conservatives", or "Yorkshire and Humberside Labour". I therefore recommend that the House accept those amendments.

Amendments Nos. 64 to 72 fulfil the commitment made by my hon. Friend the Under-Secretary of State for Scotland on Third Reading in this House. Members may recall that amendments moved then became clause 59, and that they removed the need for duplication in reporting of donations, but for MPs only.

7 pm

By way of brief background, schedule 7 of the Political Parties, Elections and Referendums Act 2000 sets out, among other things, the requirement that "holders of elective office" should report the donations that they have received to the Electoral Commission, which then publishes them. That has the effect that MPs, MEPs, Members of devolved Administrations and local councillors throughout the UK have to report donations both to the Electoral Commission and to the relevant register of members' interests of the body of which they are a member. The Select Committee on Standards and Privileges, chaired by the right hon. Member for North-West Hampshire (Sir George Young)—to whom I express my gratitude for his help in this matter—expressed concern about the duplication, referring to it in a report published on 20 July 2005.

Lords amendments Nos. 64 to 72 remove the requirement of dual reporting for holders of relevant elective office. That means that holders of the relevant elected office would not have to report any donations received to the Electoral Commission, whether the

donations were received in their role as the relevant elected officer or in their role as a member of a registered political party. Of course, as with the provisions already included in clause 58, the Electoral Commission will retain the obligation to record any details it receives from the relevant registers of members' interests. The commission will continue to supervise compliance with the regulatory system as set out in the Political Parties, Elections and Referendums Act 2000.

The House should note that this provision can be commenced only once the Electoral Commission is content that the relevant authorities have arrangements in place to ensure that the commission is still able to maintain an accurate register. I hope that hon. Members will see that as an appropriate balance between requiring transparency and removing bureaucratic duplication. The amendments are supported by the Electoral Commission, as well as relevant bodies, including the Scottish Executive and the Standards Board for England.

Lords amendments Nos. 73 to 75, 103, 110 to 122 and 126 to 129, on the reporting regime for loans, fulfil the commitment that I made to the House on 20 March that the Government would table amendments to the Bill to make it compulsory for political parties to disclose any loans that they receive. There are issues relating to the funding of political parties that go beyond the disclosure of loans and the review by Sir Hayden Phillips will deal with those. We have tabled these amendments now because there is broad agreement between the political parties and the Electoral Commission as to what should be done. This Bill presented us with an opportunity to act immediately in seeking to deliver the same openness for loans as currently exists for donations. I was heartened by the consensus on the principles of seeking to achieve greater openness and transparency in relation to significant loans afforded to political parties, individual members, members associations and holders of relevant elective office.

The amendments take the form of a new part 4A of, and schedule 6A to, the Political Parties, Elections and Referendums Act 2000—PPERA.

Mr. David Winnick (Walsall, North) (Lab): The position on loans was a glaring loophole for which we are all responsible, not only the Government. It should have been recognised at the time, but all Labour Members are very pleased that it will at last be closed.

Bridget Prentice: My hon. Friend is right. All hon. Members need to take some responsibility for this, and the right hon. Member for North-West Hampshire recognised that on behalf of the Standards and Privileges Committee. That is one reason why we have had such openness and consensus on the issue.

Part 4 of and schedule 6 to PPERA provide a system for the regulation of donations to political parties. That regime requires all donations over £5,000 to a political party to be reported to the Electoral Commission, and ensures that donations can be made only by individuals or organisations with a sufficient connection to the United Kingdom. It has been accepted that those requirements have brought transparency and openness to the making of donations, which is why we have chosen the same regime for loans. Indeed the new provisions deviate from the requirements for donations only where necessary to reflect the difference between a loan and a donation. I am sure that hon. Members will agree that it makes sense to build on the success of the existing regime to try to achieve the same level of openness regarding loans.

Before coming to the more detailed aspects of the regime as set out in the new sections and schedule, it might be useful to remind the House of the four main features. First, the reporting requirement is triggered when a loan exceeds the initial reporting threshold of £5,000 or the subsequent reporting threshold of £1,000. Such loans, whether made on commercial or less than commercial terms, will have to be reported to the Electoral Commission. That will be at quarterly intervals, and at weekly intervals during a general election period. Secondly, all loans extant on the day that the provisions come into force would have to be disclosed, and any taken out thereafter. Thirdly, a party would be permitted to take out a loan only from the same sources from which it is permitted to receive donations, although existing loans will not be subject to that permissibility requirement. Fourthly, the regime would cover not only loans, but all credit facilities and the provision by third parties of guarantees and securities.

On 20 March, the Lord Chancellor wrote to all the parties represented at Westminster and he has since held meetings with many of them. Each has shared our concern that we should act quickly and recognised that a scheme similar to that now well established for donations would be a proportionate response to the need for transparency. We have also taken the views of Sam Younger, chairman of the Electoral Commission, who has welcomed the proposals, and consulted the British Banking Association.

Mr. Andrew Turner: I appreciate, as I am sure do hon. Members on both sides of the House, the efforts that have been made to secure consensus on this point. Is there anything to prohibit foreign nationals or others making large donations to campaigning organisations that are not registered as political parties, such as the Countryside Alliance or the League Against Cruel Sports?

Bridget Prentice: I will come to that issue shortly. We need to address concerns about third parties—

Mr. Peter Bone (Wellingborough) (Con): Am I to understand from what the Minister has said that, if an organisation had a temporary overdraft in excess of £5,000, it would have to be reported?

Bridget Prentice: If a loan already exists and is ongoing, it will not have to be reported, but any loan made subsequently will be reported. I will cover issues such as capitalisation later. It is a complex and technical part of the Bill, but I hope that I will answer the hon. Gentleman's question as I continue.

The scope of the regime is not merely restricted to straightforward loans. The regime also includes credit facilities, such as overdrafts, and arrangements where a third party offers a guarantee or security in respect of

[Bridget Prentice]

the liabilities of a political party. If security agreements were not included in the new regime, a wealthy backer could offer guarantees to all of a party's commercial suppliers, and enable the party to obtain anything that it might need at any given time, even though the party's own credit rating would mean that it could not otherwise do so.

One of the key issues in deciding whether a regulated transaction has to be disclosed will be its value. Disclosure will not be required for loans of £5,000 or under, unless the combined lending from the same authorised participant exceeds £5,000 during the course of a reporting year, and the regime does not apply at all to loans of £200 or under.

New section 71G specifies that the value of a loan is the total amount to be lent—that is, the "interest charged" is not included. For a credit facility, the valuation is the maximum amount that may be borrowed under the arrangement. For an arrangement involving any form of security, it will be the contingent liability assumed by the person who gives the security.

A question arose in the other place about loans that contain capitalisation provisions—that is, a facility for outstanding interest to be rolled up into the total sum of the loan. These amendments provide that, where a regulated transaction provides for capitalisation at the outset, the potential for capitalisation is not considered in the valuation of a loan. That would be a matter of particular importance in the case of loans whose face value is just below the reporting threshold and which contain capitalisation provisions that might cause the initial value of the loan to exceed the reporting threshold.

We have intentionally steered away from imposing on political parties the rather inexact science of having to ascertain whether capitalisation provisions might cause a loan to cross the reporting threshold. However, where the face value of the loan crosses the reporting requirement, the existence of capitalisation provisions would have to be recorded in the report to the Electoral Commission. We believe that that approach strikes the right balance between practicability and transparency.

Proposed new section 71H deals with the important question of permissibility. We believe that, as happens with donations, a lender should be either an individual whose name is on the electoral roll or an organisation with a sufficient connection to the UK. Proposed new section 71H prevents a party from entering into a regulated transaction with anyone other than authorised participants, the latter being defined by reference to the existing list of permissible donors in section 54(2) of PPERA. The restriction will not apply to regulated transactions entered into before the new provision commences.

The permissibility requirement is enforced by a range of criminal offences. For example, when a party takes out lo[illegible]h unauthorised participants, the party and its tr[illegible] may commit criminal offences.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): The UK link is one thing, but should not the Bill ensure that there are no links between political parties and seats in the upper House of Parliament?

Bridget Prentice: The hon. Gentleman's colleague, the hon. Member for Banff and Buchan (Mr. Salmond), was invited to meet the Lord Chancellor and put his views on that matter, which he did robustly. I understand that the hon. Gentleman is concerned about not having representation in the other place, but I am not the person with whom he needs to raise that matter. However, I can reassure him that his hon. Friend put his case to the Lord Chancellor very forcefully.

Mr. MacNeil: My point is not about my party having representation in the House of Lords. It is about installing a mechanism to ensure that Parliament is beyond reproach with loans and donations to political parties, and that the people who make that money available do not find themselves in the House of Lords soon afterwards.

7.15 pm

Bridget Prentice: I hope that the amendments from the other place will reassure the hon. Gentleman. As far as possible, we have tried to duplicate the donations regime and apply it to loans, although I have set out the technical reasons for any differences. The amendments should reassure hon. Members and the public that the process will be transparent, and that a robust reporting regime will apply.

As I said, those who do not follow the rules set out in the Bill could be found guilty of criminal offences. We have also made provision to ensure that, where a party has entered into a regulated transaction with an unauthorised participant, it should be required to repay the moneys or benefits that it derives from the transaction as soon as they come to light.

If the party refuses to repay the loan, a broad power is conferred on the courts, exercisable on application by the Electoral Commission, to restore the parties to the position that they were in before the transaction was entered into, if that is possible. That mirrors a similar provision of PPERA that allows the Electoral Commission to apply to the court for the forfeiture of impermissible donations. The same principles will apply in the case of a guarantee or security given by an unauthorised participant, again with some necessary adjustments.

I turn now to the reporting requirements, which follow the same structure as those for donations. Proposed new section 71M requires regulated transactions to be reported on a quarterly basis to the Electoral Commission. The requirement to report a regulated transaction is triggered when the value of that transaction exceeds £5,000—either in its own right, or taken together with the value of other transactions with the same authorised participant. Thereafter, transactions exceeding £1,000 with the same participant must be reported.

What happens where a person makes a loan of £5,000 and a donation of £5,000? The principle that we have adopted is that any combination of loans and donations that exceed the reporting requirements of £5,000 and £1,000 should be disclosed. The approach

that we have taken is that it should not matter whether a donation, a regulated transaction, or a combination of donations and regulated transactions, is made. If the aggregate value of any combination of relevant benefits exceeds the initial reporting threshold of £5,000 or the subsequent reporting threshold of £1,000, then the requirement to report is triggered.

Weekly reports are required in the period immediately before general elections, just as happens with donations. The Electoral Commission will maintain a register of regulated transactions so reported, and it will be made available to the public.

Mr. MacNeil: Is there anything in the amendments that would have prevented the recent scandals and the subsequent involvement of the Metropolitan police, or are we back where we were a few months ago?

Bridget Prentice: As I have said, the events of a few months ago showed that we needed transparency. My hon. Friend the Member for Walsall, North (Mr. Winnick) pointed out that there was a loophole that no one in this House recognised. Our discussions with the various parties represented here have led us to come up with what we think are sensible, coherent and transparent proposals. I shall not comment on any Metropolitan police investigation that may be under way, but I believe that the amendments will reassure the House and the general public about how political parties will be funded.

Mr. Andrew Turner: The Minister said that no one in this House recognised the loophole that existed. Does that mean that the then chairman of the Labour party and the Prime Minister—as well as Lord Levy, who I accept is not a Member of this House—did not recognise the loophole?

Bridget Prentice: As I said in my statement of 20 March—and I have said it again at least twice this evening—no one was aware that the donations regime did not apply in the same way to loans. The result was that loans were not as transparent as donations. We are rectifying that now. Everyone in this House recognises that the new regime should apply to every party in this House and that we all have to take some responsibility for making the position as transparent as possible.

The particulars that need to be reported about regulated transactions will be different. We think that transparency requires that the principal features of the transaction should be required to be reported and disclosed to the public. New schedule 6A requires the identity of the participants to be reported, as well as the nature and value of the transaction, details of the rate of interest, if any, to be paid on any sums lent, the length of the loan, and other particulars. Provision is made for the particulars to be varied should it become apparent that transparency requires different or additional matters to be reported about regulated transactions.

Mr. MacNeil: Will the Minister give way?

Bridget Prentice: I will give way once more to the hon. Gentleman, but if he repeats the questions that he has asked already, I doubt that I shall be able to help him any further.

Mr. MacNeil: The Minister refers to loopholes, but is not the biggest loophole of all still wide open—the one that allows someone to give a substantial amount of money to a political party and then to pass through that very loophole into the legislature, this Parliament?

Bridget Prentice: Let me make it absolutely clear that no one who gives money to a political party is given some sort of favour, either in this House or in the other place. I hope that the hon. Gentleman accepts that. I am disappointed that he does not understand that no one who has supported a political party, whether my party, the Conservative party or the Liberal Democrats, should be accused in the House of such behaviour.

Mr. MacNeil *rose—*

Bridget Prentice: I will not give way again to the hon. Gentleman. I have made my position clear.

Mr. Bone: Will the hon. Lady give way?

Bridget Prentice: If I can make a little progress, I shall deal with the question of third-party loans.

The other major difference that requires a different approach is the continuing nature of a regulated transaction. Because regulated transactions involve an ongoing relationship, it is necessary to require the reporting of variations in the terms of the transaction. We have done that in new section 71N. Whenever one of the particulars that are required initially to be reported about a regulated transaction is varied, the party is obliged to record the change in the next transaction report. We believe that that will ensure proper transparency. Otherwise, regulated transactions could, for example, be varied to permit the making of further advances or be put on a zero-interest basis in a way that would not be apparent. We have also imposed a requirement to report when a regulated transaction finally comes to an end.

As for third-party loans, third parties are already covered during a general election and we have an order-making power in the Bill to deal with third-party loans and donations outside that period. I hope that that the hon. Member for Wellingborough (Mr. Bone) is satisfied that such matters are covered by the amendments.

Mr. Bone: Given the Minister's earlier comments, I wanted to point out that the House should not give the impression that someone who gives money to a political party should be barred from going to the other place. That, too, would be wrong.

We want transparency. Does the hon. Lady agree that, if we are not careful, soft money or issue money could be lent or given, which would have the same effect, but would not have to be declared?

Bridget Prentice: I agree wholeheartedly with the hon. Gentleman that someone who donates to a political party should not as a result be barred from being in the other House. That would clearly be nonsense. People have the right to express their political views in their own way and there is no bar on appointing a donor to the other place. People are appointed to the other place on merit. I hope that hon. Members in this place accept that. *[Interruption.]* Noises off from the Liberal Democrats ought to be kept a lot quieter, given their own situation. They have no right to pretend to be any better than any other party in the House in dealing with these matters.

The hon. Gentleman mentioned his concern about soft money, which is something that we have to look at. Later, I shall speak about issues relating to candidates' expenses, where such money sometimes appears. We have views on how we might make progress in that respect.

The new regime will apply not only to the political parties, but to individual members of political parties, their associations and holders of relevant elective office. The amendments also make provision for an order-making power to extend the loans regime to third parties during national election campaigns, permitted participants at referendums and election candidates in parliamentary, local government and London assembly elections. An order-making power to extend the loans regime to Gibraltar during European elections has also been provided for, mirroring once again the approach taken in respect of donations.

We have also considered in the amendments the most appropriate means of extending the provisions to Northern Ireland. The House will know that the donations regime has been disapplied in Northern Ireland since 2000 by orders made under PPERA. However, the Northern Ireland (Miscellaneous Provisions) Bill that has recently been debated in this place and is now before the House of Lords contains provisions that mean that the disapplication of the regime will expire on 31 October 2007. Thereafter, the donations regime will apply in Northern Ireland, with both temporary and permanent modifications. An order-making power will allow the loans regime to be modified as it applies in Northern Ireland in a way that allows it to mirror the approach to be adopted in relation to donations as provided for in the Northern Ireland (Miscellaneous Provisions) Bill.

The measures also bring about a number of consequential amendments to PPERA to reflect the introduction of the new regime for regulated transactions and to tie the two regimes together. The changes include an amendment to section 3 of PPERA so that those people who have made loans to political parties are excluded from being eligible to be electoral commissioners, reflecting the regime that currently applies to donations. Similarly, the amendments establish that an electoral commissioner shall cease to hold office if he is named as a participant in the register of recordable transactions—that is, if he gives a loan or other donation to a political party.

In accordance with the commitment that I gave the House 20 March, the amendments represent a comprehensive package of measures to make it compulsory for political parties to disclose any loans that they receive. Our intention has been to achieve as great a transparency for loans made to political parties as applies to donations. We believe that the measures now provide a robust and workable framework to ensure greater transparency in respect of significant financial benefits afforded to political parties, members of political parties and holders of relevant elective office. I commend them to the House.

Mr. Heald: Openness and transparency are important. If someone makes what amounts to a gift to a political party, or even improves its financial position, that should be known. If it is not known that a person has given a large amount of money or other substantial financial benefit to a political party and that person then becomes a peer, there will be grounds for suspicion about why that has happened. I shall say nothing about the circumstances that brought the subject to light recently, but it is a fair principle that when people give money or other financial benefits to political parties, that should be known when the sums involved are substantial.

Mr. Winnick: The hon. Gentleman was in no way responsible, so my question is not personal, but why was there no disclosure prior to 1997? When the Committee on Standards in Public Life—originally known as the Nolan Committee—was set up, John Major made it perfectly clear that political donations and contributions would be excluded from its remit.

Mr. Heald: As I think the hon. Gentleman would agree, that was a different era. We all accept things now that we might not have accepted years ago. I am sure that that is true for him as much as it is for me.

7.30 pm

David Taylor: Will the hon. Gentleman give way?

Mr. Heald: Let me just make a bit of progress.

The point that I was going to make is that, from the moment that this issue became important—in recent months—we have co-operated fully with the Government and we agree with the proposals that the Government outlined in the other place and again this evening. We are also contributing to the Phillips review, which we welcome. My hon. Friend the Member for Chichester (Mr. Tyrie) has put forward what we call a green paper, which sets out a whole range of protections that would take matters forward.

It is true that when the legislation was going through the House in 1999 and 2000, following the recommendations of the Committee on Standards in Public Life, it was thought that an element of giving or providing a financial advantage to a political party should be the trigger for reporting. It was thought that it was reasonable to exempt loans on commercial terms because they were commercial transactions, where a profit was to be made by the company. There was not that element of a gift or donation. However, as we know, that has turned out to be something of a grey area and so we accept that the law should be changed.

We welcome the various proposals that the Minister has outlined and we will support them today.

Mr. Heath: I broadly welcome the amendments in this group. I am a little disappointed that the Leader of the House is not here, because this area is specifically one of his responsibilities. That is one of the reasons why I retain responsibility from the Liberal Democrat Benches for the issue. However, he is not here. No doubt we will have an opportunity to discuss the matter with him in the future.

May I deal first with amendments Nos. 61 to 63, which were moved in another place by Lord Goodhart? This is a perfectly sensible compromise—or a proportionate response to what had become an issue. The figure 12 was not simply plucked out of the air. It accords with the nations and regions of the United Kingdom and enables the political parties to describe themselves as they wish and as they feel is appropriate. The previous figure of five was arbitrary and was perhaps over-restrictive. I am grateful to the Government for recognising that there was some strength in that argument and for accepting the fact that what was proposed was a sensible move.

I also entirely welcome amendments Nos. 64 to 72, which build on the point that I originally made on Second Reading about the dual reporting procedure that applied to Members of this House. That gave rise to inconsistencies and additional bureaucracy—to no end in terms of better transparency or regularity. The Government accepted the principle and I share the Minister's view that a critical part of that process involved the deliberations of the Standards and Privileges Committee, of which I used to be a member, and the contribution to the debate of its Chairman, the right hon. Member for North-West Hampshire (Sir George Young). The fact that the Government have been able to go to the Scottish Parliament, the European Parliament and the Welsh Assembly and come up with positions that are consonant with what is being proposed for Members of this House seems entirely rational and right. I welcome those amendments.

We are dealing with the issue of the funding of political parties. We should not forget the genesis of these proposals. They were born out of a certain degree of panic at the very adverse comments in the press when it came to light that various parties were indulging in the practice of taking loans. The clear link in the public mind—I make no comment at this stage about whether it is a real position or a perception—between the provision of loans and the acquisition of preferment and particularly entrance to our legislature in the upper House, is something that we simply cannot afford to allow to continue. It is right that, as far as we can, we should reach a consensus between the political parties to ensure that that perception is no longer allowed to prevail.

Mr. MacNeil: Transparency International has said that Parliament must be beyond reproach and be seen to be beyond reproach. Unfortunately, it has not given Westminster a clean bill of health. Does the hon. Gentleman agree that, as yet, nothing has appeared, especially in the Bill, that will put this Parliament beyond reproach and give it a clean bill of health?

Mr. Heath: I agree to an extent with the hon. Gentleman. It is still incumbent on us to break that connection. I have a simple way of breaking the connection: having Members of the upper House up for election in a democratic process. However, given that there is a view—

Mr. Ronnie Campbell (Blyth Valley) (Lab): Or abolish them.

Mr. Heath: There is a perfectly respectable unicameralist view; it is not one that I share, but it has its own logic, although this House would have to do a much better job of scrutinising legislation and holding the Government to account if we were to move to a single Chamber. What is surely unacceptable is to have a wholly appointed House when it is so clearly prey to the whims of individuals in high office and the perception that there is a connection between providing funds for political parties and entering the legislature. We simply must not accept that in the British Parliament, and we must be absolutely clear that we will not accept it.

The matter of loans is a small sideshow in the process that we must now undertake to cleanse the Augean stables of party political funding, but it is necessary and I welcome it. The Minister said in her opening remarks that none of us perceived the loophole when the Political Parties, Elections and Referendums Act 2000 was going through. That is absolutely right. None of us did. But somebody certainly did subsequently. It was clearly subsequently noticed that this was a way in which political parties could acquire funds without that being properly reported. There is anecdotal evidence that people were pressed to change their intended gift into a loan. We can only guess at what the motive for such a change might be.

David Taylor: Is it not the case that the ingenious and the unprincipled will always try to evade frameworks, even though they may be a sideshow? Should not the real focus be on things such as the period during which donations and loans can be registered—not just restricting it to the election period? For instance, in the final few months prior to the last general election, in four constituencies—Lancaster and Wyre, Welwyn Hatfield, The Wrekin, and Northampton, South—substantial amounts of money were spent following donations from rich individuals and organisations, which duly secured sizeable swings in those constituencies, which went from Labour to Conservative. Is it not there that we ought to have tighter controls that will give a fair impression to the electorate at large?

Mr. Heath: I entirely agree with the hon. Gentleman. Having been subject to some of that increased spending, perhaps on a slightly smaller scale, from donors outside my immediate constituency—certainly a large amount of money was spent by central parties and one particular party in trying to wrest the seat from me—I recognise that that is a real difficulty. I said so on Second Reading, in Committee and on Report in this House. He may recall that I tabled amendments to try to regularise the position. To some extent, the Bill

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moves to deal with that issue, but my suspicion is that it does not go far enough and that we need to do more to prevent what is clearly an abuse in terms of large amounts of money being spent in particular constituencies that are identified as marginal. That is out of all proportion to the limits on election spending that are properly applied to those constituencies. However, I would be digressing too far from the Lords amendments if I were to explore that to any great extent.

Mr. Love: Does the hon. Gentleman accept that the only thing worse than having political parties that are dependent on a few rich individuals is having political parties that are dependent on one rich individual? I am not speaking about his party when I say that. Does he also accept that the Government have set up the review that is being undertaken by Sir Hayden Phillips? Many of the concerns that he and others have raised should be dealt with by that review, as should many of the points that party members from the nations and regions continue to press upon us. There should be all-party agreement on the matter, and, hopefully, we can clean up the act.

Mr. Heath: I sincerely hope so, although Sir Hayden Phillips will find it enormously difficult to bring together the different strands.

The problem is that when political parties, at a senior level, accept donations from individuals, the efforts of hon. Members are tarnished. I suspect that not a single Member in the Chamber has anything to do with large donations that are received by our respective parties. Volunteer workers in our parties get tarred with the same brush. The whole political process will be tarnished until we get the system right, which is why we need as much transparency and reporting as possible and, frankly, clear limits on both the donations and expenditure that are appropriate. Donations and expenditure are not divorced from each other. One cannot have limits on donation, yet unlimited expenditure, or vice versa. Clear limits are needed to restore the faith of the British people in our political system.

Mr. Andrew Tyrie (Chichester) (Con): The hon. Gentleman says that we need clear limits and, of course, I agree with his sentiments. Will he tell us when the Liberal party intends to come forward with its package of comprehensive proposals for the reform of party funding?

Mr. Heath: I am not sure that it is entirely right to say that we have not done so already. I accept that we have not put our proposals together as the hon. Gentleman has done, for which I commend him. However, I hope that he acknowledges that his proposal for a £50,000 cap has been our policy for some time. We have been clear about the need for both that and transparent reporting. I have made speeches in which I have made our broad attitude clear. We will be giving evidence and working with others in the context of Sir Hayden Phillips's review, and I hope that we will be able to reach a consensus. However, I foresee that there will be difficulties, owing to the differing perspectives and sources of income of the parties represented in the House. Some difficulties may be reconcilable, but perhaps some will be irreconcilable. We should strive seriously to find a consensus because if we do not, the whole of our political and democratic process will be cheapened by our lack of ability to find a common view.

There is merit in the proposals on the reporting and admissibility of loans. I wish that such provisions had been in place some time ago. It would have been better if we had realised the possibility of adopting them when the Political Parties, Elections and Referendums Act 2000 was passed, but it is easy to be wise after the event and not to realise the ingenuity of those who wish to circumvent any system that is put in place.

I am especially grateful to the Minister for acknowledging the strength of an argument put forward by Lord Goodhart in another place. He made the point that cumulative payments could be part loan and part donation, and that several separate loans, or a mixture of loans and payments, could reach the threshold. The Government tabled appropriate amendments to take account of that. I am also grateful to the Minister for explaining capitalisation in relatively simple terms and outlining her proposals in that respect. I know that her colleague in the other place struggled to make sense of the proposals, but I think that we understand what is being suggested.

7.45 pm

The Minister will know that we disagree with the Government on one aspect of the proposals, although we have not tabled amendments to reflect that at this stage because reaching consensus is more important than getting absolutely everything. However, there is a strange anomaly that if a loan is made before the commencement of the relevant part of the Bill by a donor who proves to be non-permissible, it will be allowed to be maintained as a loan, despite the fact that if it had been made after the commencement, it would be unlawful. In such circumstances, it would be appropriate not to criminalise the loan and retrospectively make unlawful something that was quite lawful, but to require the loan to be repaid after an appropriate period of time so that the situation could be regularised. Such an approach would be logical and consistent with what the Minister said would happen if a loan was taken in good faith after the commencement of the legislation, but it was proved, after further reflection, that the donor was non-permissible. In such circumstances, the loan would have to be returned—there is no suggestion that that should not be the case—so, to put it mildly, there is a certain lack of logic behind the Government's proposals.

As far as we are aware, from the evidence that we have been given, there would not be a significant quantity of outstanding loans. Of course, a party would be able to make a full repayment before the commencement of the provisions, so even reporting would not be necessary because the matter would become a closed book. Some parties will wish to take advantage of that ability in respect of donations that come from overseas sources, while others will not have such loans to report. Others might take the view that

they would have to make the identity of the donor public under the requirements of the legislation if the loan was still outstanding, at which point they could maintain the loan; and that would be an equally satisfactory outcome in terms of transparency. However, a difficulty would arise if the identity of a donor became known and it was quite clear that that person should not have made a donation under the terms of the Bill.

I do not understand the Government's position on the matter. They should have thought again, but I acknowledge that when we made such points in another place, two parties did not agree with our position. They might have had their reasons for that, although I do not think that those reasons were based on logic, but I accept that as we were unlikely to secure a majority in the other place, we were certainly not going to secure a majority here, which is I why I have not tabled amendments on the matter today.

Mr. MacNeil: Am I correct in understanding the hon. Gentleman as saying that the problem would be not the time at which the loan had been made, but the fact that it was still alive and outstanding?

Mr. Heath: That is precisely so. We are talking about a loan made before the relevant time—the commencement of this part of the Bill—which is still outstanding when the Bill becomes law and is from a non-permissible donor who would not have been able to make it after the event. The right and sensible way to deal with that is to require the political party in question to repay the loan not on day one—let us live in the real world—but over a sensible period. In that way, the matter is cleared up and settled, and no one will have benefited from what would subsequently be an unlawful donation in kind.

I do not need to prolong our debate. The proposals are welcome. I do not think anyone is suggesting that they go far enough to deal with the problems of party funding, but they are a welcome first step. What is particularly welcome is that we have managed to achieve a degree of consensus in a relatively short time. I hope that that consensus will be maintained.

Bridget Prentice: I echo the hon. Gentleman's words. I, too, hope that the consensus continues. I am grateful to him for saying that we have achieved a great deal in a relatively short period. I apologise to the House on behalf of my right hon. Friend the Leader of the House, who cannot be here for this part of the debate because of a previous engagement.

I understand the hon. Gentleman's position on pre-existing loans. We did not think that it would be appropriate to invalidate arrangements that were lawful when they were made. That is not the purpose of the amendments. We did not intend to wreak havoc in the finances of different political parties. However, he alluded to the fact that any loan that is outstanding when the Bill becomes law will need to be reported, and people will be able to see whether loans were given by those who have become non-permissible. People can make their own judgments as a result. The Labour party has made clear where all its existing loans have come from. I recommend that position to all parties.

The House will have noted my emphasis throughout on explaining what the new provisions will achieve to bring greater openness to the activities of political parties in relation to loans and similar transactions. They set out a comprehensive regime, benefiting as it does from the precedent of the donations regime. I hope that as a result we will be able to have a fuller debate at a later stage on some of the issues arising from that. As I said, Sir Hayden Phillips will look at other aspects of party political funding. No doubt we will return to the subject in another form at a later stage.

Lords amendment agreed to.

Lords amendments Nos. 62 to 75 agreed to.

Clause 2

USE OF CORE INFORMATION

Lords amendment: No. 1.

Bridget Prentice: I beg to move, That this House agrees with the Lords in the said amendment.

Mr. Deputy Speaker: With this it will be convenient to discuss Lords amendments Nos. 2 to 5, Lords amendment No. 6 and amendments (a) and (b) thereto, and Lords amendments Nos. 78, 82, 83, 87, 94, 105, 107 to 109 and 124.

Bridget Prentice: The amendments relate to the registration system. Amendments Nos. 1 to 4 relate to the co-ordinated online record of electors. Amendment No. 5 relates to the new duty on registration officers to maximise levels of registration. Given the earlier debate, I do not wish to pursue the arguments on registration further at this stage. The House has reached another consensus on the importance of increasing registration. The amendments will ensure that registration officers do their bit in making sure that the registers are as comprehensive as possible.

Amendment No. 1 was made in response to concerns that the regulations governing the publication and supply of information kept on CORE to bodies such as political parties might differ greatly from those which apply to electoral returning officers at a local level. As Ministers made clear in another place, CORE will not change the information that is held on electoral registers, or the records that EROs are required by law to keep, or the persons and organisations to whom information may be supplied. It simply acts as a central point of access.

Some flexibility is needed, however. For example, the CORE keeper will not be required to keep a copy of the full register available for public inspection. There is also flexibility because the amendment more clearly sets in law the principle that the regulations governing access to information held in CORE will be the same as those that apply to EROs.

Amendments Nos. 2 to 4 were also made in response to the concern in another place that, as originally drafted, some of the security measures included in the CORE provisions might call legitimate acts into question, rather than focusing on fraudulent activity. An example of that is the potential for large

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households with a number of postal voters, such as student halls, to be flagged up as potentially fraudulent. Amendments Nos. 2 and 4 tighten up the Bill's drafting so that CORE will instead focus on instances where large numbers of postal votes have been redirected to an alternative address, as that is a circumstance in which fraud may be involved.

There was also a concern that the Bill's existing provisions would flag up legitimate instances of a person voting as another elector's proxy—in a sense, the reverse of the earlier concern. Amendment No. 3 responds to that by focusing again on fraudulent acts of double voting.

The new duty on EROs is set out in amendment No. 5. The new duty is to ensure that the electoral register is complete and comprehensive. Clause 9 sets that out as a new duty and includes certain minimum steps that EROs must take to maintain their registers. As drafted, clause 9 includes

"making on more than one occasion house to house inquiries".

Under amendment No. 5, EROs would instead be required to make such inquiries on "one or more occasions". The purpose of the amendment is to clarify that there is no need for electoral officers to make more than one visit if the first visit gives them the comprehensive information that they need.

Mr. Love: On amendment No. 5, the experience of my electoral staff is that because of a shortage of people to knock on doors, they are knocking only once. They then send a letter directly to the address. As a consequence, there is massive under-registration. Should not the Bill recognise the need for more than one call to be made if the officers fail to find anyone in?

Bridget Prentice: Amendment No. 5 addresses my hon. Friend's concerns. He is right that one call is often not enough. Giving EROs the duty to ensure that they have a comprehensive register, and taking on board earlier points about the variety of ways in which it is possible to gather that canvass, he is right to say that it may be necessary in some cases for the canvasser to call more than once at a particular household.

Lords amendment No. 6 deals with service registration, which was raised on Second Reading and in subsequent discussions, and we have responded, I hope, to the points that were made in the House and elsewhere. The amendment includes two key provisions. First, it creates an order-making power to allow the Government to extend the duration of registrations made via a service declaration to up to five years. Current rules require declarations to be reconfirmed annually, so the extension would make the registration process more convenient for service personnel, particularly personnel serving overseas. To provide a proper opportunity for parliamentary scrutiny, any order made under the amendment would be subject to the affirmative resolution procedure. If the power were used, it would affect only service personnel and their spouses or civil partners. It would not affect other persons eligible to register through a service qualification, such as Crown servants based overseas. Traditionally, it is much easier for Crown servants to register than it is for service personnel to do so, so we want to address the problem experienced by service personnel. In addition, the amendment does not require members of the armed forces to register solely through a service declaration. Servicemen and women can still register as ordinary electors if they choose to do so.

8 pm

Mr. Roger Gale (North Thanet) (Con): Everyone in the House knows that order-making powers merely provide the power to make an order. If, as I expect, the amendment is accepted, is the Minister minded to lay the necessary statutory instrument before the House?

Bridget Prentice: I can assure the hon. Gentleman that we certainly are minded to lay the appropriate measure before the House.

Secondly, the amendment places a duty on the Ministry of Defence to keep a record of the electoral registration details of service personnel that can be used both as a prompt to the individual to update registration details with the local electoral registration officer, particularly the address to which postal votes should be sent, and as a focus for efforts to encourage service personnel to register. The record will provide statistical information that will allow continuous monitoring, and it will facilitate communication between unit registration officers and the local electoral registration officer about the numbers registered, to assist in future registration campaigns.

Dr. Julian Lewis: Will the Minister explain the objection in principle to reverting to the system that was used before the Representation of the People Act 2000? The procedure that she has outlined is extremely complicated, but our forces are far more involved in front-line action now than they were then, so it is strange that they cannot be registered once and for all by their units, as used to be the case.

Bridget Prentice: I do not accept the premise that this is a complicated measure—it is a practical and straightforward method of ensuring that service personnel have the opportunity to register. The previous regime was changed because it did not work effectively. The all-party group that looked at the system concluded that it was characterised by low registration. There are concerns in the House about relatively low registration among service personnel, so I am pleased that the Under-Secretary of State for Defence, my hon. Friend the Member for West Bromwich, East (Mr. Watson), is in the Chamber, as he has worked closely to find a way forward. The all-party group pointed out that it was difficult for EROs to identify and communicate with service personnel. The amendment makes that process much easier and clearer, so I hope that the hon. Gentleman welcomes it.

Dr. Lewis: I thank the Minister for her generosity in giving way. She said that the previous system did not work well, but does she accept that, by comparison, the new system has led to a massive reduction in registration?

Bridget Prentice: I am not happy with the level of registration among service personnel. I do not know whether the hon. Gentleman attended our debate about registration in general, but the vast majority of people who fail to register are young men, who are notoriously poor at registering. We have tried to ensure that they register, and that they are encouraged to do so by their unit registration officers.

Several hon. Members *rose—*

Bridget Prentice: If hon. Members will allow me to complete my explanation of the amendment, they may be reassured that it is a much more progressive and positive way forward. It is part of a package of measures to aid the registration of service personnel that includes closer co-operation between the officer in each unit responsible for electoral registration and the ERO. The MOD will issue every new entrant to the armed forces with an electoral registration form, and it will run campaigns during the annual canvass for service personnel whose service declaration is about to expire. Members of the armed forces will receive reminders in their payslips about the need to register to vote and information such as website addresses and so on. Access to service accommodation will be granted to electoral registration officers. Pilot schemes for on-site polling stations at two separate military establishments took place in this year's local elections in Rushmoor and Westminster. Future campaigns will include a service "Registration Day", which will act as a focal point. Unit registration officers will be proactively using all appropriate measures to remind and inform service personnel and their families both of the requirement to register to vote and of the way in which they can do so.

Mr. Nicholas Soames (Mid-Sussex) (Con): Does the hon. Lady accept that the position of a soldier or sailor at a shore base in Britain is very different from the position of a solider on operations in Helmand province or in Basra? *[Interruption.]* She will not receive any solace from the Under-Secretary of State for Defence, because he does not know. The situation of the soldier on operations is miles away from what she has discussed. The MOD and the Electoral Commission, which does not know any better, must introduce a system with a mechanism to enable personnel in all three services training at home bases in the United Kingdom and on operations to register. Inevitably, it will be at the back of the queue for personnel who are on operations, but a great deal more work needs to be done so that it works for our gravely diminished armed forces, many of whom are on operations overseas. Unless we do so, the proposal will not make any difference at all.

Bridget Prentice: The hon. Gentleman makes an important point, but the amendments deal with the issue. For the first time, the Ministry of Defence will keep a record of which personnel have registered and which have not done so, so we can see where the gaps are. Of course, he is right that registration is more difficult for service personnel serving overseas, but we have put in place measures that will help to achieve his aim. My hon. Friend the Under-Secretary wrote to me saying that he wanted to work with my Department and the Electoral Commission

"to consider what further improvements we can make to the quality of information available to Service personnel."

A number of service personnel elect to register as ordinary voters, and that option will still be available to them.

Mr. Tyrie: A moment ago, the Minister said that the old system of registration was inadequate. Of course that is true. It was inadequate in the sense that people were left on the register after they had left the Army. That was the primary problem—not, as she implied, that service personnel who should have been registered were not registered. As far as I am aware, and I would be grateful if she could confirm this, registration among service personnel under the old scheme was comparable to that among the civilian population. Has she made any estimate of the level of registration that would result from the scheme that she has proposed tonight?

Bridget Prentice: I do not believe that substantially more service personnel were registered under the old scheme. There were problems of under-registration similar to those that we recognise now among the young men and women in our armed forces. The record that the Ministry of Defence will keep will enable us to target registration gaps.

Mr. Tyrie: I am amazed by the Minister's comments. When I looked into the matter in 2004, prior to the last election, I discovered that in the year before the introduction of the new scheme, registration was over 87 per cent. in a ward in my constituency where there were almost exclusively service personnel, and that after the introduction of the Political Parties, Elections and Referendums Act 2000 registration had fallen to 42 or 43 per cent. I would be very surprised if that or a similar situation were not replicated right across the United Kingdom, in view of the Government's own survey, which shows a drop and an appallingly low level of service personnel participation in the election.

Bridget Prentice: I want to try to reassure the hon. Gentleman, because I know how concerned he is. He has raised the issue on a number of occasions. Under the old scheme, as he rightly points out, the declaration remained valid for five years. That sometimes had the effect of people being registered at an address that was no longer theirs, which distorted the register. There has historically been under-registration. I am grateful to my friends at the MOD for undertaking to be proactive in registering people wherever it is appropriate for them to be registered. There are service personnel who will continue to register to vote as ordinary electors, if they so wish. We would not wish to prevent them from doing so.

Simon Hughes: May I pursue the point made by the hon. Member for Mid-Sussex (Mr. Soames)? Will we be able to see, year by year, the percentage of people registered in each of the three services, and be able to tell whether those serving in Afghanistan, Iraq, Cyprus and elsewhere are also registering in sufficiently high numbers? Unless we have that information, we will not

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be able to ensure that those who are the most unlikely to do it have the right that they deserve at least as much as anyone else, if not more than most.

Bridget Prentice: I understand what the hon. Gentleman is trying to achieve and I have some sympathy with that. I am not sure that any system would allow us to do that. People move from one posting to another. We might get a snapshot of the situation, but I cannot guarantee that we could get a comprehensive result from studying overseas postings. In the discussions with colleagues in the MOD, we will consider how comprehensive the information is that we can give, in order to reassure the House that as many service personnel as possible are registered.

Simon Hughes: It might be helpful to examine one or two specific examples, such as the Marines, who have a base in my patch. If asked, the Marines might agree to do a check. We know how many Marines there are, though of course they move around the world. We could see whether the registration figure was 50 per cent., 80 per cent. or whatever, and that would give us some idea. It is those who are most mobile who should concern us most.

Bridget Prentice: Yes, I understand what the hon. Gentleman is saying. To some extent we will be able to do that, to see whether there is an increase or a decrease in registration year on year in each of the services. That might go some way to meeting the point that he makes.

8.15 pm

Dr. Julian Lewis: The Minister has been extremely generous in giving way. I am puzzled by the fact that she does not seem to be aware of the survey that was published only last week by the Government's own Defence Analytical Services Agency, which went to the heart of the point raised by my hon. Friend the Member for Mid-Sussex (Mr. Soames), that when we are speaking about servicemen based at home it is an entirely different kettle of fish from servicemen based overseas, often on active service. The survey showed that only 34 per cent. of UK personnel serving overseas were registered, compared with 64 per cent. of those based in the UK. That is a massive disparity, and no amount of tinkering with the new system can bridge that gap.

Bridget Prentice: I am indeed aware of that survey. One of the reasons why it was published last week was to inform this very debate. The Ministry of Defence wanted hon. Members to understand the present situation. In its co-operation with me and with my Department on the Bill, the MOD has given a very positive steer on the work that should be done. The figure of 34 per cent., which none of us would say is high enough, does not take account of the fact that some service personnel are registered at home. When we bandy about statistics, we must make sure that we cover all the options. I am not satisfied with the number of service personnel who are registered, and neither are my colleagues in the MOD, which is why we have tabled the amendments. However, I do not believe that the position is much worse than pre-2002.

I hope that I have responded comprehensively on the subject of service personnel registration. We have made huge strides in that regard, and I hope that the House will welcome and endorse the amendments. I am grateful to my hon. Friend the Under-Secretary of State for Defence for his continuing support.

Mr. Soames *rose—*

Bridget Prentice: I will give way once more, but only because it is the hon. Gentleman.

Mr. Soames: The hon. Lady is extremely generous. She is making a magnificent job of a sow's ear. Does she accept that what is so galling is not that the Ministry of Defence is trying to put the situation right, as we know it is? There is considerable merit in some of the points that she makes. Prior to the last election, my hon. Friends the Members for Chichester (Mr. Tyrie) and for New Forest, East (Dr. Lewis) and I, when I was shadow Secretary of State for Defence, and many others pointed out repeatedly that registration was not being properly carried out. We heard that from everywhere. It is galling that it was so dismally badly done. In order to remedy the problem, the hon. Lady will have to deal more specifically with the point that my hon. Friend the Member for New Forest, East made about servicemen serving overseas. It is more important that they know of their right and their chance to vote than it is for people sitting comfortably at home.

Bridget Prentice: I could not agree more about the importance of doing everything we can to help our servicemen and women who are on overseas missions to be registered—

Mr. Soames: On operations.

Bridget Prentice: Indeed, on operations, and sometimes, as we know, in extremely dangerous life-threatening situations. I am grateful to my colleagues in the MOD for the positive and supportive way in which they have responded to the issue. We will do everything that we can to register those people, because it is not acceptable to send them to represent our country abroad in very dangerous situations without giving them every opportunity to vote in any of our elections.

Amendments Nos. 78, 87, 94, 105, 107 to 109 and 124 were introduced in the House of Lords by Lord Rix and Lord Carter with support from the Government. They deal with the abolition of common law incapacity and relate to assistance for people with disabilities. The other amendments in the group are consequential, and they change the terms "physical cause", "physical incapacity" and "incapacity" to "disability".

Amendment No. 78 abolishes any common law rule that links a person's capacity to vote to their mental state. That is what currently ties the language of "idiots" and "lunatics" to electoral legislation, and it has led to disabled people being denied the right to

vote. That link is derived from outmoded concepts and terminology found in 14th-century statute law and 18th-century cases. It has led to election officials making unjustified assumptions about the mental capacity of disabled people, and it has no place in modern law and our modern democracy. Amendment No. 78, which has been developed in conjunction with organisations such as Scope and Sense, will allow disabled people to be subject to exactly the same eligibility criteria as everyone else.

Other amendments in the group clarify the language used about disabled people in election law, replacing the word "incapacity" with the word "disability", which is a much more appropriate term for the purposes of election law, because it encompasses all forms of disability and does not simply imply mental incapacity. I am proud that the Government have eradicated that language and the behaviour that it encourages from electoral law.

Amendments Nos. 82 and 83 relate to anonymous registration and the names of electors allocated to polling stations. As it stands, the returning officer would have no obligation to provide the parts of the register that contain entries relating to those who are anonymously registered. The amendments correct that by substituting "names of" in rule 29(3)(c) for "entries relating to", and similar consequential changes are already included at other points within the Bill.

Amendment No. 83 makes a small change to the provisions relating to anonymously registered electors. Paragraph 15(7) of schedule 1 allows the electoral number of an anonymous entry to be included in the edited version of the register, which is available for general sale. Although an anonymously registered person's name and address will not appear on the edited register, we believe that the inclusion of even the elector's number creates a small potential risk, particularly in registers that cover a small area where undue attention could be drawn to an anonymous entry. The risk is small, but it could be avoided altogether if the edited register were not to include anonymous entries.

Conservative amendments (a) and (b) would create a system in which the relevant Department would have to register service personnel and Crown servants, unless those people chose to opt out, and they would have significant resource implications. Apart from setting up the system, the Department would be obliged to check with the relevant electoral registration officer that the relevant person was actually registered to vote, which would be extremely time-consuming and costly. In addition, the amendments cover all Departments, which seems unnecessary because, with the exception of service personnel, about whom I have already spoken at length, we have no evidence to suggest that there is a problem with electoral registration among employees of other Departments. I therefore ask the hon. Member for North-East Hertfordshire (Mr. Heald) to withdraw the amendment.

Mr. Heald: My hon. Friend the Member for Chichester (Mr. Tyrie) and other Conservative Members have pressed the Government hard to tackle the problems that have arisen for service voters since the 2000 Act. Although the 2000 Act gave service voters various ways to register, the fact that only 46 per cent. of servicemen and women, and just 28 per cent. of those based overseas, voted in the last general election indicates the serious nature of the problem. Those concerns prompted the MOD to conduct the survey, which showed that only 60 per cent. of service personnel were registered to vote at the last general election. The Army had a significantly lower registration rate than either the Navy or the RAF. Furthermore, only 34 per cent. of those serving overseas were registered, compared with 64 per cent. of those based in the UK, which is the point that my hon. Friend the Member for Mid-Sussex (Mr. Soames) made a moment ago.

Those findings are disappointing and show that urgent action is needed to address the problem. However, the actual registration figures are probably worse than the MOD figures suggest. The overall response rate to the survey was only 45 per cent, but in the key category of other ranks in the Army based overseas only 26 per cent. bothered to return the survey, of whom only one third were registered. The report accepts that personnel who did not respond may well have different voting and registration experiences from those who did. It makes sense that those who returned the survey were a self-selected group and were therefore much more likely to include those who were registered to vote. In my view, those who failed to return the survey will almost certainly be people who tend to fail to return electoral registration forms, and I think that that means that significantly less than 34 per cent. of servicemen and women serving overseas are registered.

The current situation is very concerning. Of those who responded to the survey, 61 per cent. were unaware that they had to re-register every year, and that percentage increased to 71 per cent. among those overseas. The Constitutional Affairs Committee has called on the MOD to look into that issue. Amendment No. 6 does not go very far, because it simply encourages the MOD to register its personnel rather than making it a requirement or duty. One therefore has to ask whether working for the MOD, serving as a soldier in dangerous circumstances, is just like any other job, or whether it imposes some greater duty on the employer compared with the position of a student or other person on civvy street. The Army pamphlet, "Basically fair: equality and diversity in the British Army", says:

> "As a soldier you are expected to put the needs of the Service first and to forgo some of the rights enjoyed in civilian life. In return you can at all times expect to be treated fairly, and to be valued and respected as an individual."

In other words, a soldier does not have the full rights of civilian life and is expected to put the needs of the service first. In many cases, as we know, soldiers give much more than others—indeed, they give their lives. In those circumstances, surely the MOD can do as well as a university.

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): Just for clarification, is the hon. Gentleman asking us to oblige all our service personnel to vote; and if so, could he tell us what other employer obliges its employees to register?

8.30 pm

Mr. Heald: Given that we are talking about such a crucial issue as people serving overseas being denied their democratic rights in the last general election, it is sad that the Minister did not even trouble to read our amendment, which makes it perfectly clear that any serviceman would have an absolute right to opt out. The duty would be on the MOD to register a person to vote

"unless under the provision of subsection (3AA) they decline to do so".

Of course it is a matter of personal choice for the person who is serving as to whether they want to be registered. If the Minister had been here earlier, he would have heard our debate about registration generally, with Members giving examples of universities registering their students and households where the father registers the rest of the family. Servicemen are not in that position. They are in places such as Helmand, where the situation is extremely difficult and this will not be the first thing on their minds. Many of my hon. Friends and other Members think it important that our servicemen should always have the right to vote. If that means a little extra trouble for the MOD, so be it.

Mr. Ronnie Campbell: My son is in the Royal Marines and has been for many years. He always managed to get a proxy vote and left it to his mother—now to his wife, of course—to vote on his behalf. Is that a better way forward?

Mr. Heald: It is certainly a way forward. I just want to ensure that the MOD has a duty placed on it to do something about this. I do not know so much about the Army—we will hear from Members who do—but I would guess that if it is a requirement and a duty, the Army will do it, but if it is a matter of guidance or discretion, it is very much up in the air. The figures suggest that it is not happening at the moment.

Philip Davies: Does my hon. Friend think it bizarre that the Government earlier rejected a sensible proposal to introduce the use of national insurance numbers to prevent fraud because it would lead to a drop in registration, yet they will not take this step, which would guarantee increased registration among servicemen? Why do the Government seem not to care about the registration levels of people in our armed forces?

Mr. Heald: That is a good question. It is sad that the MOD is not prepared to do this for our servicemen. The special circumstances of the armed forces mean that we should err on the side of preserving their right to vote, and any inertia should operate in favour of democracy.

Bridget Prentice: I refer the hon. Gentleman to subsection (2) of amendment No. 6, which says:

"Arrangements must be made by the appropriate government department".

We are enforcing a duty on the Ministry of Defence in that respect. I should have thought that he would at least recognise that and be slightly more consensual about the way forward.

Mr. Heald: As the Under-Secretary knows, I believe that amendment No. 6 is better than nothing and I congratulate all those, including my noble Friend Baroness Hanham, who managed to wring it out of the Ministry of Defence. However, if she reads further, she will realise that the Ministry of Defence is required to secure

"(so far as circumstances permit) an effective opportunity of exercising from time to time as occasion may require the rights"

to register and to vote. That is not the same as requiring the Ministry of Defence to effect the registration of servicemen. I want that to happen. There is a difference between us and I hope that I have made the point clearly. We do not agree and I would therefore like to press amendment (a) to a Division, because our servicemen deserve it.

Simon Hughes: Before I come on to the substantive debate about service personnel, I emphasise that we support all the other amendments and I am grateful to the Government for accepting them. Some of them were tabled by Opposition Members, including colleagues of mine. Lord Greaves and others pressed some and I am grateful that they have been accepted.

The main debate is about Lords amendment No. 6 and amendment (a), which the hon. Member for North-East Hertfordshire (Mr. Heald) tabled. I hope that we are all united in our view that we must deal with a severe problem. The hon. Gentleman read out the figures, which my noble Friend Lord Garden cited in the debate in the Lords. They show that there has been a considerable drop in the number of registered service personnel and the number of service personnel who vote, and a worse drop in the number of service personnel overseas who vote. That is evident from the facts. We are grateful for the figures, but even they may hide the reality.

What should be done? I hope that I do not inappropriately betray confidences when I say that I know that the Department for Constitutional Affairs has been keen for some time to press the Ministry of Defence to make a set of commitments. It has also been keen for the proposal that has now come from the Lords to be agreed. I believe that it is generally known that the Ministry of Defence did not sign up to that until the recent reshuffle. The Secretary of State and the Under-Secretary of State for Defence, who is present, made it clear that they shared the view of the Department for Constitutional Affairs. I pay tribute to them for making their views clear and for the fact that, at last, there was an end to the differences between the two Departments.

Lord Garden, who was a Chief of the Defence Staff in a previous life, knows about such matters. He sensed that there was resistance in the Ministry of Defence and said so. He made it clear that the resistance was unacceptable. The Government have now accepted the amendment that my noble Friend originally tabled, which was supported by the Opposition parties and others. It is now before us, with Government support. There is a remaining difference, which is not big,

between the Government position, for which we voted in the House of Lords, and amendment (a). My colleagues and I are sympathetic to its objective but, given that Lords amendment No. 6 is the proposal—indeed, the exact words—that we tabled, it would be unfair to say to the Government, "Thank you very much. You've tabled what we were tabling, but we're going to vote against it." In all logic and honesty, we must be consistent about that.

Mr. Heald: It is true that that might appear odd but, although Lords amendment No. 6 takes the matter further, it does not contain everything that we wanted. Could not the hon. Gentleman be tempted into the Lobby with us?

Simon Hughes: I am always willing to be tempted but I shall have to show some discipline to the troops who will emerge at the appropriate moment. *[Interruption.]* They keep coming to ask me when they will be required and I have told them that it will not be before half-time in the Brazil *v.* Croatia game.

Let me get back to the serious matter before us. I hope that a combination of the proposal before us, as agreed by the other place, and all the undertakings that the Ministry of Defence has given, will be put in place. Speaking bluntly, it will be a disgrace if they are not. We have had an undertaking that there will be registration campaigns and visits to barracks and service quarters, and that people will be given an opportunity to register when they sign up and regularly thereafter. We have also been assured that they will be able to stay on the register for three, four or five years rather than just one. In that way, they will not have to worry about registering each year if they are deployed away from home, which is clearly an improvement. The MOD will have to ensure that it provides the facilities and regular opportunities for service personnel at home and for those going around the world to be on the list, so that they can exercise their right to vote, whether in person, by post or by proxy.

It is reasonable to stop at that point now, however, because it would change the nature of the relationship if we made the Ministry of Defence unique in being the only employer to have to do this for its personnel. I can see the argument for doing that and I am sympathetic to where the hon. Member for North-East Hertfordshire and his Conservative colleagues are coming from on this matter, but it would be slightly inconsistent to do so. There are diplomatic personnel, civil servants and people in the private sector, as well as other people in public services who are sent out round the world. It would be slightly illogical to place a unique duty on the MOD to do this for its own people if a similar obligation did not exist for, say, a university sending some of its staff abroad, or for the House sending some of our Clerks to a conference of the Inter-Parliamentary Union or the Commonwealth Parliamentary Association.

We will judge the results of these measures by what we see. If numbers are not restored to their former levels or better, we shall have to go further—either in practice or in legislation. But I hope that the message has been sent out loud and clear by Ministers to the Chief of the Defence Staff, and I hope that it will be clear as soon as the provision becomes law that people will be expected to comply with it. I hope that it will be reviewed regularly, not only by the Electoral Commission and the Government, but by all colleagues in all parties in the House.

I end by echoing what has been said by the hon. Member for Mid-Sussex (Mr. Soames) and others. Like them, I have many constituents who have served abroad. One of my staff has just come back from serving with the Marines in Iraq, and colleagues of mine have family members who have served all over the world. The reality is that, of all people who have an entitlement to vote and who should have the opportunity to do so, those who put their lives on the line for their country deserve that opportunity the most. It should be made as easy for them as possible to achieve that, and this provision represents a good step forward. If it is insufficient, we will go further. Given that we argued for this and that the Government have delivered, we will support them in the Lobby tonight. However, I hope that they and the MOD understand that this time they have to deliver. There must be no fudging; otherwise, they will certainly be hearing a lot more from us.

Mr. Soames: Few of us in the House can resist the blandishments of the Under-Secretary of State for Constitutional Affairs, the hon. Member for Lewisham, East (Bridget Prentice), except perhaps on fox hunting. She is regarded on this side of the House as being eminently sound. There is no one here tonight who would not applaud what the MOD is trying to do. I accept that, but I rise to support the amendment tabled by my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) and by the new shadow Secretary of State, my hon. Friend the Member for Woodspring (Dr. Fox).

There are servicemen and women who do not want to vote. My hon. Friend the Member for Mid-Norfolk (Mr. Simpson), who was an instructor at Sandhurst, will be well aware that many officers, in particular, who wear the Queen's uniform feel that it is improper to vote and do not want to do so. Indeed, that was often the case in my own regiment. However, they amount to a minuscule number.

The reason why the figures were so bad at the last election was that so many of our troops were away on operations. The shaming thing is that the Army is worse than anyone else at arranging for its staff to vote, and that is why the amendment is so important. The Navy has been going away regularly for ever and ever, and the naval family service is much the best of the three services' family organisations, so the Navy will have in place some form of proxy voting, as the hon. Member for North Southwark and Bermondsey (Simon Hughes) suggested. It will be custom-made, and the Navy takes the trouble to make sure that its people can vote. The Royal Air Force is a particularly fluffy service—and rightly—in respect of its personnel and it has always taken more trouble over its people, but historically, the Army has never taken enough trouble. The majority of service personnel working overseas are, of course, soldiers. That is why the figures were particularly bad, which makes it even more important for the Ministry of Defence to get it right.

8.45 pm

I welcome the steps that are being taken. I also welcome the Under-Secretary to his new position and wish him the best of luck serving what is without doubt the most fascinating and challenging Department in Whitehall. I particularly want him to understand that getting the Ministry of Defence to do anything is like plucking teeth out of a chicken. It is extremely difficult. It means playing to a number of audiences that have all got to do the same thing.

In order to get these provisions to work in respect of operations overseas, we need to look not to the civilian staff, but to the chain of command and the hierarchy. When it comes to dealing with a divisional or brigade headquarters, we could think of Brigadier Butler of the 16th Air Assault Brigade being given a rocket about voting problems in the middle of trying to sort out Helmand province—a ridiculous thought. There has to be a joined-up, coherent, sensible, grown-up, practical and common-sense system in place to enable soldiers to be told exactly what their rights are before they deploy. They must know that they have the right to vote and that if they wish to exercise it, arrangements will be made for them to do so.

It is very important for the Under-Secretary of State for Constitutional Affairs to understand that, if she is going to make it work by ensuring that the services make it work, it will require an effort of will from the chain of command in all the services, but particularly in the Army, to get those arrangements made. Not to do so would be inexcusable. The Ministry of Defence did very badly at the last election. We called it to account for what was happening several times in parliamentary questions and the then Minister of State for the Armed Forces was either very badly informed or given less than frank answers by officials. The position in respect of service voting was deplorable and even though it is, as I say, difficult to organise, it should have been done a great deal better than it was. I pay tribute to the work of my hon. Friend the Member for Chichester (Mr. Tyrie), who hung on like a terrier throughout.

I welcome the amendment and commend the Minister for his approach. I applaud the fact that the Ministry of Defence is going to implement this, but it will require an effort of will by the Minister to see it through to fruition.

Mr. Gale: I rise to support amendments (a) and (b) and in so doing, I seek to honour a pledge to a group of men and women from whose company I have recently returned. Under the auspices of the armed forces parliamentary scheme, it was my privilege earlier this month to spend a few days on HMS Bulwark in the Gulf. That ship, with its men and women of the Royal Navy, its Royal Marine commandos and naval aviators, will have been on deployment for seven months by the time she returns to home waters. During that time, the most recent elections—the local government elections, gently to correct my hon. Friend the Member for Mid-Sussex (Mr. Soames)—took place.

Ordinarily, when MPs visit military establishments, whether they be floating or shore-based, they expect to hear complaints about pay and conditions and all sorts of things. However, for the first time ever on my visits to military establishments—I remind the House that I have been Parliamentary Private Secretary to two Ministers of State, so I have visited many—I heard military men and women complain about the right to vote, or, more exactly, being denied it.

Those people discovered during the local government elections that they were effectively disfranchised, and it mattered to them because they also felt that they should not have to pay council tax when they are away for such a long time. That is adding insult to injury, when they not only have to pay the council tax, but are unable to vote in council elections, and it was a cause of considerable irritation to them.

When people are deployed away from home and their families for as long as those men and women have been away, these issues matter. When they are in the teeth of danger—as they were in the Gulf, as they are now in the Red sea and as they will be until they return home safely, we hope, in two or three months' time—they feel very strongly that we, their elected representatives, are letting them down.

To come specifically to amendments (a) and (b), I wish to support them because I believe that they will strengthen the measures contained in Lords amendment No. 6. The Minister said that one of the reasons for resisting those amendments was that there were—I quote exactly—"resource implications". I suggest to the hon. Lady that there are very considerable resource implications for the men and women who are prepared to put their lives on the line for this country. Frankly, if we cannot provide those boys and girls—that is what they are in many cases—with the resources to enable them to take part in the democratic process, we bring shame upon ourselves and do no justice to them.

I hope and believe that the Minister will think again, look at those two modest amendments and recognise that what my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) and their other signatories have sought to do is not to undermine the Government's position, but to strengthen that of our armed forces and to send out a very clear message to those men and women who serve in extremely difficult and dangerous places overseas: "We respect you. We admire you. We understand your needs. We recognise your democratic rights." And in the House of Commons, we are prepared to vote for them tonight.

Mr. Tyrie: We heard the best possible justification inadvertently made by the Liberal spokesman for a scheme designed uniquely for servicemen, when the hon. Member for North Southwark and Bermondsey (Simon Hughes) tried to draw a comparison between sending Commons Clerks on an Inter-Parliamentary Union conference and sending servicemen to Helmand province. That seems to be a different order of responsibility and risk. It is clear from that example that there is a case for devising a scheme specifically for servicemen in their unique circumstances.

I am very grateful to hon. Members for referring to the campaign that I ran before the last general election—in fact, it started in 2004—to try to draw attention to the issue. This is one of the great scandals—the other is postal voting—that came out of the 2005 general election, and neither of them have yet

been adequately addressed. However, we have made some progress on this issue at least, and I pay tribute to the Minister of State, Department for Constitutional Affairs, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), who certainly had her heart in the right place on the issue, and I strongly suspect that the Minister does too.

We have made progress in several ways. First, I had to press the Government for a survey, but we managed to get one in the end. Although it is faulty, as my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) pointed out a moment ago, it tells us none the less some of the information that we need to know. It tells us that much more work is still to be done and that a lot of servicemen are not registered.

We have also made progress because we have a Government proposal. It is the product of extensive horse-trading and tension between the two Departments represented on the Front Bench now. The Under-Secretary of State for Constitutional Affairs, the hon. Member for Lewisham, East (Bridget Prentice) and the Under-Secretary of State for Defence, the hon. Member for West Bromwich, East (Mr. Watson) look as though they are getting on fine at the moment—I am sure that, as Ministers, they are—but I have been briefed by members of their Departments about the to-ing and fro-ing that has been going on behind the scenes, and it has been substantial at times.

The Government's proposal is to extend registration for up to five years—that is a step forward—but the second part, which is more problematic, is to place a duty on the Ministry of Defence to keep a record of the registration of service personnel. The Minister rather gave the game away when she said that the record would be used to act as a prompt to encourage registration. That is well short of the requirement that we need. The Minister said that she had been encouraged by assurances about the way in which the MOD would run the scheme, and that those assurances would enable the problem to be resolved. We cannot, however, keep relying on assurances from the MOD. The MOD understandably has different priorities. It does not want to act as a registration officer; it never did. It would rather not have such an administrative responsibility, and it was happy to see the back of the old scheme with the introduction of the Political Parties, Elections and Referendums Act 2000. That is why I worry that underlying the Government's proposals will be a dependence on a level of will in the MOD to make them work. That may not always be sufficient. That is why I want the provisions bolstered.

I am sorry that the Liberal Democrats will not join us in the Lobby tonight, as they tabled an inadequate amendment in the House of Lords and do not want to vote against their own proposals. We should support the amendment tabled by my hon. Friend the Member for North-East Hertfordshire, which will place a duty on the MOD to make sure that all reasonable steps are taken to get service personnel back on the register. On many occasions, I have outlined in the House why that is essential. It is not too much to ask of the MOD, and it is particularly important at this time, when we have service personnel, putting their lives at risk to bring democracy to other countries, who have themselves recently been left disfranchised, and who may yet, even as a result of this measure, find themselves still disfranchised. That will not do.

Dr. Julian Lewis: I promised my party's business managers that were I fortunate enough to catch your eye, Madam Deputy Speaker, I would make an exceedingly brief speech. Fulfilling that promise has been made much easier by the outstanding contributions of my four hon. Friends who have spoken before me, and by the outstanding generosity of the Minister in allowing me to make many of my points in interventions.

Earlier this afternoon, I listened avidly to that section of the proceedings dealing with the argument about whether simply being required to give a specimen signature, as well as one or two other minor matters, might be a deterrent to people to register. The hon. Member for Vale of Clwyd (Chris Ruane) described how such simple, little hurdles had been enough to reduce registration in those parts of the country where they had been incorporated into electoral law. The hon. Member for Sheffield, Attercliffe (Mr. Betts), after I intervened on him to point out that the reason for those reductions might be that the names on the list were those of non-existent people rather than of genuine people who felt that they could no longer be troubled to register, replied that even if that might be true in some cases, it was more important to get the genuine people on to the list, even if the price to be paid was that some bogus names were kept on the list.

If having to give a national insurance number or signature, or having to register individually in some way, has such a depressing effect on the numbers of people who register to vote, might not roadside bombs, rocket-propelled grenades, snipers and all the other threats to life and limb that our servicemen and women face every day on active service conceivably have an effect on their willingness, year after year—no matter how strongly urged by conscientious, democracy-loving MOD civil servants—to sit down and fill in their forms dutifully? We have seen from the survey the massive differential between the numbers who register to vote when overseas and the numbers, even of servicemen and women, who do so when based at home. We have only heard one real argument against the amendment tabled by my hon. Friend the Member for North-East Hertfordshire (Mr. Heald): that advanced by the hon. Member for North Southwark and Bermondsey (Simon Hughes). I must tell the hon. Gentleman that the idea that civil servants, diplomats and, heaven help us, Members of Parliament will feel aggrieved because when they go abroad they will not be registered automatically, unlike front-line soldiers, sailors and airmen, is something that I would have expected to hear from him on April fools day rather than during a serious debate.

I see no intellectual argument against what my hon. Friend proposes, and I see every moral argument in favour of it. It will be a shame indeed if and when the amendment is defeated by the Government and the Liberal Democrats tonight.

9 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I declare an interest. For many years I taught the armed forces,

[Mr. Keith Simpson]

and I married a commanding officer, who under the old Army was responsible for the registration of her military personnel.

Unlike the hon. Member for North Southwark and Bermondsey (Simon Hughes), I support amendments (a) and (b). Many reasons could be given for claiming that members of the emergency services frequently risk their lives and do things that are beyond the norm, but I think that most Members would agree that the armed forces are different, in that they have unlimited liability. They do not work shifts; they can be mobilised literally within an hour, be at Brize Norton and, increasingly, be sent off on overseas operations.

Fifteen years ago, before the collapse of the Warsaw pact, the armed forces were largely stationary. They were based either in this country or in Germany, and the Ministry of Defence had a paternalistic attitude towards them. As my hon. Friend the Member for Mid-Sussex (Mr. Soames) suggested, many of them may not have wanted to vote for one reason or another. However, I believe that circumstances have changed. I think that our military personnel should be treated differently; first because of the nature and tempo of operations, secondly because many Members in all parties have received complaints not just from military personnel but from their families—there was considerable foot-dragging on the Government's part before the general election—and thirdly because the tempo of elections has speeded up. We are seeing more frequent elections at local, national and European level.

I also feel strongly that the MOD and its personnel should be given an opportunity to have the right to vote. I suggest, particularly to the Minister responsible for the armed forces, that denying them that opportunity will increase the likelihood of an inclination towards some form of military federation. Sadly, as we know, many members of the armed forces have begun to view the chain of command with considerable suspicion. I suggest to the MOD that one way in which Ministers can show that they are in touch with the armed forces is to go the whole hog and support amendments (a) and (b).

Bridget Prentice: We have had a very good debate. I noted and understood the passion with which Members made their case. I hope that Members in all parts of the House will recognise that Ministers in both the Department for Constitutional Affairs and the Ministry of Defence have tried to deal with the concerns raised here—particularly by the hon. Member for Chichester (Mr. Tyrie)—and in the other place. I hope that Opposition Members will read the Lords amendment in detail. It may not go as far as they would like, but it gives the Secretary of State for Defence an obligation to encourage registration. I also hope that they do not continue to make a mistake that has been made in some contributions to the debate, which is to mix up registration with deciding to vote; there is a difference between being on the register and then making the conscious decision to go out and vote.

I remind Members that there are other amendments in this group—affecting people with disabilities, and so on—that I hope they can support. I ask them to support the amendments from the House of Lords. I also ask them to oppose amendment (a) to Lords amendment No. 6.

Lords Amendment agreed to.

Lords Amendments Nos. 2 to 5 agreed to.

New Clause

Lords amendment: No. 6, after clause 12, to insert a new clause—*Registration in pursuance of service declaration.*

Amendment proposed to the Lords amendment: (a)—*[Mr. Heald.]*

Question put, That the amendment to the Lords amendment be made:—

The House divided: Ayes 138, Noes 322.

Division No. 259] **[9.6 pm**

AYES

Afriyie, Adam	Hague, rh Mr. William
Arbuthnot, rh Mr. James	Hammond, Stephen
Atkinson, Mr. Peter	Hands, Mr. Greg
Baron, Mr. John	Heald, Mr. Oliver
Benyon, Mr. Richard	Hendry, Charles
Bercow, John	Hermon, Lady
Blunt, Mr. Crispin	Hoban, Mr. Mark
Bone, Mr. Peter	Hollobone, Mr. Philip
Boswell, Mr. Tim	Holloway, Mr. Adam
Brady, Mr. Graham	Horam, Mr. John
Brazier, Mr. Julian	Hosie, Stewart
Brokenshire, James	Hunt, Mr. Jeremy
Browning, Angela	Hurd, Mr. Nick
Burt, Alistair	Jack, rh Mr. Michael
Campbell, Mr. Gregory	Jackson, Mr. Stewart
Carswell, Mr. Douglas	Johnson, Mr. Boris
Cash, Mr. William	Jones, Mr. David
Clappison, Mr. James	Kawczynski, Daniel
Clark, Greg	Kirkbride, Miss Julie
Clifton-Brown, Mr. Geoffrey	Laing, Mrs. Eleanor
Cormack, Sir Patrick	Lancaster, Mr. Mark
Cox, Mr. Geoffrey	Lansley, Mr. Andrew
Davies, Philip	Leigh, Mr. Edward
Davies, Mr. Quentin	Letwin, rh Mr. Oliver
Dodds, Mr. Nigel	Lewis, Dr. Julian
Donaldson, Mr. Jeffrey M.	Liddell-Grainger, Mr. Ian
Dorrell, rh Mr. Stephen	Lilley, rh Mr. Peter
Duddridge, James	Llwyd, Mr. Elfyn
Duncan Smith, rh Mr. Iain	Luff, Peter
Dunne, Mr. Philip	Mackay, rh Mr. Andrew
Evans, Mr. Nigel	MacNeil, Mr. Angus
Fabricant, Michael	Malins, Mr. Humfrey
Fallon, Mr. Michael	McCrea, Dr. William
Field, Mr. Mark	McIntosh, Miss Anne
Fox, Dr. Liam	McLoughlin, rh Mr. Patrick
Francois, Mr. Mark	Miller, Mrs. Maria
Fraser, Mr. Christopher	Milton, Anne
Gale, Mr. Roger	O'Brien, Mr. Stephen
Garnier, Mr. Edward	Paisley, rh Rev. Ian
Gauke, Mr. David	Paterson, Mr. Owen
Gibb, Mr. Nick	Pelling, Mr. Andrew
Gillan, Mrs. Cheryl	Penrose, John
Goodman, Mr. Paul	Pickles, Mr. Eric
Goodwill, Mr. Robert	Pritchard, Mark
Gray, Mr. James	Randall, Mr. John
Grayling, Chris	Redwood, rh Mr. John
Green, Damian	Rifkind, rh Sir Malcolm
Greening, Justine	Robertson, Angus
Greenway, Mr. John	Robertson, Mr. Laurence

Robinson, Mrs. Iris
Robinson, Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. David Evennett and
Mr. Henry Bellingham

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Breed, Mr. Colin
Brooke, Annette
Brown, Lyn
Brown, Mr. Russell
Browne, Mr. Jeremy
Bruce, Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Burstow, Mr. Paul
Burt, Lorely
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Efford, Clive
Elliman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jimmy
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kemp, Mr. Fraser
Kennedy, rh Jane
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Ladyman, Dr. Stephen
Lamb, Norman
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Love, Mr. Andrew
MacDougall, Mr. John
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Marshall, Mr. David
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCartney, rh Mr. Ian
McDonnell, John
McFadden, Mr. Pat
McFall, rh Mr. John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morgan, Julie
Morley, Mr. Elliot
Mountford, Kali
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John

Purchase, Mr. Ken
Purnell, James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Mr. Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Russell, Bob
Russell, Christine
Ryan, Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Sneigrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Younger-Ross, Richard

Tellers for the Noes:
Mr. Alan Campbell and Huw Irranca-Davies

Question accordingly negatived.

Lords amendment agreed to.

Clause 20

REVIEW OF POLLING PLACES

Lords amendment: No. 16.

Bridget Prentice: I beg to move, That this House agrees with the Lords in the said amendment.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss Lords amendments Nos. 17 to 46, 50 to 58, 84 to 86, 96 to 101, 104, 106, 123, 125, 130 and 132.

Bridget Prentice: Amendment No. 16 is a technical amendment that relates to the dividing of electoral wards in Scotland into polling districts. As originally drafted, clause 20 defines an electoral ward in Scotland by reference to section 5 of the Local Government etc. (Scotland) Act 1994, but the definition in section 5 is to be repealed and replaced by a definition set out in section 1 of the Local Governance (Scotland) Act 2004, which will come into force in November this year. The amendment therefore ensures that the Bill refers to the correct statute.

Dr. Gavin Strang (Edinburgh, East) (Lab): On the face of it, it seems that we are simply replacing the reference to the UK statute with a reference to the Scottish Parliament statute. My hon. Friend will know that this Parliament determines the electoral laws for elections to the Scottish Parliament, but the Scottish Parliament determines the electoral laws for elections to local councils in Scotland. There has been a lot of concern about the management of the elections that are to take place in May 2007. Many would argue that the arrangements are a dog's breakfast—indeed, it has been suggested that some places will need two polling stations and people will have to go to both to cast their votes in the two elections. I understand that that might not be necessary, but can my hon. Friend assure us that the amendment will not facilitate its happening in future?

Bridget Prentice: I can give my right hon. Friend that assurance. We are simplifying the procedure to make sure that the Bill reflects the definition in the most recent Act of the Scottish Parliament.

Mr. Heald: But concern remains about people having to go to two polling stations if more than one election is taking place. Is the Minister able to give us solace on that point by stating that people will have to go to only one polling station?

Bridget Prentice: I can most certainly give the hon. Gentleman that solace. There will be only one polling station.

Amendments Nos. 17 and 18 relate to false statements at nomination. They are consequential on the removal of what was clause 23 of the Bill. An independent candidate in his consent to nomination would have been required to

"state that he has not been selected or authorised to stand in the name or on behalf of any registered party, organisation or other person."

Clause 27(3) makes it an offence to make a false statement to that effect. However, as that statement is no longer required to be made, there is no need to create another offence. I know that Liberal Democrat Members will be particularly pleased that we are not creating any further offences.

Amendments Nos. 19 to 26 and Amendment No. 88 relate to the provision for candidates' expenses. Hon. Members might recall that we had a vigorous debate on that issue—led by the Under-Secretary of State for Scotland, my hon. Friend the Member for Inverclyde (David Cairns)—on Report in the Commons. *[Interruption.]* Indeed, it was led very ably. Several issues were raised and the Government took on board the views of hon. Members and resolved to work through them in another place. The key concern that we were trying to address by introducing the four-month period for candidates' election expenses was about unregulated spending taking place in advance of

the elections expenses period beginning. We touched on that in an earlier debate this evening. The amendments that we are considering today will return us to the present situation in respect of the length of a candidate's elections expenses period. A candidate's election expenses will count against his or her statutory expenditure limit from the point at which they become a candidate. In the case of a candidate at a general election, that will be the period between the Dissolution of Parliament and polling day. In local elections, it is the period from the last date of publication of the notice of election up until polling day.

For the record, I should point out that these amendments will not affect the very useful provisions in clauses 29 and 31, which clarify the scope of activity by unauthorised third parties under section 75 of the Representation of the People Act 1983 and what counts as election expenses for candidates. I recognise that the Bill will not now address the problem of unregulated amounts of money being spent by candidates in the months or weeks leading up to the point at which the general election is called. As I am sure that we are all aware, political campaigning techniques are becoming more sophisticated and more time, effort, and money is being invested in campaigning in marginal seats in particular. The issue is about money being spent at a local level—sometimes quite large amounts—and not counting as candidates' election expenses because it is spent before the Dissolution of Parliament.

Labour Members have already expressed their concerns about the way in which that has affected results, particularly in the last general election, and I am sorry that we have been unable to come up with an early solution to the problem. However, along with working towards a consensus on this issue with the parties and peers in another place, we have talked to Sir Hayden Phillips and asked him whether he will extend his review to look at the issue of expenses of parties and candidates during the election period. This approach will make sense, because it means that all facets of party funding and election spending will be examined across the piece. I am sure that a comprehensive approach can then be achieved. I know that Sir Hayden will welcome any input that hon. Members care to make to that review on this and related matters.

Dr. Alan Whitehead (Southampton, Test) (Lab): I understand the reasons for the withdrawal of the four-month rule, particularly because of the difficulty of finding out what exactly a four-month rule constitutes as far an election is concerned. However, it is a great pity—my hon. Friend is reflecting on this—that something like it could not have been included in the Bill. That is particularly the case given that the abuse—that is what it is—not only took place before the last election, but is going on now, and was going on as soon as the last election was completed. It seems essential that early action be taken. When my hon. Friend replies to the debate this evening, will she indicate whether, should Sir Hayden Phillips come up with something that passes muster as far as providing a proper end to this abuse is concerned, she will consider—

Madam Deputy Speaker: Order. I think that the hon. Gentleman's intervention is going on for rather a long time.

Bridget Prentice: I, too, am disappointed that we have not been able to find a solution in the Bill. However, there is logic behind asking Sir Hayden to consider the matter, because all the work on party funding and election spending will thus be carried out together. It would be unwise to pre-empt the results of the review by keeping the four-month provision in the Bill. If Sir Hayden's review shows that we require legislation, we will try to deal with that at an early stage.

May I make a final point on the matter by commending the work that was done by our colleague, Peter Bradley, who put the matter in the public domain and showed the scandalous state of affairs that existed?

9.30 pm

Mark Tami (Alyn and Deeside) (Lab): We are talking about not just a few leaflets, but concerted campaigns in which, in some cases, hundreds of thousands of pounds are spent to target specific seats, although other seats are often ignored. The amount of money that is poured in shows that this is not a minor matter. Large sums are targeted at specific seats at an early stage, and some seats are being targeted even now.

Bridget Prentice: My hon. Friend makes the case for action extremely well. I hope that he and other hon. Members—not just Labour Members, because I hope that Opposition Members will reflect on the matter and realise how scandalous the situation is—will offer positive solutions to Sir Hayden so that we can rectify the situation as soon as possible.

Lords amendments Nos. 27 to 46, 84 to 86, 97 and 99 deal with a system of electoral observation in the United Kingdom. As a member of the Organisation for Security and Co-operation in Europe, we have sent teams to be observers of elections. The organisation also has responsibility for sending teams of international observers to elections that take place here. However, the UK has never had an official method by which international electoral observers may attend election proceedings in the United Kingdom. The amendments thus give effect to the recommendations of the Electoral Commission and other electoral observation experts by facilitating such observations.

It was intended that the UK should be brought into line with many newer democracies by giving independent electoral observers the right to observe proceedings and working practices, and that we should bring greater transparency to the electoral system, in line with international electoral practice. However, we received representations that suggested the provisions of clause 33 did not go far enough to ensure that UK elections could be observed freely and objectively. We accepted those arguments and hence brought forward amendments.

The Lords amendments will remove the requirement of accredited individual observers to apply for the permission of a returning officer or counting officer to attend proceedings at the issue or receipt of postal ballot papers, proceedings at a poll and proceedings at

[Bridget Prentice]

a count. They also remove the ability of election officials to revoke their permission at any time, with reasons. That means that any removal of accreditation will have to be made by the Electoral Commission, which will give reasons for that revocation.

As part of the removal of those requirements, observers should not have to inform electoral administrators of the places that they intend to observe, or, indeed, the time at which they will arrive. However, observers will be subject to any existing enactments that regulate attendance at election proceedings. We have included two caveats in the provisions: the Electoral Commission will be able to specify a maximum number of delegates that may attend any single election proceeding, and may revoke an organisation's observer accreditation, giving reasons. It must be clear to the House that the power to specify a maximum number of delegates will not limit the number of delegates that an organisation can send to observe an election generally. The limit will be on the number of delegates who can attend a particular proceeding. For example, the commission may object to an organisation requesting to send 50 delegates to the counting proceedings for a parliamentary by-election. The amendments also remove the requirement for representatives of the Electoral Commission to apply for the permission of a returning officer to observe an election or other electoral proceedings, or for the permission of a counting officer to observe proceedings at a referendum.

Mr. Heath: May I express my gratitude to the hon. Lady for listening to the points raised? As a sometime observer for the OSCE, it was a huge embarrassment to learn that this country was unable to offer the facilities that it expected other countries to provide to observation missions. The original draft was hopeless in its inadequacy. That has been corrected, and I am grateful.

Bridget Prentice: I am grateful to the hon. Gentleman for that. I am glad that we have managed to reassure him.

The safeguards do not affect any other power an electoral officer may have to maintain order at any election proceeding. The particular power in this group of amendments is needed to enable electoral officers to protect the integrity and proper conduct of the electoral process. Without such safeguards, electoral proceedings could be open to abuse by an observer whose motives for attending turn out not to be legitimate, objective scrutiny of the elections.

The purpose of Lords amendments Nos. 50 to 52 is to fulfil the commitment that my right hon. and learned Friend the Minister of State made on 17 November to provide for the piloting at a local level of photos on ballot papers. Should a subsequent evaluation prove positive, the amendments also allow for roll-out at parliamentary and local elections and by-elections. The Electoral Commission supports the piloting of the provision.

Lords amendments Nos. 53 and 125 relate to voting by persons detained under the Mental Health Act 1983. If a doctor considers someone to be well enough to be absent from the hospital, he or she should not be prevented from voting in person. The amendments provide that detained patients may vote in person if they are granted permission to be absent from the hospital and if voting in person does not breach any condition attached to that permission. The amendments continue to give detained patients the option to vote by post or proxy if they so wish.

Lords amendments Nos. 54 to 58 relate to the provision of guidance in alternative formats and languages other than English and Welsh, as provided for in clauses 36 and 37. That is aimed at improving access to the electoral process for certain groups of electors who may previously have had difficulties in obtaining documents in formats that are appropriate for their needs. Clause 36 provides for the translation of election documents apart from the nomination papers and ballot papers into different languages and formats, at the electoral officer's discretion. Clause 37 covers the provision of guidance to those voting by post.

As drafted, the clauses provided that election officials "may" provide documents in other formats as they think appropriate. The amendments replace "may" with "must", changing the requirement on election officials to provide the documents in alternative formats for those voting in person and by post where necessary. The amendments also extend the type of guidance that can be offered under clauses 36 and 37 by giving election officials a general power to produce documents in formats besides Braille, other languages and graphical representations, and by specifying that election officials can provide documents in an audible form, such as a tape.

Lords amendments Nos. 98, 100 to 102, 123 and 130 relate to access to the count and nominations. Currently, access to the count is limited to the candidate's spouse or civil partner. The amendments will provide that a candidate can invite a person of their choosing. They respond to points raised by Baroness Gale in the other place. The amendments will also cover attendance at nominations.

The amendments deal with one further issue in relation to access to the count because they restore the discretion of the returning officer to invite any person to the count who does not appear in the list of specified persons who automatically have a right to attend under electoral law. We had originally planned to remove that discretion, but electoral administrators suggested that it could cause a problem—for example, it might prevent a local mayor who is not the returning officer from attending a count in a constituency in his area. I dare say it would also apply to Members of Parliament who wish to attend local election counts.

Mr. Bone: Am I correct in thinking that Members of Parliament do not have an automatic right to attend a local count, as I had to apply to become a local agent?

Bridget Prentice: Members of Parliament do not have an automatic right to attend the count, which is why we reinstated the returning officer's discretion to allow a Member of Parliament or the mayor, as I said, to do so. If the returning officer uses his discretion, Members of Parliament would not require nomination to attend the count.

Finally, Lords amendments Nos. 104, 106 and 132 are Scottish technical amendments that clarify the fact that certain provisions in the schedules do not affect local government elections in Scotland; otherwise there could be an impact on devolved matters. I hope that the House will accept all the Lords amendments.

Mr. Heald: The Opposition accept the amendments in this group. Lords amendment No. 19 deals with the important issue of whether pre-election expenses should be capped, which was raised by the Electoral Commission. Some hon. Members believe that only one or two parties in the House target certain constituencies, but I can assure them that all parties target particular seats at particular times. We should consider the proposal to prescribe a pre-election period with capped expenses. The Government were right to include it in the Phillips review, and we are interested in the outcome. It is difficult to try to impose a retrospective cap, as it is hard to persuade agents or candidates to take responsibility for a period when they were not involved, so we may need to return to the issue.

Dr. Whitehead: The issue is not whether parties target seats—clearly, they do—but the large amounts of money that are raised nationally. Those funds are diverted from a national purpose and put in the hands of local parties to target local seats, giving them an uncompetitive advantage against parties that do not do so. It is difficult to resolve that central problem, but I hope that the hon. Gentleman agrees that we must do so.

Mr. Heald: The hon. Gentleman will forgive me if I am wrong, but all political parties target seats when they campaign. More funding is probably available for candidates in a target seat than for other candidates. That is not a new development—it is part of politics in every country—but it is right to look into it.

Dr. Strang: The hon. Gentleman's approach is constructive. We all target seats, but is not the fundamental issue the question of whether capping is practical? That is not an easy solution, as the experience in the United States demonstrates, but it deserves careful consideration, as he said.

Mr. Heald: As ever, the right hon. Gentleman also adopts a constructive approach. I agree that we should look at the proposal, but we must consider whether a cap would be effective. Finally, we welcome the fact that the Organisation for Security and Co-operation in Europe has been given an official right to observe elections, as that was needed in the light of scandals in recent months and years.

9.45 pm

Mr. Bruce George (Walsall, South) (Lab): The last time the House debated the Bill, I waited patiently to discuss my 20 amendments to clause 33. The House did not get anywhere near clause 33, and when I realised that I would not have an opportunity to speak, I confess that I walked out in anger and missed my right hon. and learned Friend the Minister of State, Department for Constitutional Affairs saying, "Don't worry. Although we have not discussed your 20 amendments, we will pay close attention to them."

It was a matter of great delight, therefore, when I found that the Department, through the House of Lords, had almost completely rewritten clause 33, all six and a half pages of it. I could never understand how the Department dared draft the clause in its original form. I thought that I had made representations, and I assumed that my complaints and those of others would have been taken into account by a rational Government responding rationally.

What passed for allowing in observers would have besmirched the name of Kazakhstan and Belarus—not just democratic countries, but countries that suffer from what might be called a significant democratic deficit. Such countries may not pay any attention to the election observers' reports, but they allow election observers in to wander round, to talk to people and to interfere politely in the way in which the count is conducted.

Mr. Heath: I am sure the right hon. Gentleman will agree that at a time when the principle of independent parliamentary monitoring of elections is being undermined by some who would like to see the back of Members of this Parliament and others giving an objective view in their countries, for the United Kingdom not to allow for observers under international rules is insupportable.

Mr. George: I am grateful to the hon. Gentleman who, like me, has observed elections. I have headed short-term observation missions to 18 elections, most of which have been pretty awful, but we have never been denied access. We walk into a polling station and the officials there either welcome us or look like animals facing the headlights and cringe, but they do not say, "You can't come in here."

It was hard to believe that clause 33 stated that before international or domestic observers were allowed into a polling station, they had to get the approval of the returning officer. If anyone had tried to stop me going into a polling station in Ukraine, Georgia, the Balkans or Russia, it would have been item No. 1 in the report that I read out the following day. I would have asked, "How on earth can we verify that elections meet international standards if we were not allowed into the polling station?"

That is what would have happened as a result of clause 33. Not only would international and domestic observers have been subject to the whim of the returning officer, but even the Electoral Commission, which plays an enormous role in elections, as I am sure the Department was aware, would have had to bow its head, go down on its knees and say, "Please allow us in to observe this election."

Well, the Department came up trumps. As a result, the six and a half pages were almost completely rewritten, to my satisfaction and to the satisfaction of the Office for Democratic Institutions and Human Rights. So now we are on a par with Kazakhstan—something of which we should be immensely proud—and even with Belarus, which conducts appalling elections but still allows in observers. They may have to

[Mr. Bruce George]

stand 10 ft away and not be able to see the counting, but at least they are allowed in.

The changes are welcome. They mean that observers can gain access to all stages of the election process. If there is to be a limit on numbers, let us be clear that it will not in any way inhibit the right of observers, international or domestic, to attend. People say that the hall might get too full.

In Ukraine, the first and second elections two years ago were totally crooked. One of the methods used to limit the opposition in those areas in which they were strong was to hold the election in a constricted place, because people simply leave if there is a crowd—although that is better than the situation in Iraq, where bombs were dropped on queues in order to deter people. If a returning officer says, "I am sorry, but we cannot let in five or 10 observers," they have arranged for the election to take place in a polling station that is not fit for purpose.

One of my best amendments, which I was quite pleased with, was rejected. It stated that the Electoral Commission should have regard to particular documents—I listed 10 of them—in determining a code of conduct. However, the Electoral Commission has said that that point will be covered in subordinate legislation. Two weeks ago, I took part in a conference on the UN declaration of principles for international election observation, and I hope—indeed, I have some confidence—that the code of conduct for international observers will be in the subordinate legislation.

It is amazing how many people were oblivious to the fact that domestic and international observers were prohibited. In a bizarre exchange, the then Foreign Secretary, who is now Leader of the House, roundly castigated Zimbabwe for running fraudulent elections and criticised it, quite correctly, for refusing to allow certain election observers to observe that fraudulent election. I felt compelled to point out to him the fact, of which he was oblivious, that while he rightly condemned Zimbabwe, he should appreciate that it generally allows in international observers, while we do not. Thankfully, that situation is history, so when I criticise the Russians or anybody else on how they conduct their elections, I will not have the point thrown into my face that I have no right to criticise because we do not allow in international observers.

In conclusion, I am delighted that clause 33 has been almost completely rewritten, and I am sure that the OSCE Office for Democratic Institutions and Human Rights will be happy. When the time comes, I am sure that one of the first countries to test our new procedures on election observers will be that great democracy adjacent to Russia, Belarus, which will be delighted to see whether we have genuinely allowed in observers, and will press whatever legislation we have to the full to prove that it is bad legislation. However, with the amendments, which I have now seen and almost totally approve of, we can tell Belarus, "We know that you allow international observers in your undemocratic political system, but the United Kingdom—one of the birthplaces of democracy—after 150 to 200 years of struggling to be more democratic, now allows in international observers too" That will allow the whole process of transparency to come at long last to this country.

I am grateful to the Minister and my right hon. and learned Friend the Minister of State, Department for Constitutional Affairs for listening to reason. That shows that the Government occasionally listen, and I am prepared to stand up and applaud them.

Simon Hughes: My hon. Friends and I support all the amendments in this group. I pay tribute to the right hon. Member for Walsall, South (Mr. George) and my hon. Friend the Member for Somerton and Frome (Mr. Heath) for, at the very beginning of the debates about this Bill, picking up the point that the right hon. Member for Walsall, South has just addressed. It is very important that the OSCE recognises us as having the same standards as others, because it has always struck me that some of the countries that go around the world selling democracy—the United States is an obvious example—are not so good at it at home, and we need to be open to the same scrutiny as everywhere else.

We particularly welcome the modernising amendments to do with mental patients, giving them, not before time, a civilised ability to take part in elections. We welcome the more flexible and adaptable arrangements for different formats to cater for people with disabilities, as promoted by the Disability Rights Commission, and for people with a different first language.

We welcome the amusing and interesting idea that pilots will allow for photographs on ballot papers. My hon. Friend the Member for Somerton and Frome said—I am not sure whether this is politically correct—that that may be a hidden way of trying to improve gender balance in our Parliaments and councils. Indeed it may. He also suggested that they should be subject to the Advertising Standards Authority—as in "decent, honest and truthful" Having just look at "Dod's"—I will not embarrass anybody—I noticed that some of the photographs were clearly not recent. If we are to have photographs, they should at least be from the past 12 months, not those taken 25 years before, which we have all seen on election leaflets.

The most important subject was raised by the hon. Member for Southampton, Test (Dr. Whitehead) and others. I understand why the Minister said that, to her regret and that of others, the Bill will not include any mechanism for controlling national expenditure on campaigns that are clearly targeted at individual seats. The logic is that that will be dealt with by Sir Hayden Phillips' review of party funding. I am not too bothered about who is the worst offender, but it is clear that parties with the most money nationally can now deploy that money in increasing numbers of target seats. We are not talking about £10, £100 or £1,000, but potentially tens of thousands of pounds. This applies to campaigns that would begin, in effect, now—a year after the previous general election—and take us right up to the calling of a general election. The only way in which parties manage to get out of the current rules is by being non-specific and seen to be nationally funded. Instead of saying, "Support Bridget Prentice as candidate for Lewisham, East," or, "Support Oliver Heald as candidate for North-East Hertfordshire," they use the party leader's name. My party and I are very

clear that Sir Hayden Phillips must deal with that. We expect recommendations and will put in our evidence accordingly, and we expect legislation to come out of the review in good time for the next general election. Otherwise, there will be no level playing field. We see this as unfinished business. I hope that there will be consensus, even if only on this one issue, so that we can move forward. We must return to debate this as soon as Sir Hayden Phillips' review is over. We will certainly allocate time for that, and I hope that other parties will too.

Bridget Prentice: On photographs, we will consult political parties to ensure that there is support for that. I put on the record my endorsement of the splendid work done by my right hon. Friend the Member for Walsall, South (Mr. George) and the hon. Member for Somerton and Frome (Mr. Heath) in bringing the issue of observers to the Floor of the House.

Lords amendment agreed to.

Remaining Lords amendments agreed to.

Committee appointed to draw up a Reason to be assigned to the Lords for disagreeing to their amendment No. 8 to the Bill: Mr. Michael Foster, Mr. Oliver Heald, Simon Hughes, Martin Linton and Bridget Prentice; Bridget Prentice to be the Chairman of the Committee; Three to be the quorum of the Committee.—*[Mr. Michael Foster.]*

To withdraw immediately.

Reasons for disagreeing to Lords amendment No. 8 reported, and agreed to; to be communicated to the Lords.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation).

Magistrates Courts

That the draft Collection of Fines (Final Scheme) Order 2006, which was laid before this House on 20th April, be approved.—*[Liz Blackman.]*

Question agreed to.

Small Shops

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

10.1 pm

Mr. Henry Bellingham (North-West Norfolk) (Con): I am pleased that the Minister for Trade will reply to the debate and feel flattered that a Minister of such seniority is staying up late to do that.

The debate is important because it is about small shops, which are a vital part of not only the small firms sector but the rural communities that they serve, as well as suburban and urban communities. They are often the focal point of the community, especially when a shop is combined with a post office and probably a newsagent. Villages and urban wards that do not have village shops or a shop at the centre of the community lack something important, which goes to the core of community spirit.

There has been a substantial decline in the number of community stores—indeed, 2,000 closed last year. As I go round my constituency, I see shops that have closed and villages with no shop. Not long ago, villages such as Pentney near King's Lynn had a shop, a pub and, indeed, a garage. Now there is nothing left in that village and the heart has been taken out of it. I am afraid that such occurrences are all too regular. Let us consider the number of closures of unaffiliated independent stores: there were 35,500 stores in 2000 whereas there were 25,893 a month ago—a reduction of 10,000 in a relatively short time.

Many hon. Members from all parties, but especially Conservative Members, have shown a great deal of concern about post office closures. In my constituency, 10 closures have happened in the past five years. Four closures of urban post offices happened under the urban post office renewal scheme. Those four closures in King's Lynn had a significant and debilitating effect on the local community.

I want to consider the different sorts of shops and some of the threats to them, and perhaps examine the more promising points for the future. Most proprietors of small shops, newsagents and small pubs are innovative and proud people. The role of the small shops sector within the small firms sector is also important. Indeed, 90 per cent. of all businesses are classified as small businesses, and 75 per cent. of the entire work force are employed in small to medium-sized enterprises. That is important, particularly at a time when dark clouds are beginning to gather over our economy. I will not go into too much detail about that, but we know that the trade figures for the last quarter were shocking—the worst on record. We also know that the United Kingdom has fallen in the World Economic Forum's rankings from fourth to 13th, that business investment is at an all-time low and that productivity is falling.

I do not believe that the extra jobs being created in the public sector will be sustainable in the short to medium term, so we shall have to look to the small firms sector to provide the employment that is vital to this country's economy. That is why it is important that Her Majesty's Government do everything in their power to make life easier for small firms, and for small shops in particular, but I submit that they are not doing that.

Let us take small post offices as an example. They have been hammered by the Government's decision to introduce automated credit transfer. There was a time when our constituents could go into post offices in villages, suburbs and towns to draw out their benefits and perhaps spend that money in the shop on sweets, groceries or newspapers. Now, they are forced to have that money paid into their bank account. We warned the Government that that would lead to post office closures but they took no notice whatever. They set up the Post Office card account, but that is to be abandoned in five years' time. What a shambles.

We are not asking the Government to give post offices large grants. We are simply asking them to use their power as a provider of services to locate as many of those services as possible in post offices. That is where the Government can help the small firms sector and small shops. We know how much pressure those shops are under from the competition from superstores.

That brings me to the Competition Commission's inquiry into the United Kingdom grocery market. There are many concerns involved here, including the vast market power of the four largest retailers, their ability to sell at way below cost, their tendency towards predatory pricing, their buying power and their inordinate power over suppliers. All of us who represent farming constituencies or constituencies near to farming areas know the power of those retailers over suppliers and growers and over the rural economy. It is an invidious power, and it is very damaging.

That power is combined with the power of those retailers to get planning permission and to build up large land banks. We all know that when they are turned down for a planning application, they apply again and again until they get planning permission. They have the power and the finance in their shareholders' funds to drive the system into despair and to get what they want.

Mr. Peter Bone (Wellingborough) (Con): I congratulate my hon. Friend on securing a debate on this important topic. Does he share my concern that the supermarkets' latest tactic is to buy the small shops and turn them into local supermarkets? That is destroying another part of our heritage.

Mr. Bellingham: My hon. Friend is right. That is happening in all our constituencies. When it first started to happen, we thought that perhaps the Tesco community stores, or some of the other community stores that were taken over by the large retailers, might be a good idea. But now we have seen a number of traits such as predatory pricing and below-cost selling, and that has a damaging effect on the surrounding shops.

It is important that the Government widen the scope of the Competition Commission's inquiry. As I understand it, its scope is to be limited mainly to planning and land banks. That is far too narrow, and I hope that the Minister will comment on that.

Mr. Stewart Jackson (Peterborough) (Con): Does my hon. Friend share my concern, with regard to the ongoing investigation, that the Office of Fair Trading differentiates between a local community store such as a Tesco Metro and a hypermarket, which might be only a mile away? It considers them to be operating in different markets even though they have the same economies of scale and supply chain issues. What does my hon. Friend think of that?

Mr. Bellingham: That is an important point. I am grateful to my hon. Friends for supporting me in the debate, because it shows how strongly they feel about the issue. The Minister will have to take away those points and I hope that he will be able to answer them in about 10 minutes' time.

I should like to make a quick point about the Sunday trading legislation. The Sunday Trading Act 1994 may well have been good for the consumer, but it certainly was not good news for small shops. It tipped the balance of retailing power decisively in favour of the multiple stores and the out-of-town sheds. HMG are in the process of reviewing the legislation with a view to extending the trading hours of large retailers. I can tell the Minister that there is overwhelming opposition in my constituency to any change to the legislation. I have received hundreds of cards and letters from people who work in shops and on stalls and a very large number of representations from organisation such as the Association of Convenience Stores, the Federation of Small Businesses, the Rural Shops Alliance and the National Federation of Retail Newsagents. The overwhelming feeling among those in the small firms sector is that there should be no extension of the legislation. Furthermore, it would be daft even to consider legislation while the Competition Commission inquiry is ongoing. I hope very much that the Minister will consider that.

There are other concerns as well. I should like to mention the impact of smuggling and counterfeiting. One of the less savoury phenomena of recent years is the rise of the rogue traders who sell counterfeit goods and smuggle tobacco and alcohol. Indeed, I saw the other day that one fifth of all cigarettes sold in the UK are illegal. That is having a damaging effect on the small shops sector and I hope that the Government will take it on board and address it.

Regulation gives rise to huge concern—we could debate it for many hours—and I want to make two very quick points about it. I am concerned about the rise in regulation. The British Chambers of Commerce's "Burdens Barometer", which is an ongoing measure of the accumulated combined total cost of regulations on business, has now hit £50 billion since the Government came to power. That excludes the minimum wage, which Conservative Members support. *[Interruption.]* We do indeed support it; we are on record as saying so. *[Interruption.]* I was not a Member then, and I do not think that any of my colleagues who are present were Members then. We support the minimum wage, and when I was shadow Minister for small business and employment, I made it very clear that we supported it. There is no question of a flip-flop; we have a firm policy.

A change in the Whitehall culture is needed, because the Government have presided over larger and more intrusive government. The bigger the Government get, the more task forces they spawn, the more agencies grow up around them and the more they interfere. Why cannot they send a signal straight away? Rather than having a Better Regulation Task Force, let us have a deregulation taskforce. Let us include sunset clauses in much of the legislation that is introduced. Let us put an end to gold-plating as soon as possible. If we do that, we might just change the culture of Whitehall in relation to the small firms sector and ensure that the Government start to think about small business, rather than just emphasising their credentials in the big business and larger business community, where, quite frankly, there is a totally different agenda.

I want to say a quick word about garages. Nothing is more depressing than driving through a village and seeing a once-thriving local garage standing empty, probably soon to be replaced by upmarket housing. There are numerous examples in my constituency. Villages such as Grimston, Brancaster and Magdalen had thriving village garages, with shops attached. In some cases, a post office was attached as well. Many other garages are hanging on by their fingertips. I went past a garage the other day where fuel was being sold at £1.06 a litre. Most of those garages have stopped selling fuel, but HMG could consider the whole planning regime relating to small garages and their change of use. Could not HMG also examine closely the fuel supply arrangements for smaller independent outlets that do not have the buying power of the multiples?

The outlook for small shops is bleak. The Government have ignored that crucial sector of the economy. One brighter light on the horizon, however, is the farm shop movement. In my constituency, several small farm shops have opened recently. There is one at Knight's Hill in South Wootton run by the Melton family. There is another in Bircham run by the local publican, William Poole, in conjunction with the Carter family. The Sandringham estate at West Newton is also about to open up a farm shop, which will incorporate a butcher's, village shop and post office and which will sell meat from its red poll herd.

Public demand is changing fast. The public are getting more and more fed up with supermarkets refusing to label food properly, especially beef, pork and bacon. They are getting fed up with the crazy lack of concern for the environment shown by large retailers who source products from far-flung destinations when there are home-grown alternatives. They are also fed up with retailers having a cavalier attitude and a total disdain for the organic movement. That is why many members of the public up and down the country are beginning to speak with their pockets and demand higher standards. They are not getting those standards in supermarkets and large retailers, but they are getting them in farm shops. That is why the increase in farm shops, particularly in rural areas, is very healthy.

Mr. Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend on a brilliant analysis of the threat to small shops in our country. Did not Napoleon Bonaparte say that England was a nation of

[Mr. Philip Hollobone]

shopkeepers? Is not it a shame that, 200 years on from when he uttered those words, we should have the need for such a debate in the House of Commons?

Mr. Bellingham: My hon. Friend's remark is perceptive. Small shops and their proprietors are often the backbone of our communities. They are the people who provide the social focus in villages, towns and suburbs and who care about the community. The service that they offer can also be social, as they provide a place where people meet, converse and feel that they are part of a thriving community. The Government do not properly understand that.

With the exception of what is happening in the farm shop movement, the outlook for small shops is bleak. It will be even bleaker if the Government do not start to listen to what is being said by organisations such as the Association of Convenience Stores, the Federation of Small Businesses, the Forum of Private Business and the Rural Shops Alliance. The Minister is new to this job. He is back in a senior position in the Department of Trade and Industry, and I welcome that. I am sorry that he is no longer in the Cabinet, but perhaps he will have a chance to return to it before too long. Perhaps if he really grips this issue, runs with it and becomes a champion of small shops, he will build up his credentials as someone who cares about the small firms sector. If he does that, and the Government start to listen, there may be more grounds for optimism than I have outlined tonight.

10.18 pm

The Minister for Trade (Mr. Ian McCartney): I congratulate the hon. Member for North-West Norfolk (Mr. Bellingham) on securing this debate. I am glad to have the opportunity to discuss the issues that he raises. As a Conservative Member, however, he has some selective amnesia. He said that he supports small businesses, but we should remember that one small business went bust every minute of every day under the Conservative party in government. He said that he supports the national minimum wage, but the Conservatives said that the national minimum wage would cost 2 million jobs. We created the minimum wage and we also created 2 million jobs. As for support for rural post offices, his party closed 3,500 rural post offices in its last period in government. Let us have the debate and discussion, and I hope that I will be able to demonstrate that the Government not only value small shops but small businesses generally in the community and in society.

Retail is of great importance to the prosperity of the United Kingdom economy. Eleven per cent. of our enterprises are retailers: more than 102,500 stores. UK retail sales were worth approximately £249 billion in 2005. Retail is also important in providing employment opportunities. Just under 3 million people in the UK are employed in retail—one in 10 workers. Small retailers have a vital role to play in the success of the retail sector and the provision of jobs. Of course large businesses are important—very important—but small retailers contribute to a vibrant and diverse sector.

The convenience store sector is thriving, notwithstanding what the hon. Gentleman said. The Institute of Grocery Distribution, a key research organisation for the sector, estimates that sales in convenience stores—stores measuring less than 280 sq m, about the size of a tennis court—represent about 20 per cent. of total grocery retail sales in the United Kingdom. The IGD forecasts that convenience stores' share of the total grocery retail market is likely to continue to rise, increasing from 20 per cent. to nearly 24 per cent. by 2010.

Enterprise is vital to a growing and dynamic economy. To encourage and assist enterprise, we need to create the right support mechanisms. The Government provide a range of support measures for small businesses, including small shops—something that the hon. Gentleman conveniently forgot to mention. Small businesses can obtain grants, funds, loan guarantee schemes and advice through our network of business links. In addition, we ensure that the valued experience and knowledge contained in bodies representing smaller retailers is captured through involvement with our key retail forums. I hope that I am right in thinking that the hon. Gentleman indicated that the Conservative party would support those forums and their continuation.

The retail policy forum and the retail innovation group give small businesses a voice at the heart of Government, and they use it in an effective way. Together the Association of Convenience Stores, the British Hardware Federation, the Horticultural Trades Association and the British Retail Consortium are working with the Department of Trade and Industry. About 70,000 small shops are involved. Recent informed exchanges on the possibility of extending Sunday shopping hours demonstrate the importance of the relationship.

Members of the Virtual Retail policy forum are partners with the DTI's retail unit. They include the National Federation of Retail Newsagents, the Rural Shops Alliance, the Independent Retailers Confederation and the Giftware Association. At every level, small business in each sector is involved in a real business partnership with Government. The Small Business Service, an agency of the DTI, is a specialist centre of expertise in Government to champion the sector and help small businesses to flourish. It is a shame that the Conservative party is still committed to abolishing that service. The purpose of the SBS is to help produce an enterprise society, to ensure that Britain remains the best place in the world in which to start and grow a business, and to promote enterprise and a climate in which small businesses can flourish.

The Federation of Small Businesses supports the continuation of the SBS. A recent National Audit Office report quoted it as saying that it

"wholeheartedly would like to see SBS succeed because it is the only real answer for small businesses."

That was said on 18 May this year. The Conservatives, however, still cling to their policy of opposing the SBS.

Small shops have been quick to take advantage of the support that the SBS has to offer. The small firms loan guarantee scheme is a good example. It helps small companies with good business ideas to obtain

loans when their lack of the collateral normally required as security by the lender would otherwise make borrowing impossible. Since the SFLG began, about 100,000 loans valued at more than £4 billion have been guaranteed, and since 2003-04 nearly 20,000 loan guarantees have been agreed under the scheme. I suspect that the Conservative party would not continue to support such measures. Current monthly use amounts to about 650 loans, with a total value of around £40 million a month. The average loan tends to be about £70,000.

Small retailers have benefited. The scheme was strengthened considerably in April 2003, when changes were made that brought retail and other local services such as garages and hairdressers into the scope of the scheme. The number of small firms loan guarantees offered to the retail sector since April 2003 stands at 2,925. Between 2002 and 2005, 218 loans, valued at £13.6 million, have been granted in the hon. Gentleman's county of Norfolk. On his own doorstep, we are providing direct resources and funds to support the creation of small businesses or enable them to be sustained. Perhaps he would give some recognition to that.

Another key area of business support is the Business Link service, which is a crucial part of the Government's campaign to promote enterprise. Business Link will fast-track customers to the expert help that they need—whatever the issue. Its service is delivered through advisers in customers' local areas. Over the past four years, the number of customers using Business Link has doubled. The customer satisfaction level—I emphasise that we are talking about small businesses—is at a record 91 per cent., and 96 per cent. of customers are willing to recommend the service to others. Again, the Conservative party has shown no desire to continue with this direct support for small businesses.

The hon. Gentleman raised the issue of the Office of Fair Trading grocery market reference. He will be aware that I cannot directly intervene in such matters, but it will be useful and appropriate if I respond where I can. The UK competition framework has established the OFT and the Competition Commission as independent statutory bodies. The Government wished to remove politics from competition decisions, allowing expert independent competition bodies to take decisions on mergers and markets. I am sure that Members in all parts of the House will recognise the benefits of that revised structure.

On 9 May, the OFT announced its decision to refer the grocery market to the Competition Commission for a market investigation. The evidence compiled by the OFT suggests that the planning regime acts as a costly barrier to entry, making it difficult for new stores to open and to compete with those already in the market. In addition, big supermarkets have significant land holdings, which could aggravate barriers to entry or otherwise harm consumers. In some instances, supermarkets have attached restrictive covenants when selling sites. The OFT also found that there is evidence to suggest that the big supermarkets' buying power has increased, and that some aspects of their pricing behaviour, such as below-cost selling and price flexing, could distort competition.

Although the OFT has been specific about the issues that it feels could present a problem within the market, the Competition Commission investigation is not limited to considering only those issues identified in the reference document. They could include competition in the food supply chain—farmers are an example—and/or non-groceries sold by supermarkets. It is for the Competition Commission to make that decision.

The supermarket code of practice, which regulates the relationship between the big four chains and their direct suppliers, is not affected at this time, and remains in place until the companies bound by it—Tesco, Sainsbury's, Asda and Morrisons—are released from the undertakings that form the basis of the code. It will be for the Competition Commission to make recommendations in its report on whether it believes that the code should be maintained, amended or repealed.

I turn now to rural post offices. The Government recognise the important role played by post offices in the delivery of services to rural communities, and have taken steps to maintain their presence. In November 2000, we directed Post Office Limited to prevent avoidable closures of rural branches, and since 2003 we have supported the rural network to the tune of £150 million per year. That subsidy helps the company to maintain the network of rural branches. That is in stark contrast to what we inherited from the Conservatives in 1997. Between 1979 and 1997, the previous Government presided over 3,500 closures, and produced no policy on how to ensure that the network could continue to remain relevant into the 21st century. In addition, about two thirds 900 of directly managed Crown branches were converted to franchise status with no clear strategy.

It did not take long for this Government to recognise that, following decades of decline and under-investment, drastic action was necessary to get the business on track and to secure its long-term future. We set about producing policies that would help achieve that—something that the previous Government had totally failed to do. We set about reversing the decline. Some £500 million was injected to help fund the "horizon" IT infrastructure, and since 2003 the Government have not only committed £150 million a year until 2008 to support the rural network; on top of that, we have put £210 million towards the urban reinvention programme, including some £30 million of investment grants to improve and modernise remaining branches. Not a single penny went to the post office network under the Conservative Government. Indeed, year in, year out, of the profits made by the Post Office, almost 95p in every pound was taken by the Conservative Chancellor to be reinvested in other parts of the public sector. One example was paying large-scale unemployment benefit, instead of reinventing the Post Office to provide a modern service. I will not yield to any Conservative on investment, and future investment, in post office services. This Government have invested the amazing sum of more than £1.4 billion in the past few years in modernisation and retooling of both the directly managed Crown network service and the rural and urban network services.

[Mr. Ian McCartney]

The Government's policy of preventing avoidable closures in rural areas has benefited the constituency of the hon. Member for North-West Norfolk over the past 12 months—something that he either does not know about or has just ignored. Both the Brancaster and Syderstone branches reopened in late 2005, and the Brancaster Staithe branch is due to reopen later this month on 22 June. There are two temporary closures at Walpole St. Andrews and West Newton, and Post Office Ltds rural transfer advisers are working hard to fill the vacancies. I will advise the hon. Gentleman further on the reopening of those two post offices.

We have had a debate about Sunday shopping, and the hon. Gentleman will have to wait a little longer, as I am still reviewing the issue in terms of the consultation that has taken place.

If anyone is thinking about opening a small business, they should do it now. There is no better time under a Labour Government achieving the world's most stable economy. Vote Labour and get yourself a small business!

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes to Eleven o'clock.

House of Commons

Wednesday 14 June 2006

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Russia

1. **Mark Pritchard** (The Wrekin) (Con): How much aid the UK has allocated to Russia in 2006-07. [77019]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): In the current financial year we have allocated £5 million to bilateral programmes in Russia. Other United Kingdom funds, available through the global conflict prevention pool and the Foreign and Commonwealth Office global opportunities fund, amount to some £3 million.

Mark Pritchard: I thank the Minister for that reply, but is it right that British taxpayers' money is given to Russia when last year its defence budget rose by more than 28 per cent? Would it not be better to put that money into areas of real conflict and suffering such as Darfur and the Democratic Republic of Congo?

Mr. Thomas: The hon. Gentleman is right to point to the progress that Russia has made. He will remember that as recently as 1999, when Russia was going through a period of financial crisis, substantial numbers—almost 40 per cent. of the population—were living in real poverty. Since that time, the number living in poverty has declined by almost half. The hon. Gentleman's point about the need to divert resources to the very poorest countries is well made, and that is one of the reasons why we have taken a decision to close our programme next year. We will remain engaged in a small way in Russia, because there continue to be particular development challenges, not least the issues of HIV/AIDS, but we are increasingly directing more of our resources to the very poorest countries.

Ms Sally Keeble (Northampton, North) (Lab): As my hon. Friend knows, Russia has the G8 presidency. I wonder what discussions he has had with Russia about taking forward the commitment, in particular of the United Kingdom, to development in Africa.

Mr. Thomas: We have had a series of discussions with the Russian authorities in the run-up to the St. Petersburg summit. My hon. Friend may know that the Russian authorities have prioritised the issues of energy security, education and infectious diseases for discussion at that summit, and we have been working to ensure that there is a development perspective to all those discussions. There will be a report at the summit on progress since Gleneagles. I understand that my right hon. Friend the Prime Minister is expecting to lead a discussion on progress in Africa since then. My hon. Friend may also be interested to know that we have already begun discussions with German colleagues in advance of their presidency next year.

Mark Simmonds (Boston and Skegness) (Con): Russia, alongside other eastern European countries such as Ukraine, has significant and escalating HIV and TB epidemics and the fastest growing coterminous infection rate in the world. The G8 summit in St. Petersburg must address infectious diseases, especially the challenging multi-drug-resistant TB. Considering DFID's strategy towards middle income countries and the Duma's decision to restrict the operations of foreign non-governmental organisations, how does DFID intend to halt and reverse the incidence of infectious diseases? Will the Minister confirm that he will be working towards a specific commitment at the G8 to endorse and fund the global plan?

Mr. Thomas: The hon. Gentleman is right to highlight both the rising prevalence of HIV/AIDS in Russia and more generally in central and eastern Europe. The adult prevalence rate is more than 1 per cent. in Russia. Although the epidemic is currently concentrated among high-risk groups, particularly injecting drug users, there are worrying signs that it is spreading into the more general population. We have over the past two years been closely collaborating with UNAIDS. We have a programme of £1 million over this two-year period. We have in recent years seen rising spend and rising recognition, including in speeches by President Putin, by the Russian authorities on this issue.

On the wider point about Gleneagles and specific commitments on HIV/AIDS and TB, we have indicated our support for the global plan. We want it discussed and backed at St. Petersburg and we want the summit also to move on the HIV/AIDS agenda.

Sudan

2. **Mr. Andrew Mackay** (Bracknell) (Con): If he will make a statement on the humanitarian situation in Darfur. [77020]

5. **Andrew Rosindell** (Romford) (Con): What his most recent assessment is of the humanitarian situation in Darfur. [77023]

The Secretary of State for International Development (Hilary Benn): I remain gravely concerned about Darfur and in particular about continued insecurity that threatens the massive humanitarian effort that is needed. The Darfur peace agreement should provide

the basis for a long-term solution to the crisis, and there appears to have been a reduction in the number of clashes between the Government of Sudan and the rebels since it was signed. However, attacks by the Arab militias continue and their disarmament, as required by the DPA, is a matter of urgency. We continue to press the Government to live up to their commitments.

Mr. Mackay: The Secretary of State is right to be deeply concerned about the situation in Darfur, particularly as it appears to be spreading into Chad. How does his work fit comfortably with the previous Foreign Secretary's comment that we have a responsibility to protect people from both massacres and human rights abuses, because that clearly is not happening at the moment in those two tragic countries?

Hilary Benn: I accept the right hon. Gentleman's point entirely. The first thing that we are doing is providing humanitarian assistance, because that is a practical way in which we can help people to stay alive. Britain and the international community have played an honourable part in that respect, but as he will know, the only solution is a political solution that brings an end to the fighting. That is why the priorities now are, first, to enable the people of Darfur to understand what is in the Darfur peace agreement—the African Union is taking the lead on that, with some support from us—and, secondly, to encourage Minni Minnawi, who leads the one movement that has signed the agreement, to implement that commitment and fulfil the responsibilities that he has taken on. Thirdly, we shall continue to put pressure on the Government of Sudan to prepare their plan for the disarmament of the Janjaweed. Finally, and in my view most important of all, we shall support the United Nations and the African Union, which are at one in wanting the UN mission to take over from AMIS—the African Union mission in Sudan—as quickly as possible. That is why the arrival last week of the joint AU/UN planning mission was so significant. However, we shall still have some work to do to persuade the Government of Sudan to accept that mission, which I believe is desperately needed.

Andrew Rosindell: Will the Secretary of State clarify whether the Government believe that the role of the UN mission in Darfur would be to monitor peace, or to enforce peace?

Hilary Benn: The hon. Gentleman's question goes to the heart of the discussions with the Government of Sudan, because they are expressing considerable concern about the prospect of that mission having a chapter 7 mandate. Part of the purpose of the planning mission is to provide an answer to that question, so that the Security Council can take a decision. Based on my experience and the visits that I have paid to Darfur on a number of occasions, I think that the UN mission will have to help both to oversee the ceasefire and to ensure that civilians are protected if people do not honour the obligations that they have entered into. Ultimately, the aim must be to protect people from continuing to be attacked.

There is a responsibility both on the Government of Sudan to disarm the militia and on the movements to stop fighting, and I regret very much that two of the movements—the faction led by Abdul Wahid and the Justice and Equality Movement—have not yet signed the agreement. I can see no possible justification for having failed to sign the agreement because, in truth, it gives the movements everything that they were looking for.

Mrs. Betty Williams (Conwy) (Lab): What more does my right hon. Friend think can be done by the UN, and what progress can be made in taking the matter to the International Criminal Court?

Hilary Benn: As my hon. Friend knows, last year the UN Security Council agreed to refer the terrible crimes that have been committed in Darfur to the ICC. I pay tribute to the former Foreign Secretary, my right hon. Friend the Member for Blackburn (Mr. Straw), for the role that he played with others in persuading the Security Council to do that, because it sends a strong message from the international community. That links to the question asked by the right hon. Member for Bracknell (Mr. Mackay), because it shows that we are serious about calling to account the people who have committed those crimes. At the same time, we continue to support the UN in preparing for the mission so that people can be protected and the agreement enforced, because that is the only way in which people will be able to go home.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): The Secretary of State will be aware of the good work that the Scottish Catholic International Aid Fund is doing in Darfur. Today, we are privileged to have the chairman of SCIAF, His Eminence Cardinal Keith O'Brien, with us in Westminster. Is it not appropriate to recognise in the forthcoming White Paper the role of faith groups, not only in delivering aid but in raising awareness in schools and communities throughout our country?

Hilary Benn: I echo everything that my right hon. Friend has said. I had the opportunity to meet Cardinal O'Brien yesterday to discuss his impressions of his recent visit to Darfur. In the not-too-distant future, DFID will publish a policy statement on working with faith communities. When people in poor countries are asked which institutions they respect, rely on and have greatest confidence in, they say faith organisations—their churches and the institutions of their religions—which are often present in the most difficult circumstances when the instruments of government either do not exist or have fallen apart because of conflict.

Mr. Gregory Campbell (East Londonderry) (DUP): What plans do the Government have to ensure greater international co-operation in efforts to ensure that those who are guilty of the serious criminal activities in Darfur are brought to justice, which will help to achieve greater stability in the province and the surrounding region?

Hilary Benn: First, we support the referring of events in Darfur to the International Criminal Court, and its investigations continue. Secondly, we strongly

supported the establishment of the sanctions committee which, however, did not receive the wholehearted support of every member of the Security Council so, regrettably, it took some time. Sanctions have been imposed on four individuals who were named and investigated. We continue to press for action—I know that the African Union will do the same—if individuals obstruct the implementation of the peace agreement. It is one thing to say that one is not prepared to sign, but it is another to obstruct the implementation of an agreement that others are prepared to sign. We should therefore not be reluctant to take strong action against individuals who impede the only hope that the people of Darfur have of a better life.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): We acknowledge the Secretary of State's personal commitment to the issue, but does he accept that the Sudanese Government, who sponsored mass murder in Darfur, are now engaged in ethnic cleansing in neighbouring Chad? Given Britain's pivotal position in the United Nations, what steps or new energy will he use to ensure that a UN force with a clear, unambiguous mandate is deployed without further delay?

Hilary Benn: I accept the fact that the conflict over the border with Chad makes an already difficult and complex conflict even more challenging. The rebel movement in Chad is trying to depose President Déby who, in turn, has accused the Sudanese Government of supporting those efforts. In fairness to the British Government, the UK was one of the first countries to recognise that a UN force was needed, not least because the African Union mission which did a sterling job in difficult circumstances, as the hon. Gentleman knows because he has had a chance to see for himself, simply does not have the number of troops, the capacity or the funding that it needs. That is why we strongly advocated the deployment of a UN force, and why we pressed hard for a planning mission in Khartoum. We are resolute in pressing the Sudanese Government to allow that force to come in, because in my view and, I am sure, in the hon. Gentleman's, it is desperately needed.

Mr. Mitchell: The Secretary of State rightly praised the African Union, and he knows that its chairman wrote to the Secretary-General of NATO, pleading for specific assistance. What steps has Britain urged its NATO allies to take to meet the African Union request for help with, for example, airlifts, training and logistical support, ahead of the long-awaited UN deployment?

Hilary Benn: NATO, in fact, has met the AU, and it made several offers of assistance, including the co-ordination of airlifts, which has been agreed; staff capacity-building, which has been agreed; support for the joint forward mission headquarters, including a joint operations centre, which is new assistance; and the provision of troop pre-deployment certification training—that, too, is new assistance. The AU asked NATO to support it in a "lessons learned" exercise, because as well as trying to get it right now, it wants to build capacity to mount such missions in future. I therefore hope that I have reassured the hon. Gentleman that NATO is on the case, as the AU has accepted its offer of assistance.

Susan Kramer (Richmond Park) (LD): The Secretary of State will be aware that only a few weeks ago the UN said that it had to halve food rations to people who depended on food aid in Darfur. Can he give us an assessment of the situation to show that the food aid funding crisis has been turned around? Given the potential for similar conflicts to develop in Chad and eastern Sudan, what measures has the Department for International Development taken to make sure that food and humanitarian aid flow much faster in any similar crisis?

Hilary Benn: On the first point made by the hon. Lady, the World Programme had to halve rations in May because of the funding shortfall. Last week, I met Jim Morris, the head of the World Food Programme, who told me that from the beginning of June the ration has increased to 84 per cent., because additional food has arrived from the USA and because the Sudanese Government has been able to make a contribution. Unfortunately, the cut in the ration coincided with the agreement in Abuja, so some people may have drawn the wrong conclusions. Overall, the UN work plan in Sudan for 2006 is about 40 per cent. funded. The UK, as the hon. Lady will know, is one of the countries that will give slightly more this year, but that is not the case for all the other donors. But the hon. Lady will also be aware that some money has come to Darfur from the new humanitarian fund, which I very much welcome.

We continue to support all the agencies to the fullest extent possible to help them bring help to people where it is needed. As the security situation changes, the humanitarian organisations can access an area one day, but the next day it may be more difficult. That is why peace and disarmament are needed, to enable them to get help to everyone who requires it.

Nicaragua

3. **Norman Baker** (Lewes) (LD): What progress he has made in improving conditions for the peoples of the Atlantic coast in Nicaragua. [77021]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): We target approximately 15 per cent. of our £4 million funding to Nicaragua to the Atlantic coast. Through our support, municipal governments on the Atlantic coast are providing community services and improving local infrastructure. Our funding for HIV/AIDS has enabled the Ministry of Health in Nicaragua to provide services so far to 40 per cent. of the Atlantic coast. We are also working to improve local people's livelihoods on the Atlantic coast.

Norman Baker: I acknowledge the good work that the Department is doing on the Atlantic coast. Does the Minister accept, however, that the Government in

Managua pay little attention to the Atlantic coast, which is a forgotten coast as far as they are concerned? When I met peoples over there on the Atlantic coast, their view was that when the horse leaves Managua laden with aid, it dies halfway across the country. What steps can the Minister take to encourage the Managua Government to look after the Atlantic coast? Is not Bluefields, with a population of 60,000, a way to connect it with the rest of the country?

Mr. Thomas: The hon. Gentleman is right to highlight the disparity in progress on development on the Atlantic coast compared with the rest of the country. On average, gross domestic product per person on the Atlantic coast is less than half of GDP in the rest of Nicaragua. We have sought to use our funding to leverage more Government funding into the Atlantic coast, and similarly to put pressure on the World Bank and the Inter-American Development Bank to leverage more of their funding into the Atlantic coast. Given his interest in Nicaragua, the hon. Gentleman will be particularly pleased to know that for the first time the World Bank, in its next assistance programme for Nicaragua, will have a set of loans specifically for the Atlantic coast work.

David Taylor (North-West Leicestershire) (Lab/Co-op): Nicaragua is the second poorest country in Latin America and the disparities of income are the worst in that region. Can my hon. Friend say a little about DFID programmes to tackle the grinding poverty, especially in rural areas near the Atlantic coast? Are the governance, social and economic inclusion and public sector reform programmes advertised on the DFID website starting to bear fruit?

Mr. Thomas: Our spending is directed at building and maintaining access to roads, helping to improve rubbish collection, and helping to improve access to rural electricity, both on-grid solutions and investment in off-grid solutions such as solar and wind power. As I said in my previous answer, our funding is beginning to leverage more funding from Government and from the big multilateral donors such as the World Bank and the Inter-American Development Bank. Our funding is making a difference to HIV/AIDS on the Atlantic coast. However, it is equally clear that more needs to be done, both by the Nicaraguan Government and by the international community generally. We will stay alive to that.

Mr. Philip Hollobone (Kettering) (Con): Twenty years ago, I spent a year on a Church mission, working with the Carib people on the Atlantic coast of central America as a voluntary teacher. Do we have any aid programmes that channel aid through the valuable work that Church missions do in that part of the world?

Mr. Thomas: The hon. Gentleman is right to praise the valuable work that such missions and civil society more generally do in Nicaragua and across the developing world. We have extensive programmes of work with civil society groups, particularly in relation to HIV/AIDS. On the hon. Gentleman's specific question about work with Church missions, I will look into that and write to him.

Nepal

4. **Mr. David Crausby** (Bolton, North-East) (Lab): if he will make a statement on the humanitarian situation in Nepal. [77022]

The Secretary of State for International Development (Hilary Benn): There is no general food-related humanitarian crisis in Nepal, but the World Food Programme has recently launched an emergency programme in 10 of the country's 75 districts after poor winter rains led to local food shortages. The conflict has, however, created a human rights crisis, with abuses being committed by both security forces and the Maoists, and it has forced thousands of people to leave their homes. The recent ceasefire should lead to an improvement.

Mr. Crausby: I thank my right hon. Friend for that reply. The new civilian Government in Nepal certainly provide cause for optimism. What progress has been made in negotiating an end to the civil war? And what support is my hon. Friend providing in order to bring about stability, development and, most importantly, peace?

Hilary Benn: As my hon. Friend knows, there has been considerable progress following the handing back of political power to the parties in April. A ceasefire has been agreed between the Government and the Maoists. Negotiation teams have been appointed and a number of confidence-building measures have been implemented, including the release of prisoners, the lifting of curfews and greater ease of movement around the country. Now we need effective monitoring of the ceasefire and agreement on the timing and conditions for the Maoists to join the Government and on the arrangements for a constituent assembly. The UK is currently looking at how we can provide technical assistance, support for the elections to a constituent assembly and disarmament, demobilisation and reintegration programmes.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): One of the groups most affected by the recent tragedies in Nepal are the street children of Kathmandu. In commending the good work of two charities, the Child Welfare Scheme and Asha Nepal, may I ask what plans the Minister has to target aid at that needy group in Kathmandu?

Hilary Benn: I, too, praise those organisations. On Asha Nepal in particular, I have asked officials to re-examine the question of funding. In light of the changed circumstances in Nepal, we are reviewing what more we might do. We had to cut back the programme, because, as the hon. Gentleman knows only too well, Nepal was a difficult place in which to work. If the progress is maintained, the Under-Secretary of State for International Development and I will consider what more we can do to tackle poverty in Nepal.

Disaster Relief

6. **Mr. Lindsay Hoyle** (Chorley) (Lab): what progress has been made in establishing a world fund to provide rapid aid and relief at times of major disaster. [77024]

The Secretary of State for International Development (Hilary Benn): The Central Emergency Response Fund was launched on 9 March 2006. It is now helping UN humanitarian agencies to respond immediately to sudden disasters and to increase activity in underfunded emergencies. So far, CERF has committed $92 million to a number of humanitarian crises, the largest being the Horn of Africa, Darfur and the Democratic Republic of the Congo. In total, 43 donors have contributed $262 million, and the UK has been the largest contributor.

Mr. Hoyle: I welcome the Government's commitment to the implementation of a world fund, which can be used wherever disasters take place. What long-term funding have the Government provided? And how can we ensure that other partners which are as wealthy as, if not more wealthy than, this country are making long-term contributions?

Hilary Benn: My hon. Friend is right. Having established the fund, we will need it every year, because disasters strike every year. At a Red Cross event last week, I announced that over the next three years Britain will contribute £40 million, £40 million and £40 million—£120 million over three years. I intend to talk to our partner countries and say, "Britain is prepared to make a long-term commitment to the fund. Are you?"

Malcolm Bruce (Gordon) (LD): Although I agree with the Secretary of State that the fund is welcome and important, we need more effective co-ordination. Does he acknowledge the concern that the more co-ordination there is at international level, the harder it is for smaller, locally based NGOs and charities in countries affected to access funds? Will he use his good offices to ensure that such bodies are included in what is a worldwide response?

Hilary Benn: The hon. Gentleman has raised an extremely important point. In truth, about 60 per cent. of the funding that comes through the UN system for humanitarian relief ends up in the hands of NGOs, which do the work on the ground. Jan Egeland is conscious that he should be able to take quick decisions on spending money from CERF. I praise him and his team for their work, because such money gets down to NGOs, which deliver increasing amounts of humanitarian assistance when crises strike. I hope that we have got the right mechanisms in place to ensure that there is proper debate and dialogue between the NGO community and the UN system, because we are all in it together in trying to provide assistance when crises strike.

Dr. William McCrea (South Antrim) (DUP): Can the Secretary of State assure the House that at a time of crisis the aid that is provided, including the United Kingdom aid, goes to those who are most in need?

Hilary Benn: I can indeed offer the hon. Gentleman that assurance. That is precisely why we give the assistance. Most recently, when the earthquake struck in Indonesia on the island of Java, Britain contributed £5 million—£3 million to UN, £1 million to the Red Cross and Red Crescent societies, and £1 million to NGOs that are delivering help on the ground. In those circumstances, the world demonstrated its capacity to respond quickly to give very practical help—shelter, blankets, bedding, medical supplies, water, sanitation and food—because that is what people need when they have lost everything.

PRIME MINISTER

The Prime Minister was asked—

Bichard Inquiry

Q1. [77004] **Mr. Eric Illsley** (Barnsley, Central) (Lab): If he will reconvene the Bichard inquiry team to consider how its recommendations may be implemented more quickly.

The Prime Minister (Mr. Tony Blair): Twenty-one out of the 31 Bichard recommendations have now been implemented. The Safeguarding Vulnerable Groups Bill, which will put into place the new vetting and barring scheme, has completed its passage through the House of Lords and will have its Second Reading in the House of Commons on 19 June. We are reporting progress regularly to Parliament, most recently on 25 May, and we see no need at present to reconvene the inquiry team.

Mr. Illsley: I am grateful to my right hon. Friend for that reply. As he knows, it is now two years since Sir Michael Bichard made his central recommendation for the police national information technology system. That system will not be available, if at all, until after 2010, and some of the latest cost estimates are up around the £2 billion mark. Will my right hon. Friend reconsider recalling Sir Michael Bichard, first, to allow him to judge progress against his recommendations, and secondly, to ensure that his recommendations do not go the same way as those that came from Dunblane?

The Prime Minister: I entirely understand why my hon. Friend raises this. It is very important to say that although the full impact recommendations will not come in until later, the data-sharing arrangements, including the sharing of intelligence, will come in next year. We will certainly look at how we can speed up the recommendations. However, as my hon. Friend rightly says, this is going to be difficult and complicated. It requires a lot of changes, not only in police practice but elsewhere, and we have to ensure that we get the delivery of this programme right. I ask him to bear in mind that, as I say, from the end of next year we should have the main data-sharing arrangements in place. If we can possibly speed that up—if necessary, we are perfectly happy to reconvene the inquiry team if that helps, but at the moment we do not think that it would—then we will of course do so.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The Prime Minister has no doubt heard, as we all have, reference to Departments being not fit for purpose, most notably the recent reference to the Home Office. Could he tell the House—

Mr. Speaker: Order. I should have thought that the hon. Gentleman would be experienced enough to know that this is a closed question. I call Joan Walley.

Engagements

Q2. [77005] **Joan Walley** (Stoke-on-Trent, North) (Lab): If he will list his official engagements for Wednesday 14 June.

The Prime Minister: Before listing my engagements, I know that the whole House will join me in mourning the death of Captain Jim Philippson, who was killed in action in Afghanistan at the weekend. I know that we all extend our deep sympathy and condolences to his family and friends.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Joan Walley: May I, too, express my sympathies to the families concerned?

Will my right hon. Friend join me in wishing the England team every continuing success? While football is centre-stage, will he also join me in welcoming the report of the independent European sport review, which was initiated under our presidency and under the leadership of our Sports Minister, Captain Caborn? Will the Prime Minister set out what action he can take on the report, which is designed to protect football and—

Mr. Speaker: Order. The Prime Minister can answer one supplementary.

The Prime Minister: First, I am sure that we all wish the England team the best of luck in the match tomorrow. Secondly, as I said in answer to a question a few weeks ago, some recommendations in the independent European report are difficult—for example, trying to set a cap on players' wages. However, some of the other aspects, especially those that try to bring greater integrity to the way in which some of the financial transactions are conducted, are worth while and we will study the report carefully.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Captain Jim Philippson and sending our condolences to his family. Our troops are doing difficult work in Afghanistan, and they have our support.

In the past 40 days, the new Home Secretary has been hard at work. He potentially undermined his Department's deportation proceedings, he shelved his anti-crime campaign at the last minute, he misled the public about the employment of illegal immigrants in his Department and now he has criticised judges for their implementation of new Labour law. Can the Prime Minister detect any early signs that this Home Secretary will be any better than the last?

The Prime Minister: Since the right hon. Gentleman and his shadow Home Secretary have been complaining about life sentences and prisoners being released early after being sentenced to life, I want to explain to the House how that has come about. Of the 53 prisoners, the vast bulk were given automatic life sentences under the Crime (Sentences) Act 1997—before we came to office. The automatic life sentences were given for second offences. We changed the law in the Criminal Justice Act 2003 to allow indeterminate sentences to be given. Since April 2005, when the Act came into effect, there have been 1,000 of those sentences. Six of those people have been considered for parole and no parole has been given.

However, that is not the point that I wanted to make. I wanted to make the point that, when the Criminal Justice Act came before the House, the Conservative party voted against it.

Mr. Cameron: Let us go straight to the Criminal Justice Act 2003 and consider the Home Secretary's attack on the judge who gave the paedophile a sentence that could turn out to be as little as six years. Is not it the case that the 18-year sentence was reduced by a third because of the Sentencing Guidelines Council that the Prime Minister introduced? Is not it also the case that the individual could be let out halfway through his sentence—only six years—under the 2003 Act that the Prime Minister introduced and we voted against?

The Prime Minister: The right hon. Gentleman is talking absolute rubbish. The Sentencing Guidelines Council was supported across the House. The individual whom he mentions and others do not now need to be released because of the powers in the Act. Before the 2003 Act—he can check this with the right hon. Member for Haltemprice and Howden (David Davis)—someone who was sentenced to more than four years' imprisonment was automatically paroled at the two thirds point, irrespective of what happened. Under the Act, that right to automatic parole was taken away. The right hon. Gentleman and his colleagues voted against that as well.

If we are going to talk about facts—and I am happy to talk about antisocial behaviour, about which he attacked us and which he again dismissed as a gimmick, even though the powers are doing good in communities throughout the country, or assets recovery, which his lot tried to water down—the truth is that he and his hon. Friends talk tough in the media and vote soft in Parliament.

Mr. Cameron: The point about the 2003 Act is that it means that criminals are released halfway through their sentence. I know a thing or two about the 2003 Act—*[Interruption.]*

Mr. Speaker: Order. Mr. Norris, I know that you are enjoying yourself, but I must ask you not to shout at the right hon. Gentleman.

Mr. Cameron: I know a thing or two about the 2003 Act because I sat on the Bill Committee. Let me tell the House something that I said at the time:

"If there is one thing that undermines people's confidence in the criminal justice system, it is the feeling that time after time sentences are handed down but people are released halfway through them."—*[Official Report, Standing Committee B,* 11 February 2003; c. 954.*]*

That is why we opposed it.

Can the Prime Minister confirm something else? The only reason why this case—*[Interruption.]* They are shouting because they do not like it. They know that they are on the wrong side. Can the Prime Minister confirm that the only reason why this case can be sent back to the Court of Appeal for a tougher sentence to be considered is the Criminal Justice Act that we passed and which he voted against?

The Prime Minister: Again, all that we have done is to toughen the ability of the Attorney-General—*[Interruption.]* Yes, we have, as a matter of fact. I want to go back to what the right hon. Gentleman has said. He is completely wrong. Under the 2003 Act, if someone is sentenced to more than four years in prison—in other words, if it is a serious offence—they can no longer be paroled at the two-thirds point. Since April 2005, 1,000 indeterminate sentences have been handed down and no one has been paroled because of that Act. The right hon. Gentleman says that he and his colleagues support tough measures, but I have before me a press release put out just the other day by the shadow Leader of the House. We remember debating the 90 days or the 28 days for the detention of suspected terrorists. We were forced, because of the right hon. Gentleman's votes, to have the 28 days. The shadow Leader of the House then attacked us for not introducing this measure quickly enough. The reason we are unable to introduce it quickly is that the Conservatives insisted on a longer consultation period, which prevented us from doing that. So at every stage, whether it involves antisocial behaviour, assets recovery, the Criminal Justice Act or terrorist legislation, the right hon. Gentleman talks tough but he votes soft.

Mr. Cameron: Why does not the Prime Minister understand that the reason why criminals are not let out two thirds of the way through their sentence now is that, under his legislation, they are let out halfway through their sentence? In the past 40 days, the Home Secretary has blamed the judges, blamed the civil servants and tried to blame the public. Will the Prime Minister tell him to stop trying to blame everyone else and to get on with his job?

The Prime Minister: I notice that the right hon. Gentleman repeats the point that he is getting wrong. Since April 2005, 1,000 indeterminate sentences have been given, six have been considered for parole, and no one has been paroled. Those are the facts. As for the rest of the Tory attack, the fact is that, on all these pieces of legislation, they have either voted against them, dismissed them as gimmicks or refused to support them and tried to dilute them. However, my right hon. Friend the Home Secretary will be bringing forward further measures, and we will then have the chance to see whether the right hon. Gentleman and his colleagues are prepared to back up their tough talk by changing the habits of opposition and actually voting for the legislation that does the job.

Julie Morgan (Cardiff, North) (Lab): I know that the Prime Minister and the whole House will sympathise with the extreme distress and trauma caused to the three-year-old child who was abducted and sexually abused in Cardiff, and with the distress caused to her family, who are my constituents in Cardiff, North. I know that my right hon. Friend will not want to comment on the individual case, but will he do his best to press the Sentencing Guidelines Council to ensure that, following the review that it is undertaking, there will no longer be an automatic reduction in sentence in return for a guilty plea in the cases of the most serious crimes and the most dangerous offenders?

The Prime Minister: My hon. Friend is absolutely right, and that is exactly why, with indeterminate sentences, people are not able to get parole automatically, as they used to. Under the 2003 Act, the indeterminate sentence provisions were extended to a schedule of no fewer than 66 different offences. Therefore, even in circumstances where people are considered for parole, there is no automatic right to it. I think that that entirely meets her point. Furthermore, it is important to realise that, partly as a result of the work of the Sentencing Guidelines Council, but also as a result of what has happened over the past few years, not only has the number of prison places increased but sentences are longer and people are serving longer sentences. In relation to sexual offences in particular, the law has been strengthened considerably. The powers are there, and I hope that the courts use them to the fullest extent possible.

Sir Menzies Campbell (North-East Fife) (LD): I associate myself and my right hon. and hon. Friends with the condolences and sympathy expressed by the Prime Minister a moment or two ago.

In 2003, the energy White Paper described nuclear energy as an unattractive proposition on grounds of cost and waste. Can the Prime Minister tell us what has changed now?

The Prime Minister: I certainly can. First, energy prices are rising the entire time, which is why the whole issue of nuclear energy is back on the agenda not just of this country but of many other countries around the world. I think that 50 to 60 different nuclear power stations are being built this year, including the first in Europe for a long time. Secondly, our anxiety about climate change and the need to find clean sources of energy is increasing. Thirdly, when we consider our self-sufficiency in energy, we find that we are about 80 to 90 per cent. sufficient in oil and gas. Over the next 15 to 20 years, that will reverse, and we will have to import. Therefore, there are reasons of security of supply, rising energy costs and climate change. I am not saying that nuclear is the only answer—of course it is not. There are renewables, energy efficiency and everything else. However, I still think that nuclear must be at least part of the debate and argument if we are to make sure that our energy needs are properly and cleanly met for the future. That answers the right hon. and learned Gentleman's question.

Sir Menzies Campbell: The Prime Minister was not precise on the costs of nuclear power. Can he confirm

that the taxpayer is liable for up to £90 billion to clean up the existing generation of nuclear power stations? Who will pay for a new generation of nuclear power stations? Will it be business, the taxpayer or the consumer?

The Prime Minister: Let me point out to the right hon. and learned Gentleman that the decommissioning costs of existing nuclear power stations will have to be met in any event. The whole point—*[Interruption.]* Will hon. Members listen to the answer? The technology of nuclear power is also changing, and the new generation of nuclear power stations generate around one tenth of the waste of the previous generation. Therefore, if we are to take the correct long-term decisions for the future of this country, the debate must be engaged in and decided on now.

Q3. [77006] **Mr. Jim McGovern** (Dundee, West) (Lab): Last weekend, I was contacted by a constituent, Mrs. Karen Stupart, who tragically lost her husband John in a building site accident over 10 years ago. Mrs. Stupart was subsequently awarded more than £250,000 of damages through the courts, but she and her family have yet to receive one penny of that money. Her late husband's former employers declared themselves bankrupt immediately after the award was made, and their insurers, Lombard, exploited a legal technicality to avoid making a payment. This Government can be justifiably proud of setting up the Pension Protection Fund to protect the pensions of workers whose employers go bust. Cannot we now consider extending that protection to compensatory payments made in cases of workplace negligence? Will the Prime Minister meet me to discuss the extremely distressing circumstances of this case?

The Prime Minister: I am happy to meet my hon. Friend, and I extend my sympathy in relation to the situation that his constituent has experienced. He will know that employment tribunal awards, if unpaid, are enforced through the civil courts. The forthcoming Courts and Tribunals Bill, which we intend to publish in draft during this Parliament, will set out proposals for the reform of the current system of enforcement. At the moment, as he rightly points out, there is real anxiety that the system of enforcement does not adequately meet the needs of claimants. Publishing the Bill in draft will give us an opportunity to debate the issue and to see how we strengthen the law. I look forward to discussing the issue with him.

Mr. David Cameron (Witney) (Con): Multiple sclerosis nurses take the burden off the NHS, provide high-quality care and give patients the treatment that they need. Is the Prime Minister aware that the MS Trust says that, because of NHS cuts, a quarter of specialist posts are at risk? Given that each MS nurse saves the NHS £64,000, what will the Prime Minister do to ensure that crisis cuts to reduce budget deficits do not do long-term damage to our NHS?

The Prime Minister: Obviously, we have to make sure that the difficult financial decisions that need to be taken are taken, and that the NHS is in balance. Of course, the vast majority of trusts are either breaking even or are in balance. It is also important, however, to recognise that, even with the financial situation in the national health service, there is a huge amount of additional money going in, which has to be used by trusts in the most effective and efficient way possible. On MS, we have of course put a massive amount of additional money into MS, and into many of the other diseases that need management by the individual and by the system over a long period of time.

Mr. Cameron: But it is not just MS nurses who are being affected; according to the Royal College of Nursing, 15,000 NHS jobs are being lost. At the Horton hospital in Banbury—an acute general hospital—we are seeing nursing posts being removed, the potential loss of consultants and emergency procedures in the maternity unit, and the ending of a full-time children's service. Those sorts of cuts are happening throughout the NHS and are profoundly affecting the hospitals that serve our constituents, yet the Health Secretary says that this is the best ever year for the health service. Will the Prime Minister take this opportunity to apologise to the thousands of NHS staff for the crass insensitivity of that remark?

The Prime Minister: The right hon. Gentleman talks about job losses, but with the greatest of respect, when we look into a lot of those so-called job losses, we find that they are actually either posts that are not being filled or agency workers who are not being hired. Since we came to power, there have been about 250,000 additional people working in the national health service, and, in addition, we are paying them better than ever before and protecting their pensions. It is all very well for the right hon. Gentleman to say that he is speaking up for the NHS and the nurses, but he opposed the extra investment in the national health service, he opposed the extra jobs in the national health service, he opposed the pay deals in the national health service, and now he wants to take away their pensions. So whoever else is in a good position to represent them, he certainly is not.

Lyn Brown (West Ham) (Lab): Will my right hon. Friend join me in warmly welcoming the apology given by the Metropolitan Police Deputy Commissioner, Andy Hayman, to the family whose home was raided and the residents of Forest Gate? Does my right hon. Friend agree that, while the police must protect the public by acting on intelligence, they must do so in a sensitive way that does not alienate the community—in this case, the Muslim community?

The Prime Minister: First, I entirely understand my hon. Friend's concern, which she very properly raises as the constituency Member of Parliament. I also of course fully endorse what Andy Hayman said. However, I hope that my hon. Friend will allow me to say one other thing. Andy Hayman and his team do a superb job in protecting this country. They are faced with very difficult situations when they receive information or intelligence, and we can only imagine what would happen if they received intelligence, did not act on it, and something terrible occurred. Although I entirely endorse everything that Andy has very properly said, I also stand 101 per cent. behind the

police and the security services in the difficult work that they do, and I do not want them to be inhibited in doing that work. They have to do what is necessary to protect the public, and they do it in a very fine and outstanding way.

Q4. [77007] **John Thurso** (Caithness, Sutherland and Easter Ross) (LD): Given that the Prime Minister's Government's plans for identity cards will require a complex new IT system, can he tell the House of any major Government IT project that has been delivered on budget or on time, or which works?

The Prime Minister: There is one that is quite closely linked to the identity card idea, which, of course, is the passport system. It required a complicated computer project and it has worked extremely well.

Q5. [77008] **Hugh Bayley** (City of York) (Lab): Britain led the world on climate change at the G8 summit last year. Now that the Government have pledged to make Government offices and agencies carbon neutral by 2012 by offsetting emissions through carbon-absorbing and carbon-reducing measures, will my right hon. Friend ensure that local government follows the Government's lead and does the same?

The Prime Minister: My hon. Friend is right to say that local government has a responsibility too, but it is not for us to enforce that. I can assure him that we will do our best to persuade local government to join in the central Government initiative. He is also right to say that this country has a key leadership position on climate change, because we are meeting the Kyoto targets and have introduced the climate change levy. Incidentally, I notice that although the Liberal Democrats and the Conservatives were supposed to be building a cross-party consensus on this, one of them has now—

Mr. David Heath (Somerton and Frome) (LD): The Tories were useless.

The Prime Minister: It was the Tories' fault, was it? Sounds reasonable to me.

Mr. Edward Garnier (Harborough) (Con): The Prime Minister said that fewer people were getting parole as a direct consequence of his policies. That is wrong. Does he not realise that fewer people are getting parole because the probation service and the Parole Board have been destroyed by this Government? As a direct consequence of the activities of his Government, the Parole Board is unable to interview directly prisoners who should not be released, so they are released and commit terrible crimes. It is no good the Prime Minister shouting at the Opposition: he should know the facts before he makes such pronouncements.

The Prime Minister: With the greatest respect, the fact is that as a result of the Act the automatic parole that used to apply after two thirds of the sentence no longer applies. In relation to the Parole Board, we are trying to give a greater say to victims, and I would have thought that the hon. and learned Gentleman welcomed that.

Q6. [77009] **Miss Anne Begg** (Aberdeen, South) (Lab): If my right hon. Friend is serious in his desire to reform public services, it is crucial that the Government value public sector workers and continue to work with the trade unions in effecting change. Will he condemn the shoddy way in which some Liberal Democrat and Tory councils have treated their work force recently and reject the Tory argument that public sector pensions are unfair?

The Prime Minister: It is important to recognise that for all the difficulties in carrying through a tough process of public service reform, we have—as my hon. Friend rightly implies—employed some 80,000 extra nurses in the national health service, and about 250,000 more staff in total. Incidentally, they are not bureaucrats but front-line staff engaged in delivering good care. It is also true that we are paying our nurses, consultants and GPs a lot more. I personally think that that is a good idea and that they are worth it. In return for that, of course, we want to see the necessary changes made. My hon. Friend is right that it is the mixture of investment and reform that is at the heart of the issue, and it appears that the Liberal Democrats and the Conservatives oppose both.

Q7. [77010] **Dr. John Pugh** (Southport) (LD): Now that Ron Jones and others have lost the right to sue Saudi officials for torture, what meaningful legal redress is there for any Briton tortured abroad in the light of the Law Lords' ruling?

The Prime Minister: May I point out to the hon. Gentleman that we intervened in this case in order to ensure that the rules of international law and state immunity are fully and accurately presented and upheld? That is important for us as a country and for others. But our strong position against torture remains unchanged: we utterly condemn it in every set of circumstances.

Colin Challen (Morley and Rothwell) (Lab): Another cloud of anxiety that hangs over the future of our energy supplies stems from the reports recently by the electricity generating industry that many of our coastline power stations are vulnerable to the effects of climate change. In the energy review, are the Government prepared to consider whether new major power stations—including nuclear ones—should be sited inland?

The Prime Minister: I am sure that in the course of the energy review we will look at all those different issues, but my hon. Friend's question highlights the urgency of the climate change question. It is apparent from all the evidence that has been presented, even in the past couple of years, on the issue of climate change that it is not only that the science has been accepted, but that the process of warming may be happening at a faster rate than we anticipated. My greatest worry is

that there is a mismatch between the timing of the international community in getting the right agreements in place and the absolute necessity of taking urgent action now.

Q8. [77011] **David Simpson** (Upper Bann) (DUP): A senior police officer in the Republic of Ireland has confirmed that the 10,000 rounds of ammunition found there last week were the property of the Provisional IRA. He went on to say that there is still a lot of matériel out there. Does the Prime Minister agree that the full decommissioning that was promised to the people of Northern Ireland did not in fact happen?

The Prime Minister: I cannot agree with that. In the end, the test for decommissioning has to be applied by the Independent Monitoring Commission. Throughout the peace process of the past few years, we have sought some form of independent verification of whether claims made by the IRA, or others, are justified. That is why we introduced the IMC. It will look at all the evidence, including statements from people in the Republic or in the Police Service of Northern Ireland, and make up its mind as a result. We must make our judgments on the basis of what it says. If we do not, we will lose the essential objectivity that is the only way to determine claim and counterclaim. The hon. Gentleman has long experience of these issues and will know that claims and counterclaims are made on all sides. The only way to determine them finally is through the process that we set up—and which he supported at the time.

Q9. [77012] **Andrew Mackinlay** (Thurrock) (Lab): May I draw my right hon. Friend's attention to the fact that, for three-quarters of a century, it has suited the British establishment to suppress documents and circumstantial details relating to the execution of more than 300 British soldiers and officers—many of them brave—in the first world war? Does he recognise that there is overwhelming support in the country and this House of Commons for the proposal that he and the Secretary of State for Defence should review those executions and remedy the wrong by granting posthumous pardons, albeit very late in the day, and that they should do so on 1 July—the occasion of the first veterans day, and the 90th anniversary of the Battle of the Somme?

The Prime Minister: I am very happy to look at what my hon. Friend says. I understand the concern to which he refers, and I shall get back to him with an answer. I know that what happened still causes people a great deal of distress and hurt, even after all these years.

Mr. Speaker: Order. Will hon. Members please leave the Chamber quietly?

Points of Order

12.31 pm

Mr. Charles Walker (Broxbourne) (Con): On a point of order, Mr. Speaker. On 16 May, a Health Minister informed the House that Hertfordshire would be served by two primary care trusts, as part of the shake-up of PCTs. However, I fear that both I and the Minister have been misled by the East of England strategic health authority, which has written to me today to say that

"the two PCT Boards should be served by one management team and one Chief Executive."

To all intents and purposes, that sounds like one PCT in everything but name. How can I best alert the Minister to that slipperiness and obfuscation, so that he can deal with it?

Mr. Speaker: I advise the hon. Gentleman to apply for an Adjournment debate. It sounds like an excellent subject.

Michael Gove (Surrey Heath) (Con): On a point of order, Mr. Speaker. In a written answer that I received from the Home Office last Friday, it was revealed that 23 life prisoners—who had been released on licence and who therefore should have been supervised by the Home Office—had gone on the run. That is a clear indication that this Government do not enforce life sentences properly. Today, it has emerged that the Prime Minister told *The Sun* newspaper, outside the House, that he backs its excellent campaign that life should mean life. However, no Home Office Minister has come to the House to explain—

Mr. Speaker: Order. One thing that the hon. Gentleman must not do is draw the Speaker into the argument. That is the last thing he wants to do.

Mr. Stewart Jackson (Peterborough) (Con): On a point of order, Mr. Speaker. I submitted a named day question to the Home Secretary on 26 April concerning the very important issue of foreign prisoner releases from Peterborough prison in my constituency. Six weeks later, I have yet to receive a substantive answer. I seek your guidance on what I believe to be the shoddy treatment of a Back Bencher attempting to fulfil his duty in holding the Executive to account.

Mr. Speaker: I think that the Leader of the House might be able to help the House on this point.

The Leader of the House of Commons (Mr. Jack Straw): An earlier point of order on this subject was raised about 10 days ago by the hon. Member for Stone (Mr. Cash). I took it up, and I assure the House that my right hon. Friend the Home Secretary is very concerned about the backlog in answering parliamentary questions and is working with his ministerial team to ensure that it is dealt with as quickly as possible. However, I must tell the House that the number of parliamentary questions that the Home Office receives has shot up in recent weeks. That is understandable, given the public concern, but although it is important that hon. Members' questions are answered in a timely way, the House will know that it is also important that they are answered accurately and comprehensively. I assure you, Mr. Speaker, and the House, that my right hon. Friend the Home Secretary and all his Ministers are fully seized of the issue.

Mr. Michael Ancram (Devizes) (Con): On a point of order, Mr. Speaker. During Prime Minister's questions, you quite rightly admonished a Labour Member who was sitting in the Gangway for shouting at the Leader of the Opposition. Am I not right in thinking that the Gangway is not technically part of the Chamber, and that there was thus an added abuse of the House? Will you take steps to ensure that the abuse of the Gangway is discontinued?

Mr. Speaker: As far as I am concerned, the Gangway is part of the House, and if there is disorder there I will cause it to cease, which is how I handled the situation.

The Minister of State, Department of Health (Ms Rosie Winterton): We have too many MPs.

Mr. Speaker: We have too many MPs talking—that is the problem. Hon. Members cannot speak from the Gangway. I dealt with the matter and it is finished.

Mr. Rob Wilson (Reading, East) (Con): On a point of order, Mr. Speaker. In the light of your advice to my hon. Friend the Member for Surrey Heath (Michael Gove), may we request that a Home Office Minister come to the House to make a statement about life prisoners being released and absconding?

Mr. Speaker: The hon. Gentleman is a new Member, so I will try to help by explaining what happens. A request for an urgent question can be made to the Speaker every morning, but I give no guarantee that the request will be agreed to.

Parliamentary and Local Elections (Choice of Electoral Systems)

12.36 pm

Mr. David Chaytor (Bury, North) (Lab): I beg to move,

That leave be given to bring in a Bill to provide for the holding of referendums about methods of election to the House of Commons and to local authorities; to enable a specified number of electors to require the holding of such a referendum; to require the Electoral Commission to establish a Citizens' Assembly to perform functions in relation to referendums; to provide for the adoption by a local authority of a different method of election; and for connected purposes.

The Bill responds to widespread concern about public confidence in, and the legitimacy of, our democratic processes. It is presented in the context of declining participation in national and local elections, and growing concern about disengagement and alienation from the political process, especially among young people.

In brief, the Bill proposes the mechanism of a referendum to decide on the merits of different voting systems for both parliamentary and municipal elections. For general elections, the mechanism for that would be a petition containing the signatures of at least 5 per cent. of the relevant electorate. For local elections, the mechanism would be either 5 per cent. of the relevant electorate, or a simple resolution of the local authority. In both cases, the question in the referendum would provide a simple choice between the election system in force and one of the five alternative systems specified in the Bill. The decision on which of the alternatives should be included in the question for a national referendum would be the responsibility of the Electoral Commission after it had taken the advice of a citizens' assembly, which would comprise a randomly selected group of individual electors. The assembly would have the prime function of considering and reporting on the merits of the different systems.

As we approach the 175th anniversary of the Great Reform Act of 1832, our democracy is in need of further great reform. Although I recognise that the voting system is only one aspect of our democratic machinery, it nevertheless has a crucial influence on the general perception of the credibility of government at all levels. It can affect the willingness of people to participate in elections and to put themselves forward for elections. It is vital that the public have confidence that all their votes can help to make a difference and that those who stand for election broadly reflect the composition of the population as a whole.

I stress that the Bill does not simply reopen the debate about majoritarian and proportional systems of voting, and nor is it designed simply to introduce proportional representation by the back door. As the promoter of the Bill, it is my view that no single electoral system is perfect. Different systems have different strengths and weaknesses, so a healthy democracy needs a mix of systems to provide the right blend of checks and balances.

The Bill expresses no preference as between different voting systems. Its only purpose is to ensure that the voices of ordinary citizens are heard, and that they have power to choose directly the means by which they elect their representatives. However, the Bill does require that the advocates of different voting systems state their case positively and win their argument, rather than maintaining the status quo through inertia or misinformation. Although the Bill expresses no preference between different systems, the mechanism of the referendum would require the advocates of all systems actively to engage ordinary people in the merits of their case.

The basic statistics on the level of democratic participation in the United Kingdom are not encouraging. The 2005 general election delivered a Government with a healthy majority of 66, built on the votes of a mere 35 per cent. of the electorate—the lowest share of the vote for any governing party since 1918. With a turnout of only 61 per cent., the 35 per cent. share of the vote delivered 55 per cent. of the seats, but with the active support of barely one in five of the total of those eligible to vote. Of the world's democracies, only Turkey has a majority Government elected with a lower share of the vote. In the European Union, only the coalition Governments of Estonia and Lithuania were elected with a lower share of the vote. The turnout in last year's general election was the second lowest since 1918, and with the exception of elections in the five former Soviet bloc countries, last year's general election had the lowest turnout of all recent parliamentary elections in the European Union.

I do not argue that the current electoral system is solely responsible for those depressing statistics. However, we can no longer ignore the long-term consequences of the declining enthusiasm for the ballot box. With the exception of France, Britain is the only country in the EU to use first past the post for parliamentary elections, and almost all the world's most recently established democracies have opted for a system with a strong proportional element. The House has notably chosen to avoid the use of pure first past the post in the voting systems for the devolved assemblies.

That brings me to the question of local democracy. There will be those who say that by allowing for the possibility of different electoral systems in neighbouring local authorities, the Bill would cause confusion and introduce further complexity—but we have already accepted the principle of variability in local democratic procedures. The Greater London assembly, for example, has an electoral system different from that for individual London boroughs, and local authorities that have adopted the system of directly elected mayors have already adopted systems of political accountability different from those of authorities that have retained a leader and cabinet system. The Bill provides for exactly the same mechanism—a petition bearing the signatures of at least 5 per cent. of the electorate—as the House has already agreed for the establishment of directly elected mayors.

I do not argue that the system of elected mayors has brought about an immediate transformation of local government, although I think that there are many examples of very successful elected mayors, but I do say that if the House has already agreed that it is acceptable for neighbouring local authorities to have different systems of political accountability, it must follow that it is equally acceptable for them to have

different electoral systems. Similarly, if the House has accepted the use of the referendum as an appropriate means of enabling voters to choose the structure of their council's political leadership, it must follow that a referendum is an equally appropriate means of enabling voters to determine how their local political leaders should be elected.

That brings me to the heart of the Bill. By devolving power over such decisions away from the political caucus to the individual citizen, and away from the Westminster village to the real villages, towns and cities of the United Kingdom in which 60 million people live, the Bill would help to reinvigorate a debate about the nature of political representation that has been dormant for far too long.

The Bill requires the Electoral Commission to establish a citizens assembly—a randomly selected group of citizens who would take on the task of considering in some detail the merits of different voting systems, and then making recommendations to the Electoral Commission on the forming of the question in the referendum. By engaging the public in such a process, we would open up the debate much more directly than would be the case if the arguments were restricted to the more conventional forms of parliamentary procedures and progressed through the use of national commissions of inquiry composed entirely of the great and the good.

As the Bill expresses no preference for any single electoral system but simply requires that people should be able to choose directly the system under which they wish to be governed, it paves the way for a great national debate, or an extensive series of local debates, about the future of our democracy, in which ordinary people would be fully involved. Of course, it should also be possible for those on either side of the debate on electoral reform, together with those who are genuinely undecided or who support hybrid systems, to support the Bill.

To conclude, the Bill proposes the use of a referendum to consider alternative systems of voting for local and parliamentary elections. It requires the signatures of at least 5 per cent. of the relevant electorate to trigger the referendum. The referendum question would offer a simple choice between the current system and one alternative.

The Bill is supported by a number of well established organisations, which have come together as the electoral choice steering committee. Its members include the Labour Campaign for Electoral Reform, Charter88, the New Politics Network and the Electoral Reform Society. I am grateful to the electoral choice steering committee for its assistance in promoting the Bill. Whatever the Bill's future, the issue of electoral choice will return again and again until the argument for a referendum is finally won. I commend the Bill to the House.

12.46 pm

Mr. Andrew Turner (Isle of Wight) (Con): As far as I can see, this Bill would implement a hitherto forgotten part of the Government's 1997 programme. It is important to start by looking back at why the proposal for a referendum on electoral reform was included. It is because in the run-up to the 1997 general election, the Prime Minister did not think that he would win sufficient seats in the House to form a majority. He therefore did a deal with the then leader of the Liberal Democrats, Lord Ashdown of Norton-sub-Hamdon, which provided for the Prime Minister to introduce a referendum if Lord Ashdown's party supported the proposal.

However, what the Prime Minister did not say at the time—although I am sure that it what he would have said—is that it is one thing to bring in a referendum, and another to ensure that it is carried with the support of the Labour party. It is my belief that Labour Back Benchers and many Labour voters up and down the country, in common with many on the Conservative Benches, would have voted against such a referendum, and Lord Ashdown would have been stymied. The Prime Minister was quite content with that, so when he had a majority, he did not introduce legislation of this kind.

Why is the hon. Member for Bury, North (Mr. Chaytor) now introducing this Bill? Is it because he and his hon. Friends believe something that they did not believe seven or eight years ago? Is it because they believe something that they have been unable to implement over the lifetime of two and a half Labour Governments? Is it because they believe that in a year or two they will no longer command a majority in the House, and are grasping at whatever straw is available to amend or fiddle the electoral system to their advantage, as some of their colleagues have done before? Why are Labour Back Benchers becoming interested in electoral reform again?

The hon. Gentleman says—and I believe him—that he is concerned about declining levels of participation in our democracy. I do not believe that those declining levels can be remedied by structural fiddling of this kind. What is wrong with our democracy is not whether people turn out when they have the opportunity to do so, but the incapacity of Members on both sides of the House to engage the electors sufficiently to make them believe that voting can make a difference. What matters is not how one votes, but whether one can vote for a party that will make a difference. It is fair to acknowledge that at the last election, the public did not believe that the Conservative party could form a majority, so in many parts of the country they saw no point in turning out to support us. On the other hand, they saw no point in turning out in elections to defend the Labour party either, because in many constituencies the Labour party was unassailable.

It is not structural change that will engage people in politics, but the belief that by such engagement they can change the country for the better. I am confident that by the time we get to the next general election, the belief that voting can change the country for the better will be much wider. The hon. Member for Bury, North complains about the lowest turnout in the western world, but the current electoral system did not lead to that, and when a real choice is put before the British people and an opportunity presented to vote for change, the turnout will certainly be high enough.

The hon. Gentlemen says that democracy is in need of greater reform, and I agree with him. I agree that we need greater accountability, but I must say that I have not seen that introduced as a result of the

[Mr. Andrew Turner]

Government's changes in local government. Instead of a system of committees, we now have a system of elective dictatorship—but I did not see the hon. Gentleman vote against that. I agree with referendums and I think that they are a good idea, but I do not see why they should be confined to votes on issues that the Government and their supporters believe people should be allowed to vote on. People should be entitled to choose which issues to vote on for themselves. Perhaps they should have an opportunity to bring forward propositions of their own—*[Interruption.]* Yes, propositions to protect grammar schools, or propositions on sentencing, capital punishment and other issues that really engage with this country's electors.

The hon. Member for Bury, North suggested bringing forward five alternative systems of voting, which are specified in the Bill, but we are not to give people the opportunity to choose a system of democracy for themselves. Rather, they are to be handed down a system of democracy from the very place that the hon. Gentleman describes as the Westminster village, from which he says he is going to take away these powers.

The hon. Gentleman says that people will be able to adopt a system of democracy appropriate to their area, but I must tell him, in all candour, that politicians in those areas would—as the Government did in their Bills for Scotland, Wales and Northern Ireland—adopt the electoral system that they believed would lead to the outcome that they desired. That, I am afraid, will be the consequence of introducing a range of different electoral systems in different countries. The proportional system in Northern Ireland has merely spread power to the extremities in politics, rather than give a greater voice to the men of good sense and moderation, like ourselves, in the middle. I cannot see how introducing a system—either by the front door or by the back door—that allows politicians to pick and choose the electoral system that will keep them in power can be good for democracy.

Finally, the hon. Gentleman suggested giving greater responsibility to the Electoral Commission—as if it did not have enough to do already. For example, it is examining the boundary review system to ensure that we do not start with unfair boundaries and end up with unfair boundaries. As if the Electoral Commission could not be doing more to look into votes for members of the armed forces, or as if it did not have enough to worry about in respect of impersonation and postal votes! The Electoral Commission consumes a huge amount of money and it does not require additional responsibilities, but instead should focus on its current responsibilities.

The hon. Gentleman is convinced that his Bill will take power away from the Westminster village into towns and villages up and down the country. I wish that that were true. He believes that ordinary people in their pubs and clubs spend their time discussing the electoral system by which their local authorities are elected—but he must live in a world very different from that of the Isle of Wight. In my constituency, very little time is spent discussing the electoral system. The Bill will not give power to ordinary citizens. It is an adventure playground for political anoraks, and I urge the House to reject it.

Kelvin Hopkins (Luton, North) (Lab) *rose—*

Mr. Speaker: Two contributions are allowed: the promoter of the Bill and one Member who opposes it. That is enough. We then take a vote.

Question put, pursuant to Standing Order No. 23 (Motions for leave to bring in Bills and nomination of Select Committees at commencement of public business):—

The House divided: Ayes 72, Noes 168.

Division No. 260] **[12.54 pm**

AYES

Alexander, Danny
Beith, rh Mr. Alan
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Bryant, Chris
Burstow, Mr. Paul
Burt, Lorely
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Denham, rh Mr. John
Durkan, Mark
Engel, Natascha
Fisher, Mark
Foster, Mr. Don
Galloway, Mr. George
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hall, Patrick
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Holmes, Paul
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jones, Lynne
Keetch, Mr. Paul
Lamb, Norman
Laws, Mr. David
Lazarowicz, Mark
Leech, Mr. John
Mackinlay, Andrew
Marsden, Mr. Gordon
McCafferty, Chris
McCrea, Dr. William
McDonnell, Dr. Alasdair
McGrady, Mr. Eddie
Moore, Mr. Michael
Morgan, Julie
Mulholland, Greg
Naysmith, Dr. Doug
Öpik, Lembit
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Rogerson, Mr. Dan
Russell, Bob
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Simpson, Alan
Simpson, David
Stunell, Andrew
Swinson, Jo
Taylor, David
Teather, Sarah
Thurso, John
Tipping, Paddy
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wyatt, Jenny
Wilson, Sammy

Tellers for the Ayes:
Mr. Jeremy Browne and Paul Rowen

NOES

Afriyie, Adam
Ancram, rh Mr. Michael
Anderson, Mr. David
Atkinson, Mr. Peter
Austin, John
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bercow, John
Blunt, Mr. Crispin
Boswell, Mr. Tim
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Burgon, Colin
Burrowes, Mr. David
Burt, Alistair
Campbell, Mr. Ronnie
Chapman, Ben
Clapham, Mr. Michael

Clappison, Mr. James
Clelland, Mr. David
Conway, Derek
Crausby, Mr. David
Creagh, Mary
Curtis-Thomas, Mrs. Claire
Davidson, Mr. Ian
Davies, Philip
Devine, Mr. Jim
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Duddridge, James
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Eagle, Angela
Ennis, Jeff
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Flello, Mr. Robert
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Mr. Christopher
Gale, Mr. Roger
Gapes, Mike
Gauke, Mr. David
George, rh Mr. Bruce
Gibb, Mr. Nick
Gibson, Dr. Ian
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Greenway, Mr. John
Grieve, Mr. Dominic
Griffith, Nia
Hague, rh Mr. William
Hall, Mr. Mike
Hamilton, Mr. David
Hammond, Stephen
Hands, Mr. Greg
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendry, Charles
Hepburn, Mr. Stephen
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hood, Mr. Jimmy
Hopkins, Kelvin
Horam, Mr. John
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hurd, Mr. Nick
Iddon, Dr. Brian
Illsley, Mr. Eric
Jackson, Glenda
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, Mr. Boris
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Kawczynski, Daniel
Keeble, Ms Sally
Kemp, Mr. Fraser
Kennedy, rh Jane
Kirkbride, Miss Julie
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Lucas, Ian
Mackay, rh Mr. Andrew
Malins, Mr. Humfrey
Marshall, Mr. David
May, rh Mrs. Theresa
McFall, rh Mr. John
McGovern, Mr. Jim
McIntosh, Miss Anne
McKechin, Ann
McLoughlin, rh Mr. Patrick
Milton, Anne
Moon, Mrs. Madeleine
Mudie, Mr. George
Mundell, David
Murrison, Dr. Andrew
Norris, Dan
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Paterson, Mr. Owen
Penning, Mike
Prisk, Mr. Mark
Pritchard, Mark
Purchase, Mr. Ken
Randall, Mr. John
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Skinner, Mr. Dennis
Spellar, rh Mr. John
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Mr. Graham
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Walter, Mr. Robert
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Wilson, Mr. Rob
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Yeo, Mr. Tim

Tellers for the Noes:
Mr. Peter Bone and Mr. Brian Binley

Question accordingly negatived.

European Affairs

Motion made, and Question proposed, That this House do now adjourn.—*[Steve McCabe.]*

1.6 pm

The Secretary of State for Foreign and Commonwealth Affairs (Margaret Beckett): Tomorrow and on Friday, my right hon. Friend the Prime Minister and I will represent the United Kingdom at the European Council in Brussels. We expect discussions to focus on the constitutional treaty, enlargement and Hampton Court follow-up, as well, of course, as current world problems. This afternoon, the House has its customary opportunity to debate the Government's priorities.

It is now a year since two founding member states of the European Union, France and the Netherlands, rejected the draft treaty establishing a constitution for Europe. Out of those two decisions and the intense debate that they provoked came a very clear message: the European Union needed to reconnect more closely with the people of Europe. They were wary of a European Union that seemed to set its own direction with minimal reference to what they actually wanted out of it, or what was relevant to and would improve their daily lives. That may be an unjust perception, but it was clearly a strong one. Citizens were looking for an effective Europe: one that helped member states to overcome problems together and by so doing brought concrete benefits to their citizens on the things that mattered to them—in short, a Europe that was part of the solution, not part of the problem. That is the kind of Europe towards which this Government are working.

Let me emphasise one point. An effective Europe is exactly that. I do not mean automatically less Europe, whatever that means. I do not mean a weaker Europe and I certainly do not mean a Europe in which the British Government fail seriously to engage, and in consequence fail to advance or defend Britain's interests. This Government believe, as I do, that the best interests of the British people are served by this country being a strong member of a confident, effective, outward-looking European Union—one that delivers security and prosperity to its citizens. We are committed to working with our European partners to achieve that.

On that point, I have to say to the right hon. Member for Richmond, Yorks (Mr. Hague) that it is far from clear to me that withdrawal from one of the major political groupings in the European Union will be of assistance in fighting Britain's corner. I should say at once that I have every sympathy for him in the predicament in which he finds himself. When he was leader of the Conservative party, he sensibly chose to keep his party within the European People's party. Now he has been lumbered with a foolish pledge made by his leader in a moment of desperation during the recent leadership contest, and I understand that he has been forced to meet some pretty unsavoury characters in his attempts to cobble together a new coalition. Indeed, one of his own MEPs called them

"a pretty unappealing ragbag of fringe politicians".

From the point of view of the British public, it is a sorry state of affairs when the man who notably led clarion calls to save the pound and to prevent Britain from becoming a foreign land is now regarded as a moderate in his party on these issues.

Tomorrow's is the first European Council that I shall attend, but it is only the latest development in a process of sustained engagement with the Union's institutions. In negotiations both within Europe and at international level, I have seen just how great a difference our engagement in and with the EU can make. We want and need to be an influential part of that effective European Union. Many of the challenges we face as a country can be met only if we work together with our European partners.

Mr. Michael Ancram (Devizes) (Con): The right hon. Lady started by saying that the discussions over the next two days would be about, among other things, the constitutional treaty. If my memory serves me correctly, when the constitutional treaty was signed, we were told that if it did not pass within two years, it would fall. What is the position now?

Margaret Beckett: I do not recall hearing that, but no doubt my right hon. Friend the Minister for Europe will deal with that when he winds up the debate.

Let me give one classic example of problems that, by their very nature, transcend national boundaries: environmental issues, not least climate change. Many of the substantial environmental improvements that we in the UK have seen in recent years—cleaner air and cleaner water—have been driven by regulation agreed at EU level and can be said to be "due" to the EU. There can be little doubt that climate change, the greatest long-term threat facing the world, is a trans-boundary problem. Climate change will have a direct impact on the lives of people in this country and across the EU, and people across Europe are demanding that their Governments take action. However, neither the UK nor any other member state can hope to succeed through unilateral action. Carbon emissions anywhere affect the climate everywhere, and international consensus and action within and beyond the borders of the EU are imperative.

It is because, under the present Government, the UK's voice is recognised and respected within Europe that we have been at the forefront of European Union efforts to tackle climate change. Those efforts have led to concerted action among the 25 member states to reduce their own carbon emissions. There is still much more to do, but what we have already achieved would have been unthinkable if we had needed to rely solely on a network of bilateral agreements.

Mr. Eric Illsley (Barnsley, Central) (Lab): As my right hon. Friend has pointed out, many EU countries have implemented measures to combat climate change, often to the detriment of their domestic industries. By far the two greatest contributors to global warming and climate change are the United States of America and China. Does she envisage the EU taking a much more robust position to persuade those two countries to reduce their emissions?

Margaret Beckett: We have always taken a forward-looking and robust position on climate change. The whole House will recall the tremendous efforts made by

the Prime Minister last year, particularly during our G8 presidency, to create an atmosphere in which the US could agree to do as they did in Montreal and take forward the discussions—something that it had been resisting until then. Similarly, my hon. Friend will recall that, as well as the G8, we invited to Gleneagles what are known as the "plus five" countries—five major energy users now and in the future and consequently five countries that may have substantial emissions—and that we successfully drew them into the discussions. Both the United States and China are participants in the Gleneagles follow-up dialogue, of which the next meeting will be held in Mexico this autumn.

Mr. Peter Bone (Wellingborough) (Con): Does not the Foreign Secretary destroy her own argument when she talks about the G8 and the "plus five" countries? It has nothing to do with the EU.

Margaret Beckett: No. The G8 is a grouping in which the United States is a participant and China was invited to the meeting. However, one of the reasons why we were able to get that agreement at the G8 is the strength of the ties between the European members of that body.

Mr. Bone *indicated dissent.*

Margaret Beckett: It is no good the hon. Gentleman shaking his head—to disagree with that is to fly in the face of the facts.

Beyond the EU, it is as a negotiating group that we have a much stronger voice on the international stage. In five years of climate change negotiations, culminating in Montreal, I have seen it demonstrated time and again that the EU as a group plays a pivotal role in brokering agreement. We could not play that role or reach agreements such as the one reached in Montreal if Europe did not speak with a single voice.

The forthcoming European Council should adopt the EU's revised sustainable development strategy. For the first time, we shall have a single, coherent and, I hope, accessible strategy that brings together all the Community's internal and external objectives in that field. Two of the seven objectives within that strategy relate to climate change and clean energy. On climate change in particular, we want the European Council to make a clear statement on the need for a global consensus on the scale of the action that must be taken if we are to avoid dangerous climate change, including a long-term stabilisation goal and a truly global debate. That debate cannot only be between Governments; it must include business, investors, non-governmental organisations and consumers.

Mr. William Cash (Stone) (Con): The Foreign Secretary mentioned business interests. Does she accept that it is open to the United Kingdom Parliament to legislate on its own terms unilaterally if negotiations fail on removing unnecessary burdens on business that emanate from the EU and to require the judiciary to give effect to that latest inconsistent, clearly set out legislation, so that we can remove those burdens ourselves?

Margaret Beckett: I do not think that the hon. Gentleman was listening other than to the thread of the ideas that he has honourably pursued for a long time. I pointed out that a huge proportion—I have never worked out a precise figure—of the environmental improvements that have been made in this country in recent years and which are rightly welcomed on both sides of the House have come directly as a result of European regulations, which I know he hates. He refers to burdens on business, but some of the changes that are beneficial to the public, not least in terms of the impact on their health, are regarded by some people in the business community as burdens because they regard all regulation as a burden. One of the reasons why the Government made better regulation a theme of our EU presidency is that there is such a thing as beneficial regulation—even, dare I say, if it comes from Europe.

Mr. Cash *rose—*

Margaret Beckett: I shall not give way again to the hon. Gentleman, at least not for the time being, although I do not rule it out for ever.

On energy, the European Council will discuss the external aspects of EU energy policy as agreed by the spring European Council, with a view to maintaining the momentum of the work and giving a clear mandate to the Finnish presidency to develop it further. We shall continue to press for external aspects of energy policy to be reflected fully in the Commission's strategic energy review, which is due in spring 2007.

Mr. David Heathcoat-Amory (Wells) (Con): Does the right hon. Lady think that it would aid public understanding if the law-making process in the Council of Ministers was opened up to the public? That was Government policy until very recently—indeed, the right hon. Member for Paisley and Renfrewshire, South (Mr. Alexander), when he was Minister for Europe, wrote that it remained the UK objective

"to push for all of the Council's legislative business to be opened up to the public".

Yesterday in the Foreign Affairs Committee, the Foreign Secretary said that that is no longer her position. Will she explain why she has resiled from the commitment to openness, transparency and public understanding?

Margaret Beckett: I agree that it would be beneficial if the legislative process were opened up to a greater degree. That is precisely why the Government made that proposal, which we stand by. However, I said to the right hon. Gentleman yesterday that I thought that he had misunderstood the remarks that my right hon. Friend the Member for Paisley and Renfrewshire, South (Mr. Alexander) made. My right hon. Friend was talking about all legislative business or items of legislative business and not necessarily every single aspect of the process. I shall return to the point.

Mr. David Hamilton (Midlothian) (Lab): Returning to an earlier point about emissions, the aim cannot be to stifle China's economic development. Instead, Europe should assist China to develop methods of carbon capture, and we should adopt such a strategy in this country, as well.

Margaret Beckett: My hon. Friend is right. He may know that, during our presidency last year, we presided over the EU-China summit and reached an agreement with China that the UK, through the EU, would help to pilot a clean-coal power station. China, India and the United States have substantial coal reserves that they are bound to use, particularly as development is the highest priority for China and India. There can be few more beneficial things both for development and for the cause of climate change than developing the capacity for clean-coal power

As I said at the beginning of my speech, we expect discussions at the Council on the constitutional treaty, enlargement and the Hampton Court follow-up. Since the rejection of the constitutional treaty last summer, Europe has been in a period of reflection. Throughout that time, the United Kingdom's position has been consistent and clear. An effective Europe should focus on the things that matter to its citizens: creating jobs, cutting crime, tackling terrorism and protecting the environment. Those are the questions that face the European Union, and we strongly believe that the answer will not be found in more institutional wrangling which, to the outside observer, is at best opaque and at worst self-indulgent.

Angus Robertson (Moray) (SNP): May I welcome the right hon. Lady to her post as Foreign Secretary? In Helsinki last week, members of the Select Committee on European Scrutiny were told by the incoming Finnish presidency that, during the period of reflection, it would seriously consider invoking the passerelle clause on justice and home affairs issues. That would be a radical development, so would the UK Government support it?

Margaret Beckett: We would want to look carefully at the implications, but I will return to that in a few moments.

In his speech last June to the European Parliament, the Prime Minister set out the challenge for European leaders. That was the agenda we took forward, and which Europe agreed, at the informal summit at Hampton Court. It is the direction in which we will urge our European partners to continue at tomorrow's council. In his statement to the House on 31 January 2006, my right hon. Friend the Member for Paisley and Renfrewshire, South said that the Hampton Court informal summit had already entered the European Union lexicon. I understand, however, that in French the Hampton Court agenda is known as "L'Europe des Projets". Whatever the language, the tune is the same. It points to detailed, concrete work on matters such as improving European universities, increasing support for research and development, and finding a common European energy policy. We want the European Council to make a strong and clear statement in its conclusions that maintains the agenda's momentum and profile and reaffirms the commitment of the whole of Europe to follow it.

Mr. Mark Todd (South Derbyshire) (Lab): My right hon. Friend has not touched on the important collective role that the European Union plays in negotiations in the World Trade Organisation. Does she believe, like me, that Europe's position in that body is not facilitated by the protectionist stance that has emerged in some EU states and by our historical commitment to agricultural protectionism and intervention?

Margaret Beckett: Both within Europe and outside, there are worrying signs of the growth of protectionism. I entirely share my hon. Friend's view that that is harmful to the UK and to the world community, so it must be resisted in agriculture and in other fields. He may know that on Monday, the General Affairs and External Relations Council considered a report by the Trade Commissioner, who said that the world community accepts that there is scope for each group to move its position. They must do so if we are to achieve a Doha round agreement. He clearly does not despair of the prospects for such an agreement, and we all hope that he is right.

The Commission's communication, "A Citizens' Agenda", which was published in May, suggests that it, too, has understood the message that building an effective Europe is key to Europe's future. Europe is effective when it can make decisions that make it easier for the EU to tackle problems that have an impact on people's lives. The hon. Member for Moray (Angus Robertson) asked me about the field of justice and home affairs.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I should like to leave a thought about the period of reflection with the Foreign Secretary. We have all seen the poster that says, "Sometimes I sits and thinks and sometimes I just sits." I am not entirely sure what the British Government are doing, but there comes a time when one just looks stupid doing so.

Margaret Beckett: Many people are indeed sitting and thinking. Our French colleagues have made suggestions and proposals about how we should proceed, but my hon. Friend will accept that there are disparate views in the European Union on the subject.

Keith Vaz (Leicester, East) (Lab): I am not accusing my right hon. Friend of sitting on the issue, which is difficult and complex. If we accept that there is still a period of reflection—*[Interruption.]* I think that my hon. Friend the Member for Glasgow, South-West (Mr. Davidson) is needed in the agriculture debate. Given that the EU has 25 members, and may have 27 members next year, we can move forward in some areas without the need for legislation, as that would help the transparency and efficiency of the EU. If we work with our colleagues on, for example, science and the proposed university, we could advance the agenda without the need for a constitution.

Margaret Beckett: As he often does, my hon. Friend has put his finger on the issue. People are considering

whether steps can be taken on the basis of the existing treaties without the need for the legal basis of a new treaty to make Europe more effective.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): I am grateful that the matter has been raised. Is the Minister saying that the constitution has not been approved, but European leaders and the Government intend to implement bits of it anyway under existing rules? Does that not give the lie to the statement that was constantly made when the constitution was under consideration—that only by accepting everything in the constitution could we make progress on anything?

Margaret Beckett: Perhaps my hon. Friend followed those debates more closely than I did before I took up my responsibilities but, with respect, I do not remember anyone making that point. There is a world of difference between trying to find a way to take forward bits of the constitution in the original package and considering measures that do not rely on a new treaty and legal basis. Inevitably, because the constitution drew together different strands and ideas that were discussed at the time, some issues in the constitutional treaty do not require a new legal basis, so it would be open to the European Union to consider them on the basis of existing treaties. A decision has not been made or even discussed about whether or not Europe should embark on the process. My hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) asked, quite reasonably, whether any thinking is taking place. It is, but we are not at the stage of making proposals, let alone decisions.

Chris Bryant (Rhondda) (Lab): May I welcome the Foreign Secretary to this collection of Euro-obsessives who regularly gather together, doling out anoraks before we begin? I am sure that she will be enlightened by the end of the day. On a serious note, there are some areas in which treaty change is necessary. If Croatia joined the European Union, for instance, the voting strengths of council members would have to be redrawn, and the number of MEPs would have to be changed. That would require treaty change, but could it be achieved through accession treaties?

Margaret Beckett: My hon. Friend invites me stray into territory which, with respect, I do not intend to tread today. We are rather a long way from the accession of Croatia and the legal issues that that raises. The subject is not likely to arise in that form at this week's European Council.

The hon. Member for Moray asked me about problems in the field of justice and home affairs, such as cross-border crime, drug trafficking and people trafficking. It is precisely because some justice and home affairs issues are of their nature pan-European that we are prepared to keep an open mind on any potential proposals for changing the way we take some of the decisions in this area. The ideas that have been put forward in the European Commission's "Citizens' Agenda" paper on the so-called passerelle are complex. They deserve serious consideration and thought, and that is what we will give them. We do not intend to indulge in scaremongering about loss of veto or about introducing the constitutional treaty by the back door, neither of which is true.

Co-operation in this field can be vital. For instance, it was the European arrest warrant, which was agreed two years ago, that helped to ensure the speedy return to the United Kingdom of one of the suspects following the events of 21 July. In this area, as so often, it is solving the problems that matters more than gesture politics or grandstanding.

Similarly, I do not believe in gesture politics when it comes to transparency. I am sorry to see that my hon. Friend the Member for Leicester, East (Keith Vaz), who asked me about transparency, is not in his place. There is no doubt that opening up every aspect of Council deliberations, as is being proposed, may give a veneer of greater democracy and efficiency, but having spent seven of the past nine years in Councils which legislate, my firm belief is that it would simply mean backroom deals done away from the cameras, an EU that is less—rather than more—open, and potentially less effective as well, which would certainly be disadvantageous.

John Bercow (Buckingham) (Con): The right hon. Lady spoke about terrorism and about the need for the European Union to be effective. Given that the Government of Burma are guilty of state terrorism and massive human rights abuses, including rape as a weapon of war, compulsory relocation, the use of child soldiers and the use of human minesweepers, does she agree that this is a scandalous state of affairs, and that it is time that the French stopped putting the pursuit of filthy lucre before democratic values, and that we got a decent and robust common policy that might bring about change in that benighted country?

Margaret Beckett: I hear what the hon. Gentleman says. There is no doubt that there is a terrible situation in Burma, and that it is incumbent on us all to do everything we can to put pressure on the Burmese Government. However, the subject is unlikely to come up at this weekend's Council, although no doubt there will be occasions to pursue it in the future. I can assure the hon. Gentleman that whenever there are, I will endeavour to do so.

John Bercow: Have a word with Chirac in the margins.

Margaret Beckett: On the status of the constitutional treaty—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the right hon. Lady. May I say to the hon. Member for Buckingham (John Bercow) that I still live in hope that we will get his interventions down to a more compact form, but when he tries to supplement them from a sedentary position, that is going a little too far?

Margaret Beckett: Thank you, Mr. Deputy Speaker.

On the status of the constitutional treaty, we do not believe that now is the time for the European Council to take a definitive decision. There was a clear

[Margaret Beckett]

consensus last June that a period of reflection was needed. My hon. Friend the Member for Birmingham, Edgbaston asked me about that. The ongoing national debates on the future of Europe show that there is no clear consensus on the constitutional treaty. It seems to us that the European Council should respect that diversity of opinion and agree to extend the period of reflection.

With regard to enlargement, this European Council was due to take a decision on whether Bulgaria and Romania should accede to the Union in 2007 as scheduled or whether to delay accession until 2008. The Commission has now recommended deferring that decision until October, given its concerns about the readiness of both countries. There will be a report from the Commission in October. However, we expect that the topic of enlargement may still be raised at the European Council. Here, as in the debate on the future of Europe, the United Kingdom's position has always been very clear, and I am pleased to acknowledge that it has received full support from both sides of the House.

There is no better example of how the European Union can bring tangible benefits to its citizens than through successive waves of enlargement. Those benefits have been most obvious in the countries acceding. They have gained both greater economic growth and greater political stability. That was true back in the 1980s when countries such as Spain and Greece emerged from dictatorship, and it was true in 2003 when the 10 new member states stepped out from the shadow of communist totalitarianism.

Existing member states have benefited too. Our peace and security have been enhanced by that spreading stability and by the spreading of the rule of law to an ever-wider circle of neighbours. As we have seen from the most recent wave of enlargement, it has opened up new markets and given us access to much needed skilled labour. Any enlargement has to be managed carefully. It must take into account a number of factors, including the ability of the European Union to absorb new member states, as the European Council acknowledged at Copenhagen in 1993.

Mr. Todd: Will my right hon. Friend draw the attention of her colleagues to the success that the United Kingdom has had in taking a more open approach to new members joining the European Union and the migration of labour that has been achieved with that, very much to the benefit of this country's economy, by contrast with performance elsewhere?

Margaret Beckett: My hon. Friend is right. I am not carrying all the details in my head at this moment, but he may like to know that a number of member states are reconsidering the decision that they made, and there may be another four or five that will open up to varying degrees to further movement of members of the work force.

While the capacity to absorb new member states must be considered, the accession negotiation process must be implemented rigorously and all candidates must meet EU standards, but the European Union should not use either of these perfectly valid concerns as a pretext to renege on existing commitments on enlargement, and it would be quite wrong for any changes to the EU's policy to rule out the possibility of future, further enlargements.

I have spoken about the need for an effective European Union. That is just as true outside Europe's borders as within them. The European Council will discuss a paper from Commission President Barroso on greater coherence on the EU's external policies. It will contain proposals to improve internal Commission co-ordination, to develop co-operation between member states, the Commission, the high representative and the Council, and to enhance the visibility and accountability of the European Union's external actions.

On specific aspects of external relations, we expect discussion of the middle east to take place. I will be discussing the peace process with my colleagues over dinner on Thursday night. I know that many Members of the House have a particular interest in that area and intend to use this debate as an opportunity to discuss some of the pressing problems in that region.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Are the foreign relations problems under discussion likely to include the situation in Uzbekistan, given the fact that the EU arms embargo and visa bans are both set to expire in October? Surely the time is right now to discuss their extension, which would be widely welcomed.

Margaret Beckett: The hon. Gentleman raises an interesting point. I do not anticipate that the issues of Uzbekistan are likely to be on the European Council agenda. As he will have observed, it is a fairly full agenda, but I am sure those issues will be on the agenda of the General Affairs Council before the next European Council meeting takes place.

Mike Gapes (Ilford, South) (Lab/Co-op) *rose—*

John Bercow *rose—*

Margaret Beckett: I had better give way to the Chairman of the Foreign Affairs Committee.

Mike Gapes: My right hon. Friend mentioned the discussions on the middle east. Can she give us an indication whether the temporary implementation mechanism for assistance to the Palestinian people is likely to make any significant progress in the next few days, given the acute political crisis, the crisis of violence and the humanitarian needs of the people in Palestine?

Margaret Beckett: My hon. Friend's timing is, as ever, impeccable. I was about to turn to exactly that issue. I very much hope that those discussions will make progress over the next few days. As he and the House will know, the Commission is leading the development of the temporary international mechanism to help support the basic needs of the Palestinian people, and the UK is working with the Commission to try and get the mechanism set up urgently. My hon. Friend and the House will appreciate that there is a great deal of technical work to do, to

make sure that the mechanism is accountable and transparent so that we can all know exactly where the money is going. As a result, the details of what it will support and how it will work are still under discussion. When that has been finalised, I will of course report on these matters to the House.

John Bercow: I understand the constraints of this weekend's agenda. Given that the Minister used the words "accountability" and "transparency", what is wrong with public excoriation of EU member states which prop up regimes that abuse human rights? What is wrong with that tactic?

Margaret Beckett: If the hon. Gentleman will forgive me, I do not intend at this stage to enter into a theoretical discussion about the circumstances in which member states may or may not criticise each other's courses of action, especially as I am almost at the end of my speech and conscious of how many other hon. Members wish to speak. I simply say to him that he has made a very important point about the position in Burma and he knows that the Government share his concern for that unhappy country.

Iran will be probably be a main topic of the Council discussions. The Council is also likely, so far as we can judge, to hear a report on how discussions with the Iranian Government are taking place, and it will be conscious of the importance of achieving success in that arena.

The EU needs to continue to play an active role in all these matters. Returning to the middle east peace process and the issues surrounding it, the Prime Minister, the Chancellor and I met Prime Minister Olmert on Monday and Tuesday and discussed with him how to take the peace process forward. We have no wish to go down any path other than that of a negotiated settlement, and we agreed with Prime Minister Olmert that that should be our primary objective. However, the process has to advance, and if it proves impossible to proceed on that basis, which we all must hope does not happen, then other ways will need to be considered. Let me be clear that, as our Prime Minister himself set out, not least in his press conference, it is our task in the international community, the UK, the EU and the broader Quartet to do everything that we can to ensure that there is the best possible chance for a negotiated settlement.

Both cases—Iran and the middle east peace process—are striking examples of how joint European action can make a real difference to peace and stability beyond Europe's borders, and in so doing enhance security and stability within those borders.

Much of what this Government and the people of this country want to achieve can be achieved only by working with and through the European Union.

Mr. Robert Walter (North Dorset) (Con): Will the right hon. Lady give way?

Margaret Beckett: I would have given way earlier but I am on my final sentence, so the hon. Gentleman will have to forgive me.

It is for that reason that we will continue to press for the European Union to be as effective as possible in tackling the challenges that face our citizens and in delivering the real benefits that they expect; and we will continue to play an effective role on behalf of Britain's goals and to maintain our influence in the European Union.

1.42 pm

Mr. William Hague (Richmond, Yorks) (Con): I begin by welcoming the Foreign Secretary to her first full-scale debate in the House as Foreign Secretary, although we have had a chance to congratulate her before. Let me say on behalf of all Members in all parties that we wish her well in her post, because many of the matters that she has to deal with, such as the middle eastern issues that she mentioned and the difficulties with Iran, go far beyond party politics and the scope of this debate. There will be many crises during which we will all look to her to act in the national interest, and I wish her well in doing so.

In her role, the Foreign Secretary will be able to look forward to the traditional six-monthly debates before European Council meetings. She will notice that it is also traditional for the same Members to attend them and make a speech that is 95 per cent. the same as the one that they made on the previous occasion. I will try to break out of that a little bit this time, as no doubt will other hon. Members. It is very important that we have such debates before European Council meetings, but it leads one to reflect that there may be additional ways whereby parliamentary scrutiny of Government policy at European Councils could be improved. I hope that the Government will want to consider those in future.

The Foreign Secretary has already discussed European matters at a Select Committee meeting yesterday, after which the press referred to her ability to say a great deal without saying very much—probably an essential attribute of a Foreign Secretary. It was noted in the press that when she was asked whether European issues required Cabinet representation in their own right, she uttered an immediate and abrupt no—a very straightforward answer. That perhaps helps to explain the oddity of the fact that the Minister for Europe gave a speech about Europe at the Centre for European Reform just three hours ago, before the commencement of this debate. His objective, so far as one can discover, was to restart the debate in this country about the European Union. I say, "so far as one can discover", because even two hours ago the Foreign Office website was not immune from the wave of public apathy that greeted his speech, so I have not yet been able to examine it in detail.

Once again the Government are talking about restarting the debate on the European Union. Only two years ago, the Prime Minister stood at the Dispatch Box and said of Europe:

> "Let the issue be put and let the battle be joined."—[*Official Report*, 20 April 2004; Vol. 420, c. 157.]

Since then, he has made hardly any speeches about Europe and has tried to resist debating it at all, apart from one other speech at the European Parliament that I will come to in a moment.

Angus Robertson: On restarting the European debate, people living in fishing communities around the country have been interested to learn that the Conservative party, which shamefully took us into the common fisheries policy, has now reneged on its policy to withdraw from it and is content to stay within it. Is that part of the new Tory approach in Scotland—vote Tory and get a Labour Government?

Mr. Hague: I am not aware of any such approach. The common fisheries policy has failed economically and environmentally; we are very clear about that, as is the hon. Gentleman. We have long sought more local and national control in fisheries policy and agricultural policies. In our policy review, we will want to look closely at ways of achieving policies that encourage sustainable fishing, do not place excessive burdens on taxpayers, and enrich and protect the environment. We have not come to any conclusion about that, but we will of course do so before the next general election. Other parties should be engaged in that process instead of being content not to try to change such a failing policy.

Keith Vaz: Will the right hon. Gentleman give way?

Mr. Hague: If the hon. Gentleman will allow me, I should like to develop my opening remarks a little.

It is rather a shame that the former Leader of the House, who is now Minister for Europe, chose to restart the debate on Europe somewhere else—neither in our debate nor sufficiently in advance of it that hon. Members have had a chance to digest and analyse his speech. If that is revealing, the content, so far as it is possible to discern it, was a little more so. He said—I agree with him about this—that people in Britain have come to associate Europe with "obscure constitutional arrangements". He also refused to rule out the revival of the European constitution. I must warn him that in doing so, he is taking a different path from the former Foreign Secretary, the right hon. Member for Blackburn (Mr. Straw), who has pretty much said in this House that the European constitution is dead. In fact, the last time that he was asked about it by my hon. Friends on the Front Bench, he said:

"it is difficult to argue that the constitution is not dead."—[*Official Report*, 10 January 2006; Vol. 441, c. 147.]

He went on to say that it is in "in limbo". Whatever theological contortions that may have led him into, it is apparent to all that one cannot be in limbo without being dead. While he did not like to put it bluntly, his message was pretty clear. The deeply flawed constitution—a centralising, integrationist treaty whose time has truly passed—could not be revived, as the Dutch Foreign Minister has stated categorically. It is a pity that Ministers do not have the courage to say that bluntly.

Chris Bryant: On a theological matter, I should like to point out to the right hon. Gentleman that limbo was mostly reserved for those who had never been born.

Mr. Hague: I will not take too many lessons on morality from someone who thought that auctioning off the Hutton report was a good idea.

Keith Vaz rose—

Mr. Hague: Oh, go on then, let us fit in the former Minister for Europe as well.

Keith Vaz: Is the aggression that the right hon. Gentleman is unfairly directing at my right hon. Friend the Minister for Europe partly due to the fact that on reshuffle day he issued a press release condemning the creation of a Department of European Affairs that was never actually created?

Mr. Hague: I think that the Minister thought that it was going to be created, which was one of the reasons why he accepted the job. Yes, there was certainly some confusion among the Opposition as to what was going on, but that was nothing compared with the confusion in No. 10. I am sorry if the hon. Gentleman thinks that this is aggression—it is merely good-natured advice to the Minister for Europe, to whom I bear no malice whatsoever. However, it is well known that he was offered a job and that, a couple of hours later, No. 10 had to ring up and explain that it was an entirely different job. That is doubtless because the Foreign Secretary asserted herself in no uncertain terms and I do not blame her for that.

Before the Minister for Europe says anything more about reviving the European constitution or refusing to rule it out, does not he realise the extent of the relief in the Government and the barely concealed sense of heaven-sent reprieve in 10 Downing street and the Foreign Office when the constitution was defeated in the referendums in France and the Netherlands? Does he believe that, if the constitution were put back on the rails and won approval elsewhere and the Government had to hold a referendum in this country, the Prime Minister or the Chancellor would think that that was a good idea? He has just experienced one downward move in his ministerial career—I say that in the continuing spirit of friendly advice—and if he comes back with the European constitution alive and kicking, he will be junior Under-Secretary for paperclips in no time.

Mr. Illsley: I probably share some of the right hon. Gentleman's concerns about the constitution. However, in fairness to my right hon. Friend, recent press reports show that Italy, France, Germany and Austria have all spoken about the revival of the constitution. Indeed, the Belgian Prime Minister said that 15 states have already ratified and that, when we get to four fifths, the matter should be referred back to the European Council. The decision about reviving the constitution could well be out of my right hon. Friend's hands.

Mr. Hague: The hon. Gentleman is right to draw attention to efforts to revive the constitution in other parts of Europe—including, bizarrely, some countries where the people have rejected it, for example, France. That is all the more reason for our Government to make their position clear and speak out. This country would not be alone in rejecting the constitution in a referendum. Indeed, if the Governments of some of the countries that approved it had had the courage to put it to their people, it would have been rejected.

Kelvin Hopkins (Luton, North) (Lab): Is not it the case that, since the referendums in those countries where the constitution was rejected, support for it has plummeted further?

Mr. Hague: Yes, the hon. Gentleman is right. That happens because there is a growing public and political sense in Europe that the combination of the vast enlargement of the European Union, the pace of globalisation and the rejection of the constitution require new ideas about the future of Europe that are different from the failed orthodoxies of the past 20 years. I should like the Government to move on to those new ideas.

Mr. Cash: Will my right hon. Friend give way?

Mr. Hague: I have taken many interventions and I have not finished with the Minister's speech yet. To revert to what we gathered of it, he said—

Keith Vaz: We have not heard from the Minister yet.

Mr. Hague: Why did not the Minister give the speech in the debate rather than outside the House? I am the bearer of news of his speech and am thus doing the House a service, but it should not be necessary for me to do that.

The Minister said that the debate in Europe should be about globalisation, the developing world and environmental concerns. So it should. During the British presidency last year, where were all the proposals on globalisation, the developing world and environmental concerns? With the Lisbon agenda stalled, where were the new proposals from Her Majesty's Government in their presidency to drive forward the European response to globalisation?

Margaret Beckett: Many discussions took place about globalisation and how it could be tackled. However, the right hon. Gentleman also mentioned development. Has he forgotten the Commission for Africa and all the commitments that were made at Gleneagles?

Mr. Hague: Of course I have not forgotten. We agree about much of that. However, when the Government caved in on common agricultural policy reform and agreed to a reduction of £7 billion in the British rebate with no guarantee of reform, where was the concern for developing countries which the Minister claims is at the forefront of the Government's mind?

That is the trouble with what we have gleaned so far of the Minister's speech. It represents the identification of vague priorities after a major opportunity has been lost. It conveys no sense of energy or vision in tackling those priorities, or of being prepared to stand up and say that the defeat of the constitution, the vast enlargement of the EU and the pace of globalisation require a change in the way in which Europe develops. The speech has all the hallmarks of Ministers sitting in a room, saying, "We will be accused of saying nothing in the debate, so let's say something just before it, even if it amounts to very little."

People throughout Europe have unfortunately become cynical about British ministerial pronouncements that are trumpeted and followed by little of the action for which they call. In the Prime Minister's other recent speech about Europe—his speech to the European Parliament last year at the beginning of the British presidency—he said:

"The people are blowing the trumpets round the city walls."

That caused some alarm among Members of the European Parliament, who thought that a crowd had formed outside for the first time in their experience. He continued:

"They are wanting our leadership. It is time we gave it to them."

One can imagine the Prime Minister with the crowd outside: "What do we want?" "Leadership!" "When do we want it?" "After an indefinite period of reflection." That is the position that we have reached and it is time for the Government to give clearer leadership in Europe than they have shown so far.

The Minister for Europe (Mr. Geoffrey Hoon): I am always grateful for career advice from the right hon. Member for Richmond, Yorks (Mr. Hague) and I acknowledge that we are both in reduced circumstances these days. However, when he gave Conservative Members of the European Parliament advice as party leader, he advised them to remain allied to the group of the European People's party in the European Parliament. What has changed since then?

Mr. Hague: On careers, I go down and up but the right hon. Gentleman goes down and down.

The Minister criticises us for trying to form a new group in the European Parliament and people ask, "Why do you want to talk to people in Poland and be allied with them?" Yet, only on Monday, the right hon. Gentleman said:

"Poland and the UK are old friends in the new Europe and links between the two countries have never been stronger."

What on earth is wrong with political parties in this country aiming to forge closer links with other countries and political parties in Europe with which they agree?

Mr. Todd: I am listening carefully to the right hon. Gentleman's characteristically witty speech. Perhaps the answer to his question is that it depends on what those other parties stand for. I stand with him in wishing for closer alignment with Poland but surely parties' ideology and commitments must be examined, too.

The right hon. Gentleman mentioned the need for fresh ideas. Although he always delivers wit and sometimes considerable acerbic grit in his speeches, I have not yet heard any substance. His remarks on the common fisheries policy suggest that we will not have any in his speech today.

Mr. Hague: If I could get on without so many interventions—

Keith Vaz: So it is my hon. Friend's fault.

Mr. Hague: Yes, it is the fault of the hon. Member for South Derbyshire (Mr. Todd)—*[Interruption.]* I am glad that he takes responsibility for it.

[Mr. Hague]

I want to ask several specific questions about the forthcoming summit. The Foreign Secretary referred to aid to Palestinian people and specifically answered the question about that. I hope that the Minister can enlarge on that in his winding-up speech, because the Quartet agreed more than a month ago that urgent delivery of aid to Palestinians was necessary and instructed the EU to take the lead on a temporary international mechanism. When I was in the occupied territories only a few weeks ago, I got the impression that the need was urgent, that the Palestinian economy is contracting more sharply than might have been expected and that that is likely to cause great hardship. Reports have emerged that the United States has rejected the European proposal. Is it true that the United States has asked the EU to go back to the drawing board? What is the state of the preparations for establishing the temporary international mechanism? Will the Foreign Secretary take steps—her speech implied that she would—to resolve the matter at this week's summit? Will the Minister tell us more about the mechanism and when it is likely to be in place?

Secondly, may I press Ministers further on the transparency issue, which the Foreign Secretary addressed briefly in her opening speech? One item to be discussed at the summit is greater transparency at meetings of the Council of the European Union. We have long supported an end to closed meetings of the Council, for reasons that the European Scrutiny Committee set out in the relevant report. First, national Parliaments and electorates cannot hold Ministers to account if it is not clear how they have acted in the Council. Secondly, it is easy for Governments to blame Brussels for decisions that they might themselves have agreed to in closed meetings. Thirdly, closed meetings can result in deals that no Government fully accountable to their own Parliament would have agreed to. Lastly, the arrangement makes a large part of the EU's business invisible to the citizen.

Margaret Beckett: I hope that I can clarify this matter for the right hon. Gentleman because this is an issue on which there might be some misunderstanding. What we proposed—and what was accepted—in our presidency was that legislative proposals, especially those that involved co-decision and perhaps others, should be open to much greater scrutiny than hitherto, and that the initial sets of proposals should be open to public scrutiny and on public view, as should votes, explanations of votes and so on. We proposed a great deal more transparency than we have now. However, what has been proposed in these Council conclusions is to take a significant—to my mind—step further and to say that every bit of deliberation on such detailed negotiations should be in the public domain.

I would draw an analogy with the way in which we conduct ourselves in this place. Of course the decisions that are reached, what they mean, the extent to which they are considered to be an advantage, and how they can be defended are all in the public domain. However, the detailed deliberations of the parties, for example, on how they come to their views are not in the public domain and are never likely to be.

Mr. Hague: I am not sure that the analogy with this place is to the Foreign Secretary's advantage on this issue. The deliberations of Parliament are fully open to the public—not just the decisions reached. And the Council of Ministers is now, in effect, a legislative body. In fact, the Council of the European Union and North Korea's Supreme People's Assembly are now the world's only legislatures that meet in secret. Those of us who are fond of our 18th century history will remember that, in the 1770s, the case was still being put in this House that its proceedings could not possibly be reported in public because Members would not be able to speak frankly and would be open to influence by the public. That is what people in this country thought more than 200 years ago. Now the same case is being made, as I understand it, by the Foreign Secretary in the Council of Ministers.

So strong has been the case for transparency that we have had cross-party consensus on the matter in this country. The leaders of all the British parties in the European Parliament signed a declaration to that effect and the Government put forward a paper during their presidency proposing to make Council meetings and business more open. Those proposals contained two options. The European Council agreed to partial openness, which is what the Foreign Secretary has just referred to. However, the then Minister for Europe, now the Secretary of State for Scotland, the right hon. Member for Paisley and Renfrewshire, South (Mr. Alexander), then wrote to the European Scrutiny Committee to assure it that the British objective

"remains to push for all of the Council's legislative business to be opened up to the public",

although the more ambitious option favoured by the UK would have required a change to the Council's procedures. However, it seems that the Foreign Secretary has now thrown a spanner in the works by saying that there would be too much openness, so we might have to keep some of the same old secrecy.

Ms Gisela Stuart: May I ask the right hon. Gentleman to clarify something? If he is in favour of greater openness and transparency, and of the ability for people to understand what is being decided—I am sure that he has been in meetings where just throwing open the doors would not create understanding—would he, if there were ever a Conservative Government again, support the notion of a Europe Minister at Cabinet level to explain all the decisions made at Brussels level that have domestic policy implications?

Mr. Hague: I would support the Minister for Europe setting out his policy for Europe in this House rather than elsewhere. I cannot say that that would involve having a Minister at Cabinet level; I think that the Foreign Secretary and I agree on that issue. Those matters should be the responsibility of the Foreign Secretary in Cabinet. However, I do believe that this House's procedures for scrutinising European Council proceedings and European legislation need many improvements, and that such improvements would be part of making the workings of the European Union more accountable to the people of this country.

My question to Ministers on this matter is the same as that of the French Government, who are reported to have asked

"how can you not be in favour"

of more transparency? The Labour manifesto of 1997 said:

"Unnecessary secrecy in government leads to arrogance in government and defective policy decisions."

We need Government U-turns on Europe, but this is not one of them.

I am conscious of the time, so I shall miss out some of the subjects that I was going to raise—[HON. MEMBERS: "The substance!"] Hon. Members are so generous with their interventions.

Enlargement is an issue that we also need to address in the debate. This week has marked the opening of the first chapter of accession talks with Turkey. We strongly welcome that, and I offer my congratulations to the Government on the strong and consistent stance that they have taken in favour of Turkey's membership. We should be proud of the fact that there is cross-party consensus in this country on this wider enlargement. Will the Minister confirm, however, that no member state can ultimately join the EU if it does not recognise another or give its vessels access to its ports and airspace? This is an area of extreme delicacy, but does he not agree that it is vital that we do not leave the Cypriot problem frozen while accession negotiations proceed, because in the end neither process can succeed without the other?

Does the Minister also agree that enlargement cannot stop with Turkey? The Foreign Secretary touched on this in her opening remarks. We want our European neighbourhood to be stable, democratic, rich and peaceful. We know that offering EU membership is the best incentive to persuade countries to make the hard political decisions that mark the road to that end. We also know the likely cost of refusing entry to the EU. In the Balkans and Ukraine, it would be nationalism, populism, corruption and criminality. So will the Minister join us in pledging that, while their accession might take many years, the western Balkans, Ukraine and Belarus have every right, in the long term, to join the EU, should they wish to do so?

The summit is important in many other ways, as the Foreign Secretary has made clear. It comes a year after the rejection of the constitution. We have had the period of reflection, which has now been extended for another year. The constitution is a subject that has not been sufficiently debated in this country, yet it is of profound importance. Some people in Europe want it brought back, while others want it left on the shelf while being implemented through the back door. Perhaps we should recognise that the peoples of Europe do not want this kind of integration, respect their verdict and look again at what the EU should be doing.

The summit's draft conclusions say that the European Council has carried out a first assessment of the period of reflection based on information provided by the member states. I presume that, in Britain's case, that means that the Government have passed on our advice—or someone else's—because they have had nothing to say about that period until this morning. They now have another chance, and I hope that they will take the opportunity to make several things clear, not least on justice and home affairs.

Mr. Cash: In the context of the flexible, open Europe to which my right hon. Friend has referred in a recent speech, and of the regaining of national control of social and employment legislation, does he agree that it would be highly desirable for the Government to spell out that all this thrashing around in an attempt to bring a constitution in through the back door would best be resolved simply by stating that we would like an association of nation states, preserving the ability of those countries to govern themselves and ensuring that the democracy that we all want can be achieved in this House and elsewhere in Europe?

Mr. Hague: I actually think that this thrashing around, as my hon. Friend describes it, can best be dealt with by the Government taking a clear stand on some of the issues coming up at the summit and subsequently. I want to mention a couple of those issues before I give other hon. Members a chance to take part in the debate.

On justice and home affairs, the Government should reflect that Governments who do nothing have things done to them. That is indeed what is happening now, most seriously in the context of the EU's powers over justice and home affairs. Tomorrow's summit will consider the Commission's proposal to move policing and judicial co-operation, under the remit of the Commission, the European Parliament and the European Court of Justice, from third to first pillar, and to abolish national vetoes. Not only would that be a profound increase in the European Union's power and a diminution of national sovereignty in an area where voters demand national accountability, but it would implement part of the constitution through the back door, which the Government promised that they would not allow.

The Foreign Secretary might recall that shortly before the Labour party came into government nine years ago, it explicitly promised that it would keep this area under intergovernmental supervision. It is therefore extraordinary that the Government refused to come out against that proposal in a recent written answer to my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady). The Foreign Secretary has again refused to come out against it today. When the Minister for Europe winds up, will he tell us what the position is? Would not that move be a clear breach of the Government's promises?

One would have thought that the Government would learn the danger of accepting qualified majority voting from their experience with the recent directive on the free movement of EU citizens and their families, the decision on which was moved from unanimity to QMV by the Nice treaty. We warned the Government against that at the time. They expressed opposition to parts of that directive because they said that it would make it hard to deport EU citizens or members of their families who were not conducive to the public good. They were outvoted, however, and we all know how that contributed to the current mess over foreign criminals. Why are the Government now ready to allow an expansion of the EU's power in this area, when

[Mr. Hague]

recent history tells us that it will lead to them presiding helplessly over some new fiasco in the future, with their hands almost certainly tied by European law?

We are facing the usual EU fault in this area: rather than concentrating on practical measures that will be of real use and that will preserve our liberties, for which the Minister has been calling, it is still engaged in a desperate search for "more Europe". Thus the recent European evidence warrant dispenses with the crucial safeguard of dual criminality, but the proposal for the harmonisation of criminal proceedings applies to an ill-defined list of crimes and fails to tackle urgent issues of terrorism and national security. Nor did the Commission consult member states where there are cross-border issues or real concerns.

It is not only in justice and home affairs—

John Bercow: My right hon. Friend has been talking about the importance of preserving liberties. On the principle that dictators make bad business partners, would he care to say something about the folly of lifting the embargo on the sale of arms to China?

Mr. Hague: I might not put it in exactly the terms that my hon. Friend uses, but yes, it would be a mistake to lift the arms embargo on China. That is a long-held position of the United States, and that is what my party and my predecessors as shadow Foreign Secretary have stated. I agree with the purpose of my hon. Friend's intervention.

Chris Bryant: Will the right hon. Gentleman give way?

Mr. Hague: No, the hon. Gentleman has had one intervention. I shall move on and try to conclude my remarks.

Another recent Commission paper on the subject calls for the EU to

"give further consideration to sharing of premises and support services for Member State and EU external representations in third countries",

and therefore calls, in effect, for an EU consular service. The direction of those proposals is the revival of the external action service contained in the constitution and the Commission's attempts to win a foreign policy remit. Let me remind the Government again that, before coming to office, they explicitly pledged to keep foreign policy an intergovernmental area. When I asked the Prime Minister on the Floor of the House in February 2003 about an EU diplomatic service, he said:

"There is no way that the foreign or defence policy of this country will be conducted by an EU diplomatic service."—[*Official Report*, 25 February 2003; Vol. 400, c. 131.]

Should not the Government therefore express strong opposition to proposals for this embryonic EU consular service at the forthcoming summit?

The background to the summit is a slow-burning crisis in the European Union. We know that many of Europe's economies are performing poorly—*[Interruption.]* The hon. Member for Leicester, East (Keith Vaz) says from a sedentary position that I said that last time. I did say that, normally, 95 per cent. of the content of speeches in such debates is a repeat of what was said last time. I have tried to reduce that to only 10 per cent. in this speech. This, however, is an especially important point that needs repeating every time. On current trends, Europe faces the greatest loss of economic influence in the world of any group of countries in peacetime in modern history. The latest Organisation for Economic Co-operation and Development report says that,

"at current trends, the average U.S. citizen will be twice as rich as a Frenchman or German in 20 years".

Such assessments are ominous.

The assumptions of the past 50 years no longer hold true. Where once Europe's priority was political harmony, it must now be economic dynamism. Thanks to the radical changes in Britain in the 1980s and 1990s, Britain is well placed to lead on that, to challenge some of the orthodoxies of recent decades and to call on Europe to replace habits of heavy regulation and rigidity with freedom and flexibility. Ministers should say clearly in speeches in the next few months that the attempt to create a politically united Europe was a response to the problems of the 20th century and the aftermath of world wars, and it is now time to bring the vision of Europe up to date and to advocate a Europe of decentralisation and diversity in the spirit of the 21st century.

That means emphasising some of the issues mentioned by the Minister for Europe. It means emphasising trade to a much greater extent, including the ideas that I and the Chancellor have raised for freer transatlantic free trade. We look forward to Foreign Office Ministers following that up with great vigour. That has not been the case with the Chancellor's previous statements on such subjects, which have not been followed up in practice by the Government.

This is the call for the change that is needed in Europe. If nothing changes, and if the EU as a whole continues to think that the establishment of a constitution should be its chief priority, it will do nothing for our citizens and will give succour to those who claim that we now face a set of European institutions that are beyond reform. Ministers should have the courage to say so, and they should have the courage to say it this weekend.

2.16 pm

Mr. Jimmy Hood (Lanark and Hamilton, East) (Lab): I welcome my right hon. Friend the Foreign Secretary to her new portfolio. It is interesting, when discussing European issues, to remember that in 1998, when she was Leader of the House, she was responsible for giving us better Standing Orders and more powers of scrutiny. Over the past eight years, we have benefited from the pre and post-Council scrutiny, the increase in Standing Committees from two to three and the scrutiny reserve, which has been important. That has been helpful, but we need to move on and have more powers. My right hon. Friend the Minister for Europe, when he was Leader of the House, was supportive of such progressive proposals, for which I give him credit, and to which I shall return later.

Angus Robertson: I am grateful to the Chairman of the European Scrutiny Committee for allowing such an

early intervention. On scrutiny of European business in the House, does he agree that there are two challenges? First, Members need to take their obli[illegible] seriously, whether in Standing Committees or the European Scrutiny Committee. I note the unfortunate new statistics that show that the Liberal Democrats' participation in the European Scrutiny Committee is less than 30 per cent., so they miss more than 70 per cent. of meetings. Secondly, does he agree that if we are to have proper scrutiny, it is unfortunate that the Government keep timetabling debates on European business to clash with the European Scrutiny Committee, which means that Members like me cannot take part in those debates?

Mr. Hood: I understand what the hon. Gentleman says, and not for the first time he has a gripe about some of his colleagues among the Opposition who are on the European Scrutiny Committee. It is also fair to say, however, that the scheduling of Standing and Select Committees can be helpful. By coincidence or other means, the European Scrutiny Committee has unfortunately been busy with other matters when we have had such debates. I understand his position, and he has made his point.

Mr. Davidson: Surely it cannot be true that the Liberal Democrats attended only 30 per cent. of such meetings, given their enormous interest in the debate today, to the extent that the Liberal Democrat spokesman will not even be capable of getting a seconder should there be a vote before the end of the debate.

Mr. Hood: My hon. Friend makes his point.

There are many topical issues under the heading of today's debate—European affairs—but I shall concentrate on two: the enlargement process and the period of reflection on the constitutional treaty, which, as I shall explain, are related. I should also like to talk about our system of scrutiny, which was alluded to earlier.

Ten new member states joined the European Union at the start of 2004, and so far it looks as though that rapid increase in membership has been a success. The economies of the new states are growing—and not at the expense of the rest of the European Union. It has already been decided that Romania and Bulgaria will join at the beginning of either 2007 or 2008. The Council of Ministers has recently concluded that the final decision should be taken later this year, based on reports on how the two countries are progressing in meeting all the criteria laid down for accession.

This Parliament has passed a Bill to allow that accession to take place, and I believe that the widespread consensus is that both countries should join as soon as possible. However, although both have made great progress, we will do them no favours if we ignore the criteria and allow them to join for the wrong reasons. Not only would they have joined before they were ready; there would also be implications for further enlargements.

Croatia and Turkey are on the accession waiting list, and we are expecting applications from the whole of the rest of the western Balkans. There will be many advantages to us, and to them, in welcoming further states into the European Union, but all the tests have to be satisfied. If we do agree in principle to letting in further states, subject to their meeting all the criteria, we must be in a position to deliver on our own undertakings.

We need to ensure that the European institutions can cope with further enlargement, which cannot be done on the basis of the existing treaties and certainly not on the basis of the constitutional treaty, because, as we know, it has been rejected by France and the Netherlands. Much has been said about that, but to be fair there is a strong suspicion, which I share, that if the UK had a referendum on the constitutional treaty, the same result could occur.

When the European Scrutiny Committee visited Helsinki last week, we discussed this issue with our colleagues in the Finnish Parliament, who are in the process of exa[illegible]ining and agreeing the constitutional treaty. I told them in as friendly and fraternal a way as possible that, in my view, that was not a wise thing to do. I told them politely but bluntly that, given that they know that the treaty has been voted against by two member states, agreeing it in their own Parliament would send out all the wrong messages. We are in danger of the political elite talking to the political elite. When the constitutional treaty was first debated, reference was made to the need to re-engage the citizen, but if we go down that route, we are in serious danger of getting further and further away from that goal.

Mr. David Hamilton: Is it not true that some three weeks earlier, when we attended a COSAC conference, the French delegation indicated that the French did not really know what they were doing, and that it argued for reintroducing the constitution?

Mr. Hood: We had a very interesting COSAC conference, at which that discussion did take place. Members of the European Parliament, at least, seem to be disengaged from the reality of where the European Union is and where we want it to be. Describing the constitutional treaty as "being dead" is not the best language to use when discussing it, but nor is it right to argue that we should carry on with it and wait until something else comes along. The very wrong impression has been given that if the French presidential elections go ahead and there is a change, the argument will settle down. I said to the chairman of the French Assembly that if we consider the situation from the perspective of a French or Dutch politician, it could be a bit insulting to suggest at a COSAC meeting that we welcome moves to ratify the treaty. I was surprised to hear him say, however, that he was comfortable with welcoming such ratification. That worries me. If politicians in France, where there has been a referendum and a substantial "no" vote, think like that, it will send out the wrong message.

Dr. Julian Lewis (New Forest, East) (Con): I have been listening very carefully to the hon. Gentleman's thoughtful and fair-minded comments. Does he think that it would have made any difference if a country such as the United Kingdom had gone ahead with holding a vote and had similarly rejected the idea of a constitution, as he and I suspect would have happened?

[Dr. Julian Lewis]

Alternatively, does he think that political elites in some of the other EU member countries would nevertheless have pressed on in the rather arrogant way that he describes so accurately?

Mr. Hood: In my usual, respectful way, I think that the UK Government were absolutely right not to have a referendum. Through their actions, they were saying that they respect the fact that the treaty had been rejected in two member states, so I do not support the view in favour of a referendum. We respected the decisions taken in Holland and France and called off our referendum.

Mr. Cash *rose—*

Mr. Hood: I look forward to being enlightened by the hon. Gentleman.

Mr. Cash: I want to ask the Chairman of our distinguished European Scrutiny Committee a question that I perhaps should have put to the Foreign Secretary, but which he might be able to answer. Why is the European Union Bill on today's Order Paper—as it is on every other day—with Queen's Consent to be signified, a Ways and Means motion, and all that goes with it? Given that the Bill makes provision for a referendum, does the hon. Gentleman think it extremely important that it be taken off the Order Paper, thereby indicating that the Government understand that it cannot proceed? The Labour party voted for it, but the Conservative party—thanks to the efforts of some of us—ensured that we voted against it on principle.

Mr. Hood: If the hon. Gentleman wants me to answer parliamentary questions, he should have a word with the Prime Minister, who might then want to put me in a position to do just that. So far, however, I am not in such a position.

Kelvin Hopkins: My hon. Friend attributes a noble motive to our Government's decision not to hold a referendum—their respect for the results in France and Holland. However, were their minds not also concentrated by the fact that, according to recent figures, 86 per cent. of the British people would have voted against the constitution and only 14 per cent. would have been in favour?

Mr. Hood: That is a rather negative view; my own opinion is that the Government did the honourable and right thing. My hon. Friend can look into his own conspiracy theories.

Having said what I just said, the reality, to which I have referred, is that we need a treaty that is fit for purpose. Therefore, we have to have the arrangements for further enlargement in the treaty for the European Union. We cannot say to Croatia, Turkey or the states in the western Balkans that want to join the Union that we are prepared to welcome them, subject to their agreeing to various criteria, if we do not have a treaty that is fit for purpose and we have not carried out our own obligations with respect to the enlargement.

Some have suggested that the moment of reflection will be followed by an attempt to bring the old treaty proposals in by the back door. I do not see it that way and I would not support that, but the proposals included other matters, especially the role of national Parliaments, that we should support. Some national parliamentarians have said that we are cherry-picking—but if it is cherry-picking to argue the case for more powers for national Parliaments, I support it.

Bob Spink (Castle Point) (Con): The hon. Gentleman mentions fitness for purpose, but is not that impossible to achieve? As far as the Dutch are concerned, the problem with the treaty is that it is too threatening to sovereignty, but for the French it is that it is economically too liberal. The treaty cannot possibly be made fit for purpose.

Mr. Hood: I am talking not about the treaty that has been rejected by France and the Netherlands, but about the treaty that we have now and the need to change it to accommodate enlargement. That is only practical and logical, and it is good politics.

Ms Gisela Stuart: Under our system, this Parliament is unlikely ever to arrive at a decision that is other than the Government's, so it is wrong to talk of extra power for national Parliaments: it is simply more information.

Mr. Hood: I am sorry that my hon. Friend does not share my confidence in our Parliament to argue the case for more powers, because that is what we are doing. Dissatisfaction with our process for scrutiny—and it should be improved in some areas—is no reason to argue against increased powers for national Parliaments. Indeed, other Parliaments claim to scrutinise European legislation more than the UK Parliament. I am critical of our process of scrutiny and it could be improved, but we scrutinise European legislation better than most and as well as any. We have been given examples with which I do not agree.

Mr. Walter: The hon. Gentleman may have received this morning, as I did, a document published by the Robert Schuman Foundation, which is not known for its Eurosceptic views. It was written by the leader of the EU delegation in the French Senate and makes the same point as the hon. Gentleman. I was surprised by his comments about COSAC and the French National Assembly, because the document acknowledges the no vote in France and calls for stronger national Parliaments. It is even called "National Parliaments: a bulwark for Europe". The hon. Gentleman is on the right lines.

Mr. Hood: The person who wrote the document must have been reading some of my speeches to reach the same conclusion. However, it was not a member of the French Senate who made the comment at COSAC, but a member of the French Assembly. It is not unusual for members of both Houses here to disagree, so that is perhaps what happened in that case.

We need to improve our scrutiny. My right hon. Friend the Minister for Europe, in his brief time as Leader of the House, responded progressively—which

may have rung the alarm bells among the establishment here—to the modernisation report, but it has not yet been brought to the House almost a year later. I appeal to those who have influence on the matter to act. I have already made arrangements to talk to the new Leader of the House so that we may return to that report, bring it to the Floor of the House and discuss it. We should also consider some of the proposals made by my right hon. Friend, because his progressive approach was surely influenced by his 10 years' experience in the European Parliament before he came here. He was a Leader of the House who—shock, horror—knew what he was talking about on European scrutiny. The House should look favourably on his proposals for scrutiny, and do so as soon as possible.

There is never a satisfactory way of scrutinising the Executive, but it is important that parliamentarians on both sides of the House accept our responsibility and duty to hold it to account, regardless of which party is in government. It is so important that Parliament knows, on behalf of the people whom we represent, what the Government do in their name. That is why we all have a collective interest in improving the process of scrutiny. I hope that we will return to the issue as soon as possible and do just that.

2.37 pm

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): It is a real pleasure to follow the hon. Member for Lanark and Hamilton, East (Mr. Hood), especially given the comments that he made about the scrutiny of European legislation in this House and elsewhere. I am especially grateful to him for the generous way in which he handled the constructive interventions from the hon. Members for Moray (Angus Robertson) and for Glasgow, South-West (Mr. Davidson) who, mysteriously, are no longer in their places. No doubt they will return to make their usual contributions at some point soon.

Like the hon. Member for Lanark and Hamilton, East and the right hon. Member for Richmond, Yorks (Mr. Hague), I pay tribute to the new Foreign Secretary and wish her well in her new post, especially as this is her first major debate on Europe. As the right hon. Gentleman said, these debates take a familiar form and pattern, and the contributions do not necessarily change much from year to year.

At least in the past few years, the European summits have had a clear area of focus. We had the Convention, then all the discussions about enlargement and the constitutional treaty, followed by the shock and horror of the European political classes in the aftermath of the French and Dutch referendums last year. The sense of shock may have dissipated in this period of reflection, but the sense of unease remains, and it has affected the debate in this country and the participants in it.

Last summer, the Prime Minister made what everyone reckoned was a barnstorming speech in the European Parliament, which is perhaps unused to a style of delivery with which we are more familiar here. The speech was, obviously, focused on Europe, as was one that he gave at St. Antony's college in Oxford earlier in the year. However, it was revealing that when he made his much vaunted package of three foreign policy speeches in the past couple of months—in London, in Canberra and at Georgetown university in the United States—he made virtually no mention of the European Union. Indeed, the debate at St. Antony's revealed a former idealist who may have become more than a little scunnered over the years.

In the constitutional treaty process, the former Foreign Secretary, who is now the Leader of the House, was very focused on red lines and on never giving in, but I hope that it is not unfair to mention his barely concealed joy when he spoke about the constitution being either dead or in limbo. The right hon. Member for Richmond, Yorks reminded us of that earlier. Being a son of the manse in the Church of Scotland, I do not know the precise theological equivalent of limbo in my faith, but I think that we can all understand what the right hon. Gentleman meant.

The former Foreign Secretary was very keen and proud about the prospect of greater transparency, better scrutiny and more openness in the EU. For that reason, it is especially sad to hear the new Foreign Secretary apparently retreat from what was to be a symbolic breakthrough for openness in EU matters, and even at this late stage, I hope that the Government will reconsider their approach. When the Minister for Europe responds to the debate, perhaps he will explain why, after years of the Government championing the treaty as a great example of what the new Europe would be about, the Foreign Office has suddenly got cold feet.

In particular, I hope that the Minister will say what the Government's attitude will be if the Austrians proceed with their proposals to reverse the burden of proof—which would mean that the European Council would have to establish that there was a good reason for not having openness before people were excluded. That would be a good arrangement, and it is a shame that the Government appear to be backtracking away from it.

In his characteristic style, the shadow Foreign Secretary, the right hon. Member for Richmond, Yorks, used attack as the best form of defence. He cantered through many of the difficulties of the past year, but did not say much about the European People's party. Perhaps the hon. Member for Altrincham and Sale, West (Mr. Brady) will deal with that at the end of the debate, although, beyond talking about fruitcakes and loonies, there may not be much scope for comment at present.

The shadow Foreign Secretary also said very little about his proposed British free trade area with the US. He mentioned it, and it would be interesting to get more details in due course, although I do not think that the Republicans will provide much cover for the Conservatives in the European Parliament.

The period of reflection has been largely a period of inactivity, but I do not want to be too churlish, as the UK presidency saw the start of the very important negotiations on Turkey's entry into the EU. That was a major breakthrough, and there was also the budget deal—of sorts—that we have debated here previously. Yet we have not heard much about reflection and re-engagement with the peoples of Europe. The European Commission's famous plan D—for democracy, dialogue and debate—may have been well

[Mr. Michael Moore]

intentioned, but it has hardly been gripping. That was made clear by the report earlier this year from the European Scrutiny Committee that was debated in European Standing Committee a few weeks ago, and it reinforces the need for this House to improve our scrutiny of what is going on.

Earlier, the hon. Member for Lanark and Hamilton, East (Mr. Hood) spoke about the welcome that he gave the proposals from the Minister for Europe, when he was Leader of the House, to look again at our procedures for scrutiny of these matters. I hope that the Minister's new interest and new Foreign Office perspective will cause him to be an agent for change, helping to deliver better transparency and openness. That is especially important, as it will allow the House to focus on the important question of subsidiarity that is, quite rightly, of such concern.

As many as 15 of the EU's 25 member states have ratified the treaty, but not many people still believe that the present version will survive. We learn that there is more reflection to come, and there is little prospect that a target date for reform will be agreed at the forthcoming summit. Institutional life in Europe will be very difficult in the medium term, and we must hope that that serves to focus minds. We will need to make a virtue of pragmatism, but if we want a sustainable long-term outcome, we will have to resist the temptation to indulge in comprehensive cherry-picking, as opposed to undertaking a proper review of the treaty.

We supported the treaty, but whatever its merits or otherwise, we cannot win trust for it if we introduce large chunks by the back door. We need to design a new process that involves both national Parliaments and the citizens of member states, but in the meantime, we must get on with dealing with voters' concerns. The problem goes beyond subsidiarity, transparency and openness. There is plenty of debate about the democratic deficit in Europe, but we need to focus more on the delivery deficit, as some commentators have noted. That deficit applies to the economy, the security fears that arise from illegal migration and trafficking in human beings and drugs, other organised crime, and the environment.

Over the years EU leaders have promised much, but the rhetoric—such as the Lisbon agenda's aim to create the world's most competitive and dynamic knowledge-based economy by 2010—has always looked a bit overblown. It certainly does now, however much the Hampton Court summit tried to give it new focus.

Uncertainty about the economy is the biggest single problem across the EU, and was very influential in last year's no votes in France and the Netherlands. Some people fear the impact of enlargement, but we think that that fear is misplaced. Enlargement brings challenges, but we supported the Government when they decided, from the outset, to allow workers from new member states to come to this country and be part of the work force here. That was the right decision, and it has proved to be a success.

However, I hope that the summit will consider the realities of globalisation. Some of the reaction to the proposals in the treaty betrayed a desire to wish away the realities of the modern economic world. That is a temptation, especially given the economic whirlwind blowing around us, but we cannot put the genie back in the bottle.

China and India show average growth of about 9 per cent. per annum, and that is anticipated to continue over the next few years. People in Europe, whether they be in the eurozone or here in the UK, can only dream of a performance like that.

Mr. Cash: The hon. Gentleman has spoken about the problems and failures of the Lisbon agenda and of the whole European economic project, but does he agree that far too many people waffle on about such matters? I do not accuse him of doing that, but we need to get real and admit that the treaty project is not working. We should then introduce a proper project that would enable member states to run their own economies in their own fashion. Countries could co-operate where possible, as part of an association of nation states, but there would be an end to the nonsensical attempt to square a circle. It is increasingly obvious that that is impossible.

Mr. Moore: The hon. Gentleman is generous to me, but I hope that he does not mind if I say that I disagree with him on this matter. That seems to be the sad pattern of our dealings on matters European, although I admire his consistency and dedication of purpose. Nevertheless, he hits on some real issues that we need to tackle. We will get nowhere if we pretend that there are not serious problems, which national Governments and the EU as a whole must try and resolve.

This year we witnessed an energy crisis, and the development of economic patriotism in France and elsewhere that involved the attempted blocking of certain mergers. Each of the individual countries will have to face up to structural reform, which in some cases is long overdue. They will have to accept that getting Europe's economy into shape is essential if we are to cope in the new globalising world economy. This year, we have at least had a services directive, although it is not the full-blown one that we were originally promised, and there are signs of life in the Commission, with initiatives to tackle mobile phone roaming costs. All those things are worth while, but, relatively speaking, not as good as they might be.

The big prize is surely the World Trade Organisation. As many have already said, this is a vital trade round, particularly for our commitment to the developing world. Selfishly, for us in Europe, it is also crucial for our economies. The summit will need to recognise what is at stake—and not just for the developed world's credibility or in relation to the trade benefits of new arrangements between the key economic blocs. Increasingly, the very existence of the WTO itself is at stake, with the increased risk of bilateralism, increased protectionism and a general undermining of the rules-based international trading order. The EU needs the WTO and our constituents need a credible European Union. The Trade Commissioner, going into bat on behalf of all of us in Europe, is much more effective than a single national Government. If we are to cope with the tides of globalisation we need the rules of the system to work, and the EU's negotiating stand needs to reflect that.

Sometimes in Europe we forget the basics about security, democracy and prosperity, which brought the founding members together and attracted many more to the Union over the years. The lure of the European Union is still powerful, and future enlargement matters a great deal. There has been widespread concern about the difficulties being experienced by Romania and Bulgaria. Let us not lose sight of the massive progress that they have made. We must hope that they can show that they have caught up with expectations by the time of the next summit. Elsewhere, the development of Croatia, and in particular its compliance—eventually—with the International Criminal Tribunal for the Former Yugoslavia, was a major step forward and has to have something to do with the prospect of membership of the European Union.

Like many others, I celebrate Montenegro's vote earlier this month to become a separate country, and I welcome the fact that the British Government have now recognised it as such. Countries such as Montenegro may in future aspire to membership of the European Union. It is important that we have that prospect there for them, and that we help them in that desire. Right now, our focus is increasingly on Turkey. It was nearly a bad week for the talks, but it was important that the discussions began in earnest. The wrangles are a reminder of the problems, but it is vital, not just for Turkey but for all of us, that progress can be seen to be made on its behalf, however slow the road to membership may be.

Quite apart from those important matters, as the Foreign Secretary herself remarked, a lot of time will be required for debates on foreign policy matters at the summit over the next couple of days. I am glad to hear of the issues that she expects to be up for discussion at the summit—particularly in relation to Iran. After months, if not years, of growing concern, recent developments there have been reasonably encouraging. I think that there is complete agreement that for Iran to obtain nuclear weapons would be completely unacceptable. Any enrichment process for a civil nuclear programme has got to have adequate mechanisms and safeguards—and crucially attract trust—to win support across the world. What matters about our negotiating position with Iran is that we get the balance right between the opportunities and the threats if Iran does not respond. In recent weeks the willingness of the United States to talk to Iran has been a major breakthrough, and we must welcome that. The six nations talks have been able to make some progress, and we hope to hear more about that after the weekend.

In the middle east this is as sensitive a time as ever, in the context of Prime Minister's Olmert's visit to Europe and the international community's funding for the Palestinian Authority. As the right hon. Member for Richmond, Yorks already observed from personal experience, having been there, the situation is stark. The assessment of the United Nations is that a quarter of the Palestinian Authority's people are dependent on salaries from the Palestinian Authority, and that without external funding, poverty rates in the occupied territories are expected to rise from 56 per cent. to 74 per cent. over the next couple of years. That estimate may be on the cautious or conservative side.

We recognise the need for Hamas to support the Quartet principles: to renounce violence, to recognise the state of Israel, and to accept previous peace agreements. However, we need the most careful diplomacy and some assistance from all sides if we are to make some progress. After his final visit to the middle east as Foreign Secretary, our present Leader of the House hinted that the international community had to be prepared to give a little bit of ground—as well as elsewhere. I have written to the Foreign Secretary to seek clarification of that, and I hope that the Minister might be able to answer that point in his closing remarks. What is the international community willing to do, and how will it ensure that we get the temporary international mechanism in place as soon as possible? The delay in establishing that mechanism is surely exacerbating the situation, and it is not yet clear whether the funds to be provided will be sufficient, nor is it clear how long they will last. The summit must attend to that urgently.

In anticipation of the United States-European Union summit, which will follow in a week or so, I hope, too, that the European Union will have some discussion of rendition. We have seen today's Amnesty International report, which is highly critical of the particular cases in the United Kingdom. Last week's Council of Europe report was scathing. Like many hon. Members—the matter was raised under points of order earlier—I have tabled questions to the Home Secretary asking about particular flights that came to the United Kingdom; they have yet to be answered after three months.

The Government have been explicit that they do not support extraordinary rendition. However, they do not seem at all willing to ask questions of the United States to find out the answers to the serious questions that are being put. Far from it: we learn from a letter that I received from the Minister of State, Ministry of Defence that the United Kingdom is content to have standing arrangements of which the three wise monkeys would approve. We have got to do better than that. There may be a great deal of embarrassed shuffling of feet around the summit tables, but Europe has got to come to terms with the issue and clean its hands.

The expectations for this summit are desperately low. Perhaps ahead of the French presidential elections and the Dutch general election nothing much can be achieved. Certainly, there is not a diplomat I have spoken to or a commentator I have read who expects anything much at all. That is a great pity. There is much that could and should be done, not just for the credibility of the European Union but for the reality of everyday life in Europe. It will not be hard to beat expectations; let us hope that there is a real attempt to do so.

2.59 pm

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): It has already been said that the same people participate in these debates on every occasion, so I suppose that I should plead guilty to being one of the usual suspects. I am glad that my hon. Friend the Member for Glasgow, North-West (John Robertson) is nodding approvingly. It has also been suggested that

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95 per cent. of what is said in these debates was said during the previous debate before a Council meeting. I must admit that I was surprised about that, because I imagine that few in the Chamber can remember 5 per cent. of what they said six months ago, far less 95 per cent. We must all be operating on automatic pilot to an extent, so I suppose that I should plead guilty to that, too.

Before I mention the summit, it is important to point out the development of the European Union. It started in 1956 as an economic treaty, which was a response to a Europe that had been badly divided militarily, politically and economically in the early 1950s. For the next 35 years, the European Economic Community, which became the European Community, concentrated largely on social and economic issues, so those matters dominated the summits. However, by the time of the Maastricht treaty in 1992, developments began to occur. The Community recognised that one cannot have a cogent economic policy in a global world without having a cogent foreign policy because, for example, political events in the middle east clearly affect the world economy. The Maastricht treaty thus empowered the Community to take a common view on foreign policy.

Developments took place in the 1990s and the Community started to say, "We want to take action on foreign policy." It was absolutely right to do so, although I know that not everyone in the Chamber agrees. It was illogical to have economic and foreign policy wings without a defence wing, because intervention on foreign policy often cannot take place without a defence capability. By the Nice summit in 2000, therefore, the European security policy was developed. If one believes that the European Union is necessary to bind together European nations with common values and cultures and a desire for the same kind of things in life, the Community must have those wings, which is why I support the approach.

I am not saying that every structure is right. I have followed the arguments that have been made about transparency, although a little more has been made about the openness of European Council meetings than might be merited, given the reality of the way in which the meetings are conducted. I have never known a President, Prime Minister or Foreign Minister say anything in a Council meeting that was not reported in every newspaper in Europe that wanted to report it. What happens at European Council meetings is no secret. The positions that are stated are immediately reported. I have some sympathy with my right hon. Friend the Foreign Secretary because we know that if every meeting is completely open, there will be meetings on the side in which confidential positions might be expressed. It is thus not right to pretend that such transparency will do anything to open up or democratise the European Union, so we must examine other approaches.

The role of national Parliaments is important. The European Parliament has no locus with regard to defence policy, so it is important that national Parliaments take a keen interest in what happens on their behalf in the European Union, and that is the area on which I want to address my comments about the summit.

As the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) said, expectations for the summit are limited. I was in Helsinki last week with the Western European Union Assembly Defence Committee. We were given a preview of what the Finnish presidency might consider following the Austrian presidency. One of the country's ministry of defence officials said that his aim was to make sure that he did not drop the baton during his six months. I understand that and, in some ways, it reflects the reality of EU presidencies.

Each presidency lasts only six months, but not much changes or moves politically over six months. A process that starts during a presidency might be taken forward a little by the next presidency, with something happening in three or four years. The fact that a presidency lasts only six months makes it difficult to do anything, although that problem was addressed by the constitution, to which hon. Members have referred.

The second problem is that it is difficult to have continuity and coherence in the selection of matters for discussion when 25 views are presented and each country has an equal opportunity to put its views. Some nations—Finland was quite open about this—do not have the capacity to run a presidency in the way in which Germany, France or the United Kingdom may do because of their size. It is thus understandable that success for a Finnish presidency would be not to drop the baton.

A general point needs to be made. We all have these debates before summits. Every nation sets out its stall and then has six months to do what it can, after which there is reflection. However, it is rare that the agenda that is promised two or three months before the start of a presidency—the Finns are going through that process now—reflects the issues that are discussed in the Council meeting six months later. The matters that will be discussed at the Council meeting in Vienna tomorrow are not those that the Austrians promised six months ago, which becomes clear if one looks at the content of our debate at that time. Enlargement is clearly important, but there was a lot more talk at the time about making progress on the economic front, such as on the Lisbon agenda and the financial services directive, although, to my knowledge, little has changed on that over the past six months and, indeed, it has not been addressed to any great extent.

One of the problems with the structure is that one must always monitor what is happening across the three faces of the European Union: the economic, foreign policy and defence fronts. No presidency can concentrate on all three fronts, but an event that happens during the six months, such as an oil price shock, the invasion of a country that affects the interests of the European Union, a civil war, or a major migration, can immediately become important. If no focus is put on the structures necessary to deal with such events in advance, the European Union becomes an impotent organisation. That is why even though the Austrians tell us that European security and defence policy is not a main focus for the summit, given some of the things that I want to anticipate—I will not go on

for too long—ESDP will be important. We should thus monitor it to ensure that we are doing what we should to execute the policy.

We are all aware of the threats that we face under ESDP. There is complete agreement about the threat from failed states of terrorism and the threat of environmental and other natural disasters. Although I am a strong advocate of a European Union that is bound together, I am also strongly in favour of NATO because of the defence interests of the United Kingdom. Many EU member states have also realised that their defence is crucially dependent on NATO. Before some argue that ESDP is all very well, but the real defence of the country is something else and we do not want a European army, I point out that the argument that is put for a European defence policy is not against NATO, but an argument that NATO should be complemented. I have found that that is the case in not only this country, but, increasingly, throughout Europe.

Mr. Walter: Was the hon. Gentleman as surprised as me that the Foreign Secretary did not refer at all in her opening remarks to ESDP and, particularly, the decision taken by the European Union to send 1,500 troops next month to Congo, to which the United Kingdom is making both a financial and physical contribution?

Mr. Henderson: My right hon. Friend the Foreign Secretary had a lot on her plate. She will be aware that she will have to respond to points like that tomorrow or the day after, which I am sure she will do very effectively in support of all our interests.

My first point about ESDP is that preparation must be made in advance. There is no point in our finding out that we need 1,500 troops to go to the Congo in three weeks' time, and that foreign policy is in favour of that, if we cannot deliver.

My second point is this. We heard another interesting speech from a Finnish Member of Parliament at one of the meetings that I attended last week. He said, "The real threat today is not to a nation; it is to a people and communities." In some senses, that is true. The dangers posed by terrorism and the like do not threaten any nation in particular, but they threaten communities and peoples across nations. That has been recognised by countries such as Austria. It will be interesting to hear what the Austrians have to say at this week's summit. Their traditional neutrality, which enabled them to remain outside the threat from the cold war, is no longer a defensible position. To defend their nation, they need to do more. They are beginning to recognise that the most effective way for historically neutral countries to become part of European defence is through the European Union as it combines with NATO countries to strengthen European defence. That is not a new development, but I think people are more conscious of it than they have been in the past.

Capability requires the addressing of strategic issues. First, have enough resources been allocated by the various European Union countries? At summits, everyone talks of their enthusiasm for foreign policy and co-operation on defence policy, but they must also commit themselves to allocating the necessary funds within their own nations, or their armed forces will not be able to deliver their share.

Secondly, there always needs to be a very sensitive assessment of European public opinion. If European defence is truly to defend Europe, the policy must have the backing of the European people. If the European people believe that the European Union is not operating as effectively as it should, we will lose a great deal of our international defence capacity.

Thirdly, we must ensure that the systems are there to execute the policy. I shall not dwell on this in depth, but it has been recognised that the battlegroup concept that reinforces a 60,000-strong rapid reaction force cannot always be appropriate. Smaller units, but coherent units, are needed, and that is where the battlegroups come into play. The various European Union nations are now committing themselves to joining battlegroups, which is an important development.

Mike Gapes: My hon. Friend mentioned a 60,000-strong force. Is it not regrettable that the Helsinki goals have not been met in the European Union? We have a real problem. A number of countries—not ours, but Germany and some of the bigger EU nations—have not delivered even on the rather limited commitments to changing defence capabilities in Europe that were made a few years ago, since when there have been more and more commitments on which they have not delivered.

Mr. Henderson: I agree, although I recognise the difficulties encountered by nations whose attitude to defence post-1945 has traditionally been different from those of Britain and France.

I think that the battlegroup concept is quite a good way of building up a momentum that will, I hope, bring about a rapid reaction force that is a combination of larger battlegroups. What is needed is more interchangeability. We must all be able to operate each other's equipment. I believe that there are some 18 different armoured personnel carriers in Europe, and about 15 different radio systems. That is common gear; it is not sophisticated technology on which any one country wants to be ahead of another, but it does not operate in a unified way, for historical reasons. The European Defence Agency may help to deal with that, but I think we also need a great deal of political will on the part of our leaders at the summit tables.

The civilian response is also important. It is all very well having a rapid reaction force, a common policy, battlegroups and interchangeability, but much of the European Union's work depends on civilian support. Much more needs to be done, and I hope that the subject will be raised at this week's summit. Perhaps my right hon. Friend the Minister will refer to it when he winds up the debate.

There is clearly no point in sending 1,500 troops to the Congo to try to secure law and order unless we also help to strengthen the economy of the Congo, and make larger aid contributions than we have made historically. There is no point in sending the troops if there is not the medical capacity to ensure that people are remaining that little bit healthier while they are being given some law and order.

[Mr. Henderson]

In such areas as Bosnia, it is crucial for resources to be invested in training. We in the United Kingdom have a good record in that regard. We must liaise with the new gendarmerie force. We have a different approach from the French and the Spanish. It is important for the summit or one of its committees to address that, as part of a civilian response team.

Governance is also an important issue. It is not about telling people how they should lead their lives, but about saying that there may be better ways of doing things, and that people may wish to consider them. In that context, democracy is a core value. We must devote more effort to conveying that message.

I do not think that there will be a reduced need for the ESDP in the future. The European Union has a crucial role in that regard. The ESDP will be brought into focus in connection with the growing environmental challenge. Existing commitments must be honoured: we currently have some 14 commitments, mainly in Europe. We need a debate on to what extent, and in what circumstances, the European Union should intervene beyond the boundaries of Europe. There must be international coherence on that.

We all foresee continued instability in Kosovo, which, although the position is better than it was seven or eight years ago, is still a dangerous and divided place. I expect the EU to be called on to take action there.

Mr. Cash: Would the hon. Gentleman care to reflect on the question of what legal powers exist for the creation of the European Defence Agency and, indeed, the enhanced role of Javier Solana as the proposed Foreign Minister for Europe? Whether or not he continues to be called the high representative, the question of what functions he performs remains.

Does the hon. Gentleman agree that all the talk of defence policies—the common foreign and security policy, the European security and defence policy and all the rest—means nothing if the money is not available and that the commitment in the individual countries is to reducing defence expenditure rather than increasing it?

Mr. Henderson: I took a note of what the hon. Gentleman said, because I know that he is always very precise and will not let me get away with giving him an imprecise answer.

I have already said that the resources must be there or none of this will work: it will just be hot air. As for the European Defence Agency, many European defence companies supply the EU nations. In a sense, the agency is a common procurement agency operating on a voluntary basis. That is a good development. I do not envisage the creation of compulsory procurement systems through the EDA; the aim is to encourage different nations.

On Solana's role, the European Union is a major economic and political unit. If it sits down at the World Trade Organisation or at other international agencies and if it liaises with NATO and the United Nations on the contribution that it can make in, for example, Afghanistan, someone of high standing must be present to articulate the views of the EU. That does not mean that the high representative or co-ordinator of foreign policy in the EU is higher in the pecking order than the Foreign Secretary in Britain or her equivalents in Germany and France. That is not the case. Anyone who does not believe me need only go to a European Council meeting where it will become immediately obvious that the high representative is not the main player. However, he is an important player, and it is right that he should be.

There is instability in Kosovo and the problems with energy policy in Nagorno-Karabakh may well require a military intervention at some stage in the future. Moldova is a problem and I see trouble potentially moving from the middle east into Turkey if it does not spill over into Turkey from Iraq, which is also possible at some stage. Many border issues will be crucial to the interests of the European Union in the coming period, so there are many reasons why the ESDP is an important pillar within the EU's structures. It should receive serious consideration at all summit meetings and not just when there is a particular emergency. I am sure that that is the overwhelming view of people in Europe. We have the same values and the same cultures and we want the same things. We want to be defended and co-operate in our defence, and that is why these issues are important for the Austrians in the next weeks, for the Finns in the following six months and for the other nations that take over the presidency in the future.

3.21 pm

Mr. Michael Ancram (Devizes) (Con): It is always a pleasure to follow the hon. Member for Newcastle upon Tyne, North (Mr. Henderson). He is a glutton for punishment in these debates, and I suspect that I am becoming the same. In my four years as shadow Foreign Secretary, I spoke from the Front Bench on, I think, eight occasions. I missed the last European debate, because I thought that it would be a great relief not to have to be here, but I have been tempted back today. I see that the former Foreign Secretary—now the Leader of the House—has not been so tempted after the many times that he addressed the House on European issues, although he pushed his nose around the door just now to see what was going on. He took one look at us all and fled. Unlike the rest of us, he is not a glutton for punishment.

I congratulate my right hon. Friend the shadow Foreign Secretary on his tremendously powerful, positive and aggressive speech. The arguments that he deployed have given many of us comfort about where our party is going on Europe at this time. I was delighted that he was able to produce so much new material; I think he said that about 85 per cent. of it was new. I managed to find new material for my first two speeches but, after that, I started altering the order in which I delivered the paragraphs, if only to keep myself awake.

I am grateful to you, Mr. Deputy Speaker, for calling me to speak. I wanted to do so because I think that something serious is happening within the EU, but that we are somehow missing the plot, in that we all assume that the European constitution is dead. We do not like using that word, but that is the impression that has

been created in the past months in many debates on the subject. If we really persuade ourselves of that, we will be taken for a very big ride.

I asked the Foreign Secretary about the completion of the process on the constitution. I said that when I was shadow Foreign Secretary, I was given to understand that, two years after the signing of the constitution, it had to be ratified by all 25 member states. That was made clear to us in a particular way; not least, it was made clear when I pressed for an early referendum from the Government on the issue and was told, "No, no. We've got two years in which to ratify and we intend to hold our referendum towards the end of that two-year period rather than towards the beginning."

Suddenly all that has changed. At a relatively unnoticed meeting of the Council of Ministers the other day, the Foreign Secretary and other Ministers decided that they were going to extend the period within which the completion of the constitution could take place. The Foreign Secretary described it today as the extension of the period of reflection for a year, which sounds innocuous. I take what the hon. Member for Birmingham, Edgbaston (Ms Stuart) says about sitting and thinking and just sitting. But what is happening is neither. What is on offer is a means of trying to find a way to fly in the face of the verdicts of two members of the EU who expressed quite clearly through referendums their view that they did not want the constitution to go through.

We talk about coming closer to the people of Europe and listening to what they have to say, but what we have here is our Government being complicit with many other Governments in deciding that if they keep the process of reflection rolling on for long enough, the constitution will come back again in the end. That is a dangerous precedent to set in a Europe that is asking its citizens to have faith in what it is doing. It is an extraordinary move and I believe that, in some ways, it drew its inspiration from the almost incredible fact that, since last year's no votes in France and Holland, the reaction from the Government in this country on the vital question of the future structure of Europe has been a spectacularly deafening silence. I listened with great care to what the Foreign Secretary said today. She did not mention structure. She talked about the nuts and bolts, but she did not talk about the machine or the vehicle. Yet only two or three years ago in all the debates that we had on the constitution, those issues were the important ones for the Government in the development of Europe. Now there is just deafening silence, and that is why we are in danger of being taken in.

In that context, I very much welcome the speeches of my right hon. Friend the shadow Foreign Secretary—the one that he delivered today and the one that he gave last week. If I may say to him in a friendly way, they have been somewhat long in coming, but it is important that they have now been made. However, for everyone else there is almost the feeling that the future structure of Europe is the issue that dare not speak its name. I was amazed to be told by a senior journalist on a national newspaper—I will not say which paper—that "We don't do Europe any more."

I am not a conspiracy theorist by nature, but it is almost as though the political class—that informal alliance of politicians, journalists and academics—is somehow conspiring to ensure that the natural Eurosceptic instinct of the British people is contained. It is almost as though they hope that, with enough silence, the British people will lose their antipathy to the European project and will allow it to be achieved by default. If they believe that, they will be disappointed, because I do not think that the British people will so easily be turned round. However, if we are not careful, that conspiracy of silence will allow us in the House to be misled.

Ms Gisela Stuart: I agree with the right hon. and learned Gentleman that there is the danger of a conspiracy of silence and I would not wish such an accusation to be made of Conservative Members. I hope that he will tell us what the Conservatives will actually do. I keep listening to them analysing the problem, but I have no sense of what they would actually do.

Mr. Ancram: The hon. Lady may well hear, as my speech progresses, what I think should be done. I no longer speak from the Front Bench, but she may recognise some echoes of what I said before, when I did speak from it.

What is really irritating about the silence is that it comes at a time when the opportunity to influence the future development of Europe has never been greater. I use an analogy that I have used before, but for the last 30 years the development of what is known in Europe as the project has often been described as a single-track train journey towards a country called Europe. We were told that if we were not on the train, we were somehow out of the game. That was the argument put to us. Those who have sought to stand in the way of the train—I see some in their places today—found themselves well and truly bulldozed. The treaties of Maastricht and Amsterdam, Nice and the second treaty of Rome all drove forward in one direction only. That was the train moving forward. It seemed unstoppable, indivertible and irresistible. Those who argued otherwise and sought another way for Europe were parodied by people in Brussels as prejudiced politicians whistling in the wind.

Then, suddenly, the wind dropped. Suddenly, the train ground to a halt, not because Brussels lost heart or saw the light, but simply because the peoples of France and Holland looked towards the country of Europe and said no—as, indeed, we would have done in this country, had we been allowed our referendum. That allowed, for the first time in my political lifetime, a real chance to reopen the debate on the future structure of Europe, to explore different structures, to look at different shapes and different tracks.

What I call the Europhiles could no longer argue that the issue was settled and non-negotiable, that the acquis could not be revisited, that the pass was sold. Indeed, the Prime Minister, in last year's speech to the European Parliament, effectively accepted and positively proclaimed that the post-referendum era provided a new opportunity for reform. We had the chance at long last not only to press for but to achieve progress on the renegotiation of the treaties as the price for agreeing a sustainable European Union for the future. We had the chance, in my view, to retrieve some

[Mr. Ancram]

areas of sovereignty that we should never have surrendered in the first place as the bottom line for building a more flexible Europe that could absorb and manage EU enlargement.

I was delighted to hear my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) talk last week about the work that needed to be done to complete the single market, on which we all felt strongly that the benefits of the EU for the peoples of Europe would depend. He also spoke about co-operation on energy and pollution. We all know that positive measures can be taken and built on to allow the EU to serve its people. Equally, however, I am looking for us to use this opportunity to go further and look for fundamental treaty reform, which we were told was impossible because the train was running. Now that the train has stopped, why cannot we begin to examine it in detail again? Instead of grasping that opportunity, we are now in danger of seeing it squandered.

Mr. Davidson: I suggest to the right hon. and learned Gentleman that we are in grave danger of misleading ourselves if we use the wrong comparison. I refer particularly to his train analogy, which implies that there is a single object that is moving in a single direction and that if it is stopped, it can be rolled backwards. Is it not a far better analogy to think about water flowing down a hill? If it is blocked at one particular point, it will find a way round and continue to flow. Simply because the train of the constitution has been blocked, it does not mean that the flow of legislation and the drive to centralisation has been halted. Those who believe that everything has led to a diminution of centralisation have made an enormous mistake.

Mr. Ancram: I used the train as an analogy only because it was presented to me by those who promoted the EU and political union as the end of the track. What I am saying is that if they were right in the past, which we can argue about, they can no longer use that argument because the momentum has gone. What I am saying is that at last we have a real chance to kill this wretched constitution and ensure that it cannot be revived. We have a real chance to press for a more flexible and less regulated Europe within which the primacy of the nation states, which has been undermined in recent years, can be reasserted. We can now create a Europe of nations rather than a nation called Europe.

My hon. Friend the Member for Stone (Mr. Cash) may not agree with the idea of a Europe of nations. He would probably talk about an association of nations, but I think that we would both agree that a healthy Europe—a Europe that will be able to take on expansion, a Europe that will be able to serve people in the future—is one with which people are able to identify through their own nation states. That is the closest way to get that identification, particularly as Europe gets bigger, and we now have the chance to roll back some of the issues on which the nation state has been undermined and to recreate that supremacy again.

I am frustrated about the efforts towards comprehensive and fundamental reform—while the constitution lies inactive—because this country has done nothing to advance a workable alternative and nothing to retrieve the wrongly surrendered areas of sovereignty. I will mention some of them, as I have before.

I happen to think that it was wrong to sign up to the social chapter. There are areas of sovereignty under that that we need to get back. I think that it was wrong that we lost control of our fisheries. I have travelled the country to visit fishing communities only to find that they no longer exist because we got that policy so badly wrong and signed away our ability to look after our fishermen. I come from a farming community and represent it in my constituency, and there are many areas of sovereignty in that respect that we gave away, which meant that we have not served the British farmer. Yes, there are many areas in which we can work hard to try to persuade our colleagues in Europe that, in exchange for a sustainable and workable Europe, changes have to be made.

What worries me is that whenever I advance that view, I am told that it is not worth trying because I will not get anywhere. The hon. Member for Birmingham, Edgbaston has said that to me on occasion, but let me tell her something: if we do not try, we will never get there. There is now an opportunity to try that has never existed before.

Mr. Cash: Does my right hon. and learned Friend agree that we were told repeatedly that we would not have a referendum? Were we not told repeatedly that we would not be able to secure a no vote in a referendum—yet that happened in other countries? Is it not really down to our having to exercise our political will? That is how we will take the opportunity that he advocates.

Mr. Ancram: I agree with my hon. Friend. My experience in politics is that if one does not try, one never achieves. I want to use this opportunity to try, because I believe that there is a chance of success, but somehow there is a timidity in this country—a desire to shy away from that.

Those on the other side of the argument have not been so timid. Faced with the referendum blows, they have determinedly set about reviving the constitution; they are quite open about it. Whatever the Foreign Secretary says, Brussels is working feverishly by means of regulations and directives and through the European Court of Justice to introduce significant elements of the constitution through the back door. What the Foreign Secretary said about external policy and what would be discussed at the coming summit sounded awfully like the common foreign policy about which we argued on the constitution. If we are not careful, all those little bits will be brought back—not openly, but quietly and surreptitiously through the back door.

Some are doing that through the front door. Chancellor Merkel, President Chirac and Romano Prodi of Italy have openly joined other leaders in saying that they want to seek ways to reverse the two referendums and to put the constitution back on its single track. They are not dissembling, so why should

we pretend that it is not happening? Yet we do; what was our reaction again today on the question of the future structure of Europe? Silence. It is almost as though we are shocked to find ourselves in a position to lead Europe in a better and different direction. It is almost as though we have no confidence in our ability to secure change.

What a moment to lose our nerve—when people in Europe are beginning at last to question the inevitability of a federalist destiny, which one finds when talking to people in France, Germany, Holland and other places too, and when many of the new members of the European Union, alarmed at what they see as the anti-American sentiment of so much of old Europe, are waiting for a new lead and a new direction. They are astonished by our inaction.

International success is about opportunities taken, about the courage to take risks, about conviction and determination. My fear is that the supporters of the European project show all those in abundance. For our part, never has such a golden opportunity to do so as well been so pathetically missed.

Michael Connarty (Linlithgow and East Falkirk) (Lab): The right hon. and learned Gentleman seems to have a particular view with which, obviously, I disagree. Do not all of us fear that it was national protectionism that drove a lot of the arguments on the referendum and that failed to deliver the Lisbon agenda and the very things that we wanted, such as a single market and an economically dynamic Europe? Surely he recognises that in the UK people are using that train of thought in order to talk about pulling out of any federal or economic unity. This is not about going forward but about going back.

Mr. Ancram: I disagree with the hon. Gentleman. At the Council in Laaken, the leaders of the EU suddenly woke up to the fact that what was wrong with Europe was that it had lost touch with its citizens, and it said to the European Commissioners, "Go away and find a way of reconnecting." I say, while aware of the presence of the hon. Member for Birmingham, Edgbaston, that the Convention could have done that, but as she has admitted, it totally failed to do so and went in the opposite direction. In my view, that link can be recreated only through national states and the democratic processes within them.

Mr. Philip Hollobone (Kettering) (Con): Is not the fundamental problem that the leaders of the main European countries want "ever closer union", as specified in the original treaty, but the people of this country and most of Europe do not?

Mr. Ancram: There is a strong element of truth in that. We must be careful not to attribute to those leaders the feelings of their people. As I go round Europe, I find that people are not seeking ever closer union—they do not understand what it means. What they want is a Europe that actually makes their lives better.

To be honest, I do not think that the Government are interested in pursuing fundamental reform. I believe that the federalist path suits their command philosophy, which falls in rather nicely with the centralisation that will be created if that path is taken. The Liberal Democrats have never made any secret of their desire to be part of a united states of Europe, so they will not be too unhappy with that prospect. The Conservatives are now the only party that can fight to prevent the stalled European train from building up a head of steam again, but we need to do much more than we are doing. We must not only be active at home; we need to go out to the new accession countries. I have visited them all and I am told, "As long as the constitution is there, we will accept it because that is what we signed up for, but if it is no longer there, we want to be part of the process of developing a future structure for Europe." Those countries are looking to us to lead. The Conservatives are the only party in this House that can provide that leadership, and I look to my Front-Bench colleagues to do so.

3.41 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I am happy to follow the right hon. and learned Member for Devizes (Mr. Ancram), even though I did not get a chance to ask him how the Conservatives will provide that great leadership outside the European People's party. However, I leave that problem to them to solve.

When preparing my speech, I went through all the possible jokes about the constitution, becoming more and more desperate. In the end, I decided on what Bertolt Brecht said in 1953 after an unsuccessful election in the then East Germany: "Would it therefore not be better to dismiss the people and elect a new one?" That is what is going on in Europe in relation to the constitution.

Rather than rehearse the old arguments, I want to put to Ministers three reasons why the constitution did not address certain faultlines, and why, even if it were possible to revise the document, reintroducing it would not be in the interests of Europe in the next 10, 20 or 30 years, but first I should like to make a small confession of my most significant error during the negotiations. Just before the end of the process, French colleagues, in particular, were strongly in favour of inserting a clause stating that a country that failed to ratify the constitution within two years would be asked to leave the European Union. I fought against that provision because the French and others favoured it only because they were absolutely convinced that it would be Britain that said no in a referendum. With hindsight, I think it would have been rather amusing to see what happened with France and Holland if the clause had been inserted.

My three main points can be summarised as: buns and babies, big ones and little ones, and ins and outs. Buns and babies was a phrase that Giuliano Amato, one of the vice-chairmen of the Convention, used in its latter stages. He kept telling us that we had to make up our minds whether we wanted to create buns or babies in the constitution. Some people wanted buns—something that was defined and that could not grow or change in nature. At one stage, the Germans were keen on the idea that the constitution should clearly delineate the powers of the Commission and member states and could not be altered. Those who were in favour of babies, particularly the Liberal Democrats, wanted organic law—something that would allow within itself the creation of new powers.

[Ms Gisela Stuart]

The constitution does not answer that question. It does not define powers, but it allows an element of organic development. The debate across Europe on whether the constitution should be a defining document has not been resolved. It remains one of the big faultlines, as we see in the statement that the Foreign Secretary made to the Foreign Affairs Committee. My right hon. Friend said that the Council would discuss the provisions of article 42 of the treaty of the European Union, known as the passerelle, whereby decisions are transferred from requiring unanimity to requiring a qualified majority. That is a classic organic law mechanism, and it is still available. I am not suggesting that the proposal is wrong—it is probably necessary in a union of 30—but it has not been debated and there is no accountability.

Michael Connarty: I share my hon. Friend's disquiet about the use of the passerelle clause in some circumstances and believe that it should be resisted, but does she accept that it is not a new feature of the constitution, as it was part of a much earlier treaty signed by the Conservative Government?

Ms Stuart: I agree, but that does not negate the need to take a position. European Union debates are always stifled by the fact there are certain points that one is not allowed to debate or discuss. Just because something was agreed 20 years ago does not make it right for ever. I am not suggesting that the passerelle clause is wrong in itself. However, the way in which we have approached the constitution does not address the question of whether or not we want an organic system.

Secondly, the institutional structure of the constitution remains stuck in the system of the early days, when there were three big countries and three small ones. Disproportionate powers were given to Luxembourg, which is the size of Birmingham, yet has four MEPs and its own commissioner. That arrangement was fine when membership consisted of three big and three small countries but, depending on the way in which one classifies Poland and Spain, there are now 19 small countries and six big ones. Ten days ago, *The Times* published an interesting map showing that 18 independent states have been created in Europe since 1991. It projects that there will be another 17 or 18 such states by 2020-25. The number of small countries in the EU with disproportionate rights has grown, so the problem has become more serious. Do we wish to give each of those countries its own commissioner? France, Germany and Britain have one commissioner each, but the western Balkans could have six, seven or eight. We will cap the size of the European Parliament, but we will give each new state four representatives. The constitution does not even begin to address that serious faultline.

Keith Vaz: As usual, my hon. Friend's arguments on Europe are eloquent, but has she not made the case for a constitution and firm rules and regulations to deal with the Europe of 25 instead of the Europe of six?

Ms Stuart: I have always said that we must separate the desire for a constitution, which is a political statement, from the need for a proper rule book, which would allow for further expansion. Negotiations on the constitution, whether we regard it as a treaty or a rule book, will not deal with those problems, so we may as well start again.

Thirdly, the ins and outs of the eurozone are less of a problem for the United Kingdom than they are for the rest of Europe. I will not spend much time on the issue, but history shows that certain requirements had to be fulfilled before the dollar became an effective single currency. The four freedoms are important, but far deeper political integration is required, as well as much greater transfers of resources between countries in the eurozone. The 0.6 per cent. that we spend on regional aid does not even begin to address the problem. In the USA, about 35 per cent. of taxes are redistributed from the centre, making the dollar an effective single currency. Countries in the eurozone must address that problem because, once again, the constitution does not offer any answers or solutions. At the same time, however, we agreed without any debate the need for a permanent head of eurozone Finance Ministers. The UK must engage with the issue—it is not a question of whether or not we join the euro—so that we are not left out of important developments in the EU.

I urge Ministers to be bold for once. Whether we like the language or not, and whether the constitution is dead or not, they should say plainly that that document will not help us in the next 30 or 50 years, and it is bad for Europe. They should put their cards on the table and have done with it. Instead, they are engaged in displacement therapy. They go on talking about the constitution to avoid talking about the things that really matter.

Like Opposition Members, I care deeply about the career prospects of our Minister for Europe and I want him to move up again. I share the view that we should have a proper debate. One of the most effective ways of making European decisions explicit and letting members of the public know what we have decided would be to create a Cabinet post that deals with European matters. The post should be taken out of the Foreign Office. It is extraordinary that all the domestic policies agreed in Brussels remain within the Foreign Office. I know why that happens—it is because of the European federation of Foreign Secretaries, who guard that arrangement because it is part of their power structure. Other countries have struggled with the same problem.

If we had a politician who had to appear at the Dispatch Box at regular intervals at Question Time, reply to written questions and answer for all the domestic policies—health, education, trade and industry and so on—which had been negotiated at Brussels level, the nature of the debate would change tremendously. The most significant political post in European politics is our permanent representative in Brussels—UKREP. How many people can name our UKREP? Not many, but the kind of deals being done there are of great political significance and should be answered for. Would any Member like to intervene and give the name of the UK representative? [Hon. Members: "Tell us."] It occurred to me that I am no longer sure who it is. I was asking for help.

As a Minister going to the Council meetings, I would often question a matter of detail and say I did not

think it was a very good idea. I would be told, "This is part of a package that we negotiated. It is part of the deal." There is no problem with that, but someone should be answerable.

Mr. Cash: Does the hon. Lady accept that democracy, Parliament and its history and traditions of the best kind are being inverted? I agree that we should have a Cabinet Minister for Europe. That would restore the balance, and we could be sure that we were being properly represented. Given the authority that the hon. Lady brings to the subject, and having participated in the Convention, her colleagues should take on board the important speech that she is making. With all the experience that she brings to bear, it is important that they take note of her comment. Even if those do not lead in the direction that I would want to go, they go some way to explaining, by omission, what is wrong with the Prime Minister, No. 10 and the Foreign Office in relation to European affairs.

Ms Stuart: It is always dangerous when praise comes from the wrong side, but I accept it in the spirit in which it was delivered.

We are partly at fault. In a very funny intervention earlier, my hon. Friend the Member for Rhondda (Chris Bryant) pointed out that we are a sad and exclusive club of European debate attenders. I look round the Chamber and there are very few faces that I have not seen at such debates before.

Malcolm Bruce (Gordon) (LD): In an attempt to give the hon. Lady support from another quarter that she may not want, it is great to hear former Front Benchers such as herself and the right hon. and learned Member for Devizes (Mr. Ancram) speaking honestly. Does she agree with me and with the right hon. Member for Rotherham (Mr. MacShane), a former Europe Minister, that having a Secretary of State for Europe—which, sadly, the Foreign Secretary rejected yesterday in the Foreign Affairs Committee—would force Her Majesty's Opposition to have a policy on Europe and a Front-Bench spokesman on Europe, which might cast some light on what they currently think about Europe?

Ms Stuart: Yes, I think that it would raise the level of the debate tremendously and widen it significantly. As Back Benchers, we can table endless questions to the Department of Health, or whichever Department, but because of the nature and length of these negotiations we move on to matters that are more current.

The Government should put some firm proposals on the table on what should be in the new rule book that we will need at some stage. One thing on that wish list should be a proper legal basis that would allow for the return of competencies. At the moment, the passerelle clause allows only for unanimity to be changed to qualified majority voting, so the direction of flow is only ever one way. There needs to be an equally explicit mechanism whereby the powers flow the other way. The negotiation on what those subjects may be is neither here nor there, but that would give us a rule book that provides sufficient flexibility for a very long time.

All European Governments should accept that they will lose credibility if they pretend that things are not happening when they are. The classic example is that of the foreign diplomatic service. It does not matter whether we call them diplomats or say that they are not diplomats—they are representatives abroad, many of whom ought to be there. It is not a question of whether it is right or wrong, as most of the time it is something that we should be doing. If it is the right thing to do, why cannot we say so? We lose credibility when we do not even acknowledge something that is openly happening.

I offer one final piece of advice to my hon. Friends on the Front Bench. I read in today's newspapers that the Leader of the Opposition has never been to Brussels to conduct official business. As he is in such extraordinary troubles over which political grouping his party should sit with, perhaps, in the spirit of co-operation, my hon. Friends should take him with them next time they travel to Brussels.

3.57 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Reference was made earlier to the fact that during these debates the same message, the same words and the same ideas are articulated. I, for one, make no apology for speaking the same words and articulating the same lines, for the simple reason that it would be helpful if the Government were to take note of them in the first place, so that we did not have to keep on repeating them.

I congratulate my right hon. Friend the shadow Foreign Secretary on a speech that was characteristic of his usual performances, and whose message was very well put forward.

The European Union is at a crossroads, because there is a conflict between what some leaders want—further integration and "ever closer union", as the treaty of Rome of 1957 states—and what the majority of citizens of Europe want. In sharp contrast, they would prefer an element of sovereignty, and their own Governments being held accountable, instead of unelected bureaucrats—and to some extent elected politicians—in Brussels.

The difficulty is that the leaders refuse to listen to the citizens despite the rejection of the constitution through referendums in France and Holland. For example, after the French no vote, Valéry Giscard d'Estaing said:

> "It is not France that has said no. It is 55 per cent. of the French people."

The Italian Foreign Minister, Giuliano Amato, said that the no votes in Holland and France were

> "a request for more Europe, not less".

When European leaders are blind to the obvious and obsessed with further integration regardless of the will of the people, Europe is bound to be at a crossroads and in conflict and crisis.

The same leaders view integration and political union as an end in itself. They should remember that the decisions that they are empowered to make on behalf of the citizens of Europe are intended for the benefit of those citizens, not to enable them to get on their hobby-horses and pursue their peculiar obsessions.

[Mr. Shailesh Vara]

Political union means precisely that. The European constitution does not refer to another treaty between nations but to legal responsibility, a separate Foreign Secretary and separate Parliaments. It proposes a federal structure for Europe. It can best be summed up by the words of a former German Europe Minister, who described it as

"the birth certificate of the United States of Europe".

Instead of attempting political union, the European Union should make the current system more accountable, more respectable and more efficient. We need to start with a proper auditing of the European Union accounts. It is disgraceful that after 11 years, the European Union's accounts still have not been properly audited. Worse still, when individuals have had the courage to speak out against the inaccuracies of the auditing system, they, rather than the perpetrators of the errors, have been penalised. It is vital to tackle the auditing of the European Union accounts as a matter of urgency.

We must also ensure that democracy and the rule of law are fundamental in all European countries, and most definitely in countries that want to join the European Union. That means no compromises with countries such as Romania and Bulgaria. They must be left in no doubt that we will not compromise our principles to accommodate their membership. They must tackle several issues, not least having a fair and honest judiciary, an absence of corruption, a proper and efficient administrative system and stamping out crimes such as the barbaric and inhuman practice of people trafficking.

We must also recognise that the success of the European Union lies in its economic strength. I refer hon. Members to the comments of my right hon. Friend the Member for Richmond, Yorks. The European Commission said that by 2050 the United States' share of world output would be 26 per cent. while Europe's would decrease to 10 per cent.

Mr. Jeremy Browne (Taunton) (LD): Is not the most interesting feature of that research the fact that the EU share of world output has gone down from 18 per cent. to 10 per cent., which many hon. Members may attribute to the growth of China and India, while the United States has managed to increase its share, albeit by a small amount, from 23 per cent. to 26 per cent.? The malaise does not therefore affect all developed countries but is particular to the European Union.

Mr. Vara: I agree with the hon. Gentleman entirely. The obsession with, and the enormous amount of time spent on, the pursuit of political integration in the absence of economic strength will be to the detriment of the European Union. It is high time the debate moved towards progressing the economic argument for Europe, rather than towards political union.

The challenge faced by members of the European Union, and by the European Union as a whole, is its potential economic decline. As the hon. Gentleman has just said, we face strong challenges from India and China, but let us not underestimate the other countries that will emerge as rivals for economic power in the not too distant future. They include Brazil, Indonesia and the economies known as the south-east Asian tigers.

One way of addressing the economic challenges that we face is to reduce the constant flow of regulations from Brussels that is stifling business in this country and elsewhere in Europe. Three quarters of the costs imposed on British business since 1998 are the result of new regulations emanating from the European Union.

Ms Gisela Stuart: When I hear such figures, I am always puzzled as to whether there has been any assessment of how many of those regulations the national Government would have imposed as well. If regulations deal with a European competence, they will come from Brussels, but how many such regulations would the British Government have introduced anyway, if they had not come from the European Union?

Mr. Vara: The hon. Lady raises a valid point—and it heightens the argument that Britain continues to accept without question everything that comes from Brussels. We need to ensure that when such proposals come forward they are discussed rather than simply accepted.

Ms Stuart *indicated dissent.*

Mr. Vara: The hon. Lady does not seem convinced. I am happy to take another intervention.

Ms Stuart: I am grateful for the hon. Gentleman for giving me the chance to try again. Whenever figures for business regulations from Brussels are cited, I would like to see another set of figures telling me, for example, whether 98 per cent. or 75 per cent. of those regulations would have been imposed anyway, but just happen to have come from Brussels. Similarly, I would like to see the percentage of regulations that no British Government would have imposed, and that have been imposed on us by Brussels against our will and better judgment.

Mr. Vara: Perhaps the hon. Lady, with her experience of Europe, could try to find out those figures.

Mr. Cash: May I try to be helpful to my hon. Friend, whom I greatly respect and whose words I enthusiastically support, and suggest that the hon. Member for Birmingham, Edgbaston (Ms Stuart) may be asking a false question? Let us consider the kind of legislation that emanates from the European Union on social and employment matters—for example, the over-regulation and the burdens on business, and the massive increases that have come from the working time directive. There are so many examples of regulations that a good sensible Conservative Government would never have contemplated introducing. Perhaps that answers the hon. Lady's question.

Mr. Vara: I am most grateful to my hon. Friend for that contribution, with which I agree entirely.

We are not assisted by the tendency of British civil servants to gold-plate all the regulations that come here. It is a bit trite to be told that prawn-flavoured

crisps cannot be called "prawn" because there are no prawns in them, or that Yorkshire pudding cannot be called that unless it is made in Yorkshire. If that is a sign of the European Union to come, it will indeed be a sad state of affairs. I judge by the expressions on the faces of Labour Members that they clearly feel that there ought to be more regulation of that kind. Well, I for one am happy to disagree with them.

That leads me on to my next point—that all European Union countries should abide by all the rules equally. It is a sad state of affairs that Britain will adhere to all the rules without question down to the last letter, whereas some of our friends in the European Union overseas and abroad would rather cherry-pick the rules and regulations to which they would like to adhere. If we are to take a lead in making sure that the European Union is run properly, we must make sure that all the other member states adhere to the rules equally, and with equal efficiency.

Mr. Hood: Who does the hon. Gentleman mean by our European friends "overseas and abroad"?

Mr. Vara: It is heartening that the hon. Gentleman is paying attention to my grammar, but I would prefer him to pay more attention to his Government's lack of action. There are more pressing and urgent matters to be discussed.

Central to all this is leadership by the Government. Despite the warm words and fine-sounding rhetoric from the Foreign Secretary earlier, sadly, they are not matched by the actions and record of her Government, who have shown anything but leadership. At first the Prime Minister was happy to disagree with having a referendum on the European Union constitution. After a while, he was happy to say that we ought to have a referendum. During Britain's presidency, the Prime Minister said that our rebate was not negotiable, only to give away £2 billion a year in return for a meaningless promise to review farming spending in 2008.

If ever there was an example of a Minister living in a parallel universe, it was the description of the constitution by the person who is now the Secretary of State for Wales and for Northern Ireland as a "tidying-up exercise". When the new Minister for Europe spoke today to try to clarify the Government's position on the European Union, he fudged the issue again. There we have it. The French have said no to the European Union constitution, the Dutch have said no, and the Prime Minister has said no and yes to a referendum. The Prime Minister held the presidency of the European Union for six months, there were many statements and speeches, and the bottom line is that the Government are still undecided what to do about the European Union. If ever there was an example of a lack of leadership, that must be it.

Mr. Paul Keetch (Hereford) (LD): Will the hon. Gentleman therefore apologise to the British people on behalf of his party for the fact that the Conservative Government did not give them a referendum on Maastricht?

Mr. Vara: The present debate is about the future of the European Union. Bearing in mind that the Liberal party has only one policy on Europe—

Mr. Keetch: Give the people the choice.

Mr. Vara: No, its policy is simple. It would like to lose British sovereignty and integrate even more closely than envisaged under the treaty of Rome. Fortunately for Britain, the other parties are happy to discuss the broader picture, rather than simply having one view.

Mr. Cash: On the question of a referendum on Maastricht, for which I campaigned with other colleagues and got a petition presented to Parliament with no less than 500,000 signatures, does my hon. Friend accept that it was precisely because those of us who fought for that referendum managed to get the British people on our side—ensuring at the same time that the dark forces on both sides of the House who were against asking the British people were defeated—that we now have an established policy of insisting on a referendum? He is therefore on the side of light and new horizons, whereas those who opposed a referendum have been abolished.

Mr. Deputy Speaker (Sir Michael Lord): Order. That was a fairly long intervention, and I should remind the House that although we ought to have sufficient time for our debate this afternoon, if interventions—and, indeed, contributions—are too long, some hon. Members may get squeezed out. Perhaps hon. Members would care to think about that when making their contributions.

Mr. Vara: I am grateful to you, Mr. Deputy Speaker, for those comments—and to my hon. Friend the Member for Stone (Mr. Cash) for being so articulate, enthusiastic and correct in his historical analysis.

My hon. Friend's comments lead me—if we are to discuss Maastricht—on to another point. The previous, Conservative Government won a number of concessions, but sad to say, this Government have quietly given way and conceded on several issues on which we had preserved the right of veto; instead, we will now be faced with decisions of unanimity. The hon. Member for Birmingham, Edgbaston (Ms Stuart) shakes her head, but the history of this Government will say more than her shaking of her head. What is required is decisive leadership, and a Government with principles for which they have the courage to stand up and fight, rather than simply looking for the next headline in the next news bulletin.

Britain's future lies in and with Europe, but that future must be based on co-operation and mutual support, not on a central Government of a "United States of Europe". European leaders must start to listen to the wishes of their citizens and put aside their personal obsessions with further integration. We have European Union leaders who are keen to promote democracy to those in the European Union, to those who wish to join, and, indeed, to the rest of the world. Yet when, under the process of democracy, people in the European Union spoke and decided in a referendum that they did not want a constitution, those same leaders, who preach so fervently to others, refused to listen to the message of, and the answer to, that referendum. There is an irony in that, and those leaders who preach abroad should listen to their own citizens.

The citizens of Europe have spoken. They have said that they do not wish for further integration. They have

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said, "Enough is enough," and that phrase has the same meaning regardless of which language it is said in: enough is enough.

4.17 pm

Mike Gapes (Ilford, South) (Lab/Co-op): When the right hon. and learned Member for Devizes (Mr. Ancram) was speaking—unfortunately, he is not in the Chamber at present—he talked about a conspiracy in terms of stopping the debate and the period of reflection in this country. He referred to a conspiracy in the media and in the Government, but if he was being fair, he should also have referred to a conspiracy on the Opposition Benches.

All Opposition parties have done very little to engage in a real debate about Europe, because the issues involved have become very difficult for all parties. I am not going to comment on the remarks made by the putative sister party of the Conservatives—the ODS, the civic platform in the Czech Republic—which referred to the position adopted by the Polish putative sister party of the Conservatives as being dangerous and populist. Instead, I want to discuss the nature of the ongoing internal debates in each of the parties in our country. As my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) pointed out, what we have not had in the past year—the Government are largely responsible for this, but the Opposition also bear a significant responsibility—is real reflection and discussion. We now have another year. The Foreign Secretary told the Foreign Affairs Committee yesterday about there being a further year for further reflection. I hope that in the coming year, we can have a real discussion in this country about the options and the way forward. Many of us assumed, a year ago, that the constitutional treaty was dead, but recently the Foreign Minister of Finland, Erkki Tuomioja, said—

Mr. Davidson: My hon. Friend made that up.

Mike Gapes: No, that is his name. If my hon. Friend cannot pronounce it, he can call him Erkki. Mr. Tuomioja said the other day that it was wrong—and everybody agrees—to call it a constitution. We have already been reminded of the absurd remarks by former French President Giscard d'Estaing that somehow France has not decided because only 55 per cent. of the people voted no. Presumably, in his view of democracy, 101 per cent. would have to vote no before a decision could be reached. That attitude reflects a problem with engagement with reality that is found in many countries.

At the same time, we have to face the fact that 15 countries have ratified the treaty, either through parliamentary mechanisms or referendums, and another four or five—potentially more—could do so. Therefore, the issue is not going away and in 2009 or thereabouts we will have to confront it seriously. That might coincide with the next general election, so all the parties will have to get out of the comfort zone in which they are at present, because nothing is happening. I would be grateful if, when my right hon. Friend responds to the debate—as he is well qualified to do, because of his great expertise and experience in these matters—he can tell us how the debate can be taken forward in this country in the coming months.

We also need to confront the potential further enlargement of the EU. The question of Croatia is the most straightforward, but Macedonia is also a possibility. Therefore, we need to think about what will happen with the rest of the Balkans. One of the few positive things in the Balkans is the aspiration of everybody there almost to recreate Yugoslavia within the European Union. The way forward to ending the nationalistic conflicts and divisions is to get the people back together, and allow free movement of people, by bringing them into the European family. If we put up barriers to the Balkan countries, we could face serious difficulties, including conflict, in Bosnia-Herzegovina and with the Serbia-Kosovo issue, which has already been mentioned. If the latter is not resolved, it could become very difficult in a few months' time, because the Kosovars believe that they will get independence and the Serbs are adamantly opposed. There is no possibility of any significant shift in those positions at present.

We also face the problem of definition of the Europe of the future. What will be the ultimate borders of an enlarged European Union? People have talked about the absorptive capacity of the existing institutions, but the Polish Government have argued that Belarus and Ukraine should be in the EU. That means that we need to think not only about that capacity, but about the potential borders of the EU. We have seen demonstrations in the Crimea and tensions between Ukraine and Russia. I attended a meeting in the European Parliament two weeks ago at which Members of the European Parliament and representatives from national Parliaments in the Baltic states denounced the Foreign Minister of Austria, Mrs. Plassnik, because the Austrian presidency had not raised strongly enough with the Russians the territorial disputes between Estonia and Russia that predate Estonia's accession. I was never aware that the Estonians, in the process of negotiating the acquis and joining the EU, raised territorial issues with Russia as something that the EU should resolve. Nevertheless, problems will occur if such matters are not handled carefully. For example, another difficulty will arise if—or rather, when—Romania joins the EU. A few months ago, a senior Romanian politician told me that 20 per cent. of Moldovan citizens already had Romanian passports. Moldova is not in the EU and is not close to joining it, for all sorts of reasons.

A very interesting article talked about the consequences of the referendum in Montenegro and the growth of new states in Europe, but the frozen conflict in Moldova and Transnistria continues. If we are to enlarge the EU, therefore, we must also think about the strategic and political implications for Europe's borders.

My hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) spoke about the need to consider the EU's defence capability and collective security. He was right to do so, but other questions arise. For example, if there is a conflict between neighbouring EU states, at what point does the EU collectively become engaged? We need to consider such matters when we think about the future of Europe, but there is either a conspiracy of silence or people get obsessed with the constitutional minutiae. As the hon. Member for North-West Cambridgeshire (Mr. Vara) put it, people do not want to mention the war or the

Maastricht treaty because to do so would raise embarrassing questions about our own past beliefs.

All hon. Members have an embarrassing past when it comes to Europe—

Ms Gisela Stuart: Speak for yourself.

Mike Gapes: All right, all of us bar my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) have an embarrassing past when it comes to Europe. I freely admit that I campaigned for a no vote in 1975 and I was totally wrong to do so. However, whatever our approach in the past, it is time for many hon. Members to recognise that the EU of today is a magnet to very many people in very many countries. That is the Europe that we have to deal with.

Mr. Vara: I just want to clarify that I did not say that some subjects were no-go areas in discussions about the future of Europe. I hope that the hon. Gentleman will accept that.

Mike Gapes: Perhaps the hon. Gentleman will intervene again to say where he stands in respect of the Maastricht treaty, but he does not seem to want to.

A few weeks ago, the Foreign Affairs Committee visited China. Everyone talks about China and India now, but there is little recognition of the enormity of the changes taking place in Asia as a whole. Massive foreign investment is going into Vietnam and Indonesia, and there is massive economic growth in various countries in the region. The 21st century could belong to Asia, and we Europeans will have to think carefully about the consequences.

That is why it is so vital that we achieve agreement in the Doha round negotiations, and adopt a constructive approach to global trade and economic issues. It will be to the detriment of all us if we do not, but it will be especially hard on Britain. We are a global trading nation, with a global reach and involvement. The European Commissioner responsible for the Doha round talks is Mr. Mandelson, but he and the rest of the Commission must be far more flexible and imaginative. They need to make progress on agriculture policy, as does the US: without that, we face disaster in the negotiations.

I shall conclude with a consideration of the EU's role in diplomacy. The way in which the British, French and German Governments, the EU three, have worked with regard to Iran—and Mr. Solana's role—has been very positive. That could not have happened without someone—a figure in the EU—with the authority to play the role that he has been playing. Whatever that person is called, if we are going to work collectively and effectively, we need to have someone to play that co-ordinating role in the European Union.

We also need to look to the middle east issues and the engagement of the EU in support of the democratic process with regard to the Israeli-Palestinian dispute. If a referendum is to be held in the Palestinian territories, I hope that the European Union can find ways to assist the monitoring and the validation of that result, because it is important for the future of peace and security in that region that we are able to take politics forward and get away from the violence and the current terrible human rights issues.

4.30 pm

Mr. Robert Walter (North Dorset) (Con): We were warned at the beginning of the debate that we were the same old anoraks, saying the same old things every six months on the subject of the European Council meeting, as if we were unaware of the agenda of that meeting. However, we have heard some quite interesting new thoughts and fresh ideas in this debate. We have not all been rehearsing the same old ideas—certainly not so far—although occasionally we have tended to go back and refer to thoughts on the constitution.

The hon. Member for Ilford, South (Mike Gapes), the Chairman of the Foreign Affairs Committee, may have misunderstood the French language in his reference to Giscard d'Estaing, who acknowledged that 55 per cent. of the French people had voted against the constitution, but said that that did not mean that France was against the constitution. That rather reminds me of a headline in *Le Figaro* a couple of months ago which said that Dominique de Villepin spoke to France, but Nicolas Sarkozy spoke with the people of France. That reflects a nuance or difference in the minds of the French political elite as to what constitutes France.

I want to refer to some thoughts that have been rehearsed by other Members about transparency and scrutiny in the European Union. I also want to look a little at our relationships with our neighbours outside the Union—particularly Norway and Turkey—and to concentrate some of my remarks on an issue that the Foreign Secretary did not talk about: European security and defence policy. I mentioned in an earlier intervention that the European Union took the decision in April to launch a new military mission to the Democratic Republic of the Congo, which will take place next month, surrounding the elections there.

I was amazed—a number of other Members have referred to this and the Foreign Secretary did respond—that there appeared to be some backtracking on something that was even in the constitution. I am talking about the idea that we should have greater transparency in Council of Ministers meetings and European Council meetings. The Foreign Secretary gave the regrettable impression that the Council of Ministers, which is, after all, a legislative body, even if it is not a Parliament—it does not always discuss legislation; sometimes it has reflective debates, rather like today's debate—should for ever and a day continue to hold its deliberations in private and in secret. If we are going to scrutinise effectively and re-engage effectively with the peoples of Europe, we have to have greater transparency in the meetings of the Council of Ministers.

I criticised the provisions of the constitution during previous debates because they seemed to suggest that cameras would be allowed in only for the vote. The debate would thus take place, with the cameras then coming in to record how Ministers were voting. It is suggested that if we replicated that in the House, we would take the cameras out of the Chamber and put

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them in the Division Lobby, which would allow us to hold our debates in private.

Chris Bryant: They should be in the Division Lobby as well.

Mr. Walter: The Division lists are published fairly soon after we have all trooped through the Lobby.

Parliamentary scrutiny should be on the agenda of the European Council meeting, given the absence of any progress that we will ever make on the constitutional treaty. I was intrigued by the comments of the hon. Member for Lanark and Hamilton, East (Mr. Hood), the Chairman of the European Scrutiny Committee, about his visit to Finland last week. I was also in Finland last week, although I was with not his Committee, but another parliamentary group. I had a meeting with the Chairman of the Grand Committee of the Finnish Parliament. That Committee is very large and meets every Friday to hear the positions that Finnish Ministers will be taking prior to Council meetings. The Committee then deliberates on whether it agrees with those positions and if it disagrees, it calls the Ministers back so that there can be further discussion. The great effectiveness of the Committee perhaps reflects the fact that Finland has a coalition Government, but we could none the less take an interest in that procedure.

I was interested to hear that the Grand Committee meets every Friday, including when the Parliament is in recess. If there is a Council of Ministers meeting during a recess, the Ministers who are representing Finland at the meeting are called before the Committee to present their positions.

Mr. Hood: May I invite the hon. Gentleman to reflect on what he learned in Finland? The same thing is often said about the Folketing Committee in Denmark. From our perspective, that Committee is not scrutinising its Government, but is part of the legislative process. If a Committee in our Parliament was mandating a Minister to go to the Council, it would be part of the legislative process, rather than carrying out scrutiny.

Mr. Walter: I accept the subtle difference that the hon. Gentleman makes. None the less, if we are to re-engage with the British people on where we are going in Europe and the decisions that Ministers take in the name of the British people, we might have something to learn from the rigorous procedure that takes place in Finland.

Ms Gisela Stuart: Does the hon. Gentleman accept that there is not just a subtle difference between mandating and scrutiny roles? One of the disadvantages of mandating Ministers is that when those Ministers go to the Council, their voting position is known, so their colleagues simply take them as part of the equation regarding building a blocking minority and those Ministers are thus not players in the negotiations, which can be quite a drawback at the European level.

Mr. Walter: I accept that point. We must examine the matter in different ways to take account of our traditions and practices. However, as I said in response to the hon. Member for Lanark and Hamilton, East, that does not mean that we cannot learn something from the Finnish procedure in practice.

According to a movement that has existed in this country for some time in certain quarters, we could somehow establish a different relationship with the European Union. The example of Norway is often cited. I was encouraged by the robust confirmation and reinforcement of our commitment to Britain's EU membership that we heard from my right hon. Friend the Member for Richmond, Yorks (Mr. Hague). I do not think that this country can have any role in some kind of semi-detached or associate relationship.

Norway is one of the Scandinavian countries that I visited. The Norwegian Parliament and Government have a better record on implementation of EU directives than most EU member states. The House of Commons Library kindly provided me with some data. The European Commission has an implementation report score card based on the percentage of directives that have not been implemented by EU member states and members of the European economic area. Norway has failed to implement 1 per cent. of directives. The Commission's target allows a country to have a non-implementation record of up to 1.5 per cent. The United Kingdom has failed to implement 2.5 per cent. of directives. Our non-implementation record is 2.5 times worse than that of Norway, which is not even a member of the EU but implements its directives none the less, sometimes with some enthusiasm.

I do not know whether those who suggest that a Norwegian relationship would be advantageous to this country are thinking of the fact that Norway is a signatory to the Schengen acquis, and therefore has open borders with the rest of the EU and no border controls in relation to the EU and its member states. Its only border controls relate to states outside the EU, states that are not party to the Schengen agreement—including the United Kingdom—and its own territory of Svarlbad, or Spitzbergen, for those with older atlases.

The other point about Norway is that it makes budget contributions to the European Union. Over the coming year it will contribute some €33 million, which is a fair amount of money for quite a small country. Norway's contribution works out at about €50 a head, while that of the United Kingdom is only €76 a head. The financial benefit of our moving to a "Norwegian position" would amount to about €26 a head. I would not be prepared to make a saving of that order if it meant sacrificing our position in the EU in terms of control and government.

Along with Turkey, Norway is also one of the major contributors to the European security and defence policy. Accounts of EU missions in connection with the ESDP often reveal Norway and Turkey, which are not members of the EU, to be major contributors of troops and finance. For example, I think that Norway has more than 1,000 troops committed to Operation Altea in Bosnia, which is the largest of the EU's military operations.

I hope that the Minister for Europe will be able to respond to my next point. On 27 April, the Council of

Ministers took the decision, through a joint action, to send troops to the Democratic Republic of the Congo. Theoretically, this should have been the first test of the EU battlegroup concept. However, there has been a sad failure to test the concept despite the fact that the European Council took a decision in 2004 to create 13 battlegroups with about 1,500 troops each. They would provide the rapid reaction force capability that we are also sadly lacking or getting anywhere near to achieving. Four of the 13 battlegroups would be made up of members from a single nation and the other nine would be multinational and also include members from non-EU states such as Norway. The plan was to have the interim operational capacity of the battlegroups up and running in 2005, but we have still not got that, and they were supposed to come to full operational capacity in 2007. We are only six months away from that, but have just missed the first opportunity to test the battlegroup concept.

Mr. Ben Wallace (Lancaster and Wyre) (Con): Does my hon. Friend agree that one of the fundamental failures of the grand plan for such military deployments is that other EU member states have consistently failed to invest in lift capability, defence forces and defence research? None of the plans can be put into action without going to NATO to provide the lift capability that is necessary for deployment. The plan is just something on a bit of paper.

Mr. Walter: My hon. Friend is absolutely right, but I remind him that the concept of the battlegroups was for them to be within the NATO architecture. My point is that they have failed the first test. Germany is at the top of the roster in the current cycle for battlegroup deployment yet even it is unable to fulfil the commitment to providing 1,500 troops for a battlegroup formation in a German-led mission to the Congo. As a result, the Congo mission has had to be put together under existing procedures. Although it is German led in the sense that Germany has the lead role and operational control is in Potsdam, the commander will be a French general and the group will be made up of 500 German troops, 500 French troops and 500 from other European nations. The United Kingdom has had to plead overstretch, so we will offer only one officer for the headquarters in Potsdam, although we will make a financial contribution of about €3 million towards the administrative costs of the venture.

If we are to increase the number of EU military missions and the 13 battlegroups in operation, we must come to terms with what is required. My hon. Friend the Member for Lancaster and Wyre (Mr. Wallace) made the point very well: we cannot have a commitment on paper by European nations to participate in such exercises if they cannot actually fulfil their commitment to service the battlegroups.

The Maastricht treaty was mentioned earlier, and it is worth reminding the House that the whole process is a second pillar, intergovernmental process. As an intergovernmental process, it should also be subject to the scrutiny of national parliamentarians and, at the European level, to European inter-parliamentary scrutiny.

The former Foreign Secretary, the right hon. Member for Blackburn (Mr. Straw), said in a statement last year:

"Scrutiny of European defence and security issues by national parliaments is essential."

He went on to refer to the Western European Union Parliamentary Assembly, which remained, in his words,

"a unique forum that facilitates interparliamentary dialogue and discussion. The Assembly is inclusive and reaches beyond the boundaries of the EU",

Norway and Turkey are classic examples. He went on:

"It continues to offer an important link between EU citizens and Governments in security and defence—vital issues our citizens care deeply about".

I referred in an earlier intervention to a document that landed on my desk today from the Robert Schuman Foundation, which is not known for its Eurosceptic views. The document was written by a French Senator, Hubert Haenel, president of the EU delegation in the French Senate. He forcefully made the point that, given that we have not moved on with the constitution, the French no is a no and will remain a no for the foreseeable future. He continued with the point that the WEU Assembly was

"thus above all a temporary halting place in the absence of a satisfactory formula for interparliamentary scrutiny of the European Security and Defence Policy... The European Parliament has no real legitimacy in this field."

That is quite clear if one goes back through the existing treaties. The European Parliament has no competence in European security and defence matters. He went on:

"National Parliaments... authorize the commitment of forces to a conflict. If the WEU Assembly were to disappear"—

a view that I have heard, unfortunately, from a number of MEPs, most forcefully in a discussion with Mr. Elmar Brok, chairman of the European Parliament's Foreign Affairs Committee a week or so ago—

"it would have to be replaced by an interparliamentary body adapted to the characteristics of the ESDP."

My point is to ask why we have to reinvent the wheel when we already have an inter-parliamentary body, on which several Members, including myself and the hon. Member for Newcastle upon Tyne, North, sit. We are both members of that body's Defence Committee, which, indeed, I have the honour to chair.

The UK Government have a critical role in determining where we go from here with parliamentary scrutiny. That is why I address my final remarks specifically to the Minister for Europe, who will be aware that the UK has held the presidency of the WEU for the last year. Our presidency comes to an end on 30 June. We held it for a year, long beyond our EU presidency, because Austria, not being a NATO member, could not be president of the body. On two occasions, the Foreign Secretary's name appeared on the order paper for the Assembly's deliberations to present the presidency's report, but on both occasions the Foreign Secretary failed to attend, sending a British ambassador instead.

At next week's meeting of the WEU, the Austrian Defence Minister, representing the outgoing EU presidency, is already scheduled to attend; and Finland's Foreign Affairs Minister, representing the incoming EU presidency, is also due to appear. I hope that British members of the Assembly will not have the embarrassment of having to apologise for the fact that no Minister from the United Kingdom Government is yet on the agenda to attend that meeting. I wonder

[Mr. Walter]

whether in his reply the Minister for Europe can tell me, the House and other UK members of the Assembly, which scrutinises European security and defence policy, which Minister from Her Majesty's Government will be present in Paris next week.

4.55 pm

Mr. Eric Illsley (Barnsley, Central) (Lab): I will keep my remarks brief, but I want to make one or two comments about the European summit later this week. I begin by remarking on energy issues. I understand that the question of energy will be discussed at the summit, and I very much welcome that, in view of what has happened to energy prices in this country over the past few months. The Government have embarked on an energy review and I understand that the summit will discuss a short paper that has been drawn up by Javier Solana and the Commission on security of supply, competitiveness and environmental sustainability.

The markets in Europe are not liberalised, and the problems that we experience in this country often stem from the fact that we have a liberalised market while our colleagues in Europe do not. I therefore ask the Minister what the discussion is likely to achieve. I understand that it is due to finish in the presidencies next year with another form of review, but I hope that our Ministers at the summit will press our European colleagues for the liberalisation of European markets in order that we can buy supplies of energy in other countries.

Earlier this year, our gas prices in particular were increasing rapidly, yet there was no shortage of supply world wide. We could not access other sources of gas in order to bring those prices down. Members will remember that in January the Russians turned off the gas supplies to Ukraine, and that generated fears that Russia would be in command of gas supplies to the rest of Europe. I understand that European Commissioners have suggested deals between the EU and the Russians to ensure that supplies flow to the rest of Europe. However, the Germans have already signed a separate deal with the Russians on a gas pipeline, which could well undermine the efforts that are to be made at the summit on agreeing a common energy policy. The point that I want to leave with my right hon. Friend the Minister is that he must press for the liberalisation of the markets in Europe in order that we can access them.

I also want to say a few words on the constitution. Those issues have been well rehearsed throughout this debate and references have been made to our Ministers perhaps needing to take a stronger line and to state that, in fact, the constitution is dead. The right hon. Member for Richmond, Yorks (Mr. Hague) and I had an exchange on that, during which I referred to the fact that there were calls from politicians throughout the EU for further referendums, votes and the rest of it and that our Ministers would do well to be non-committal on the constitution in the light of those calls.

I understand that the period of reflection has been increased for another year, yet those calls still appear in our press. For example, Giscard d'Estaing has called for a second French vote—55 per cent. obviously was not enough for him—the Italians have called for further action on the constitution, the Germans have already said that they want constitutional issues to be resurrected, and the Belgian Prime Minister has drawn attention to the fact that about 15 states have now ratified the constitution and that, according to a clause in the constitution, if that figure increases to four fifths of member states, unique circumstances are created which mean that the constitution must be referred back to the European Council. I urge my right hon. Friend the Minister for Europe to resist such a reference back to the European Council and perhaps, despite what I said earlier, to be a little more vociferous in playing down the constitution and the possibility of its resurrection.

Another worrying development are the calls for a Europe-wide referendum. If that were to be agreed, it would negate all the no votes that have already happened and could lead to countries being drawn into a European constitution without having had the chance to hold their own individual referendums. I call on my right hon. Friend to resist those calls at all costs.

I shall now say a few words about Turkey and Cyprus. Earlier this week, a small crisis in Europe was averted when the Cypriots gave way and allowed the accession negotiations with Turkey to complete chapter 1—an uncontroversial chapter relating to science and research. However, obstacles to Turkey's membership of the EU remain, not least opposition from other countries within the EU—Germany and France, in particular—that are reluctant to see Turkey accepted.

There are also obstacles within Turkey itself: for example, the human rights situation in that country, especially in the Kurdish region, is a cause of great concern. Religious issues, including the question whether Turkey is a secular state, have come to the forefront in the past few days. A Turkish general attacked Turkey's Government for not adhering more strongly to the secular state, and we hear stories of the "deep state", as it is known in Turkey, where the military is influential. A few weeks ago, there was a disturbing incident when an individual walked into Turkey's highest administrative court and shot dead the judge who was presiding in a case, simply because, as the offender said afterwards, the judge had made a decision on banning religious apparel.

Such incidents sound alarm bells for Turkey's accession to the EU. Just as many people want our Government to say that the constitution is dead and we should not heed calls for further votes, perhaps we should decide once and for all whether it is appropriate to persist with the idea of Turkey's accession in spite of all the problems in that country.

Mr. Jeremy Browne: I and Members of all parties in this House support the notion of Turkey's accession to the European Union, but does the hon. Gentleman share my concern that, ideally, the qualities and virtues that we seek in terms of respect for human rights, the rule of law and democracy should not be put in place merely to meet entry criteria, but should come from within? Should that not be part of the common values of EU member states, rather than seen merely as measures introduced in order to comply with the obligations placed on states that aspire to EU membership?

Mr. Illsley: I agree. We should strive to establish those values in all countries, regardless of whether they aspire to EU membership. I am aware that Turkey has taken great strides to improve its internal situation at the same time as pursing its entry to the EU, but I fear that we will build up problems for ourselves if we continue to encourage Turkey to enter the EU while knowing full well that, at the moment, it simply does not meet the criteria for entry.

5.4 pm

Mr. William Cash (Stone) (Con): Having listened to European debates at periodic intervals in the past 22 years, I have noticed a fluctuation in sentiment. If we take a broad historical and political view, we can see that a new realism has at last begun to pervade debates in the House. The pity of it is that that is not reflected in the Government's policies. The Chancellor of the Exchequer, for example, in his five economic tests, his subsequent remarks, the Treasury paper a few months ago and so on, has indicated a change of mood or tempo. If he became Prime Minister he might take a more Eurosceptic view—that is certainly the view of the journalists and distinguished commentators who have followed his career.

None the less, others continue to speak the same old language in an attempt to square the circle. It is impossible, as I said earlier, to persist with the waffle and try to pretend that everything is all right just because the existing treaties are still in operation. We need a radical, clear-sighted, fundamental review of the European Union. That would not be difficult once it is under way, but—and my motive in saying so is not party political—the Government, for all their talk, cannot bring themselves to face reality. The right hon. Member for Blackburn (Mr. Straw) made their position quite clear shortly before he left the post of Foreign Secretary, when I pointed out that, to all intents and purposes, the European constitution was over and done with. The present Foreign Secretary tiptoed around the subject, but she was not prepared to spell out the Government's position. That is not leadership.

In a recent debate on democracy, dialogue and debate in the European Standing Committee, the Minister for Europe, using the old Laeken language, said that we wanted to get closer to citizens. The new project, otherwise known as plan D, would provide an opportunity to reconnect with citizens and their opinions. However, when I asked him whether the Government were prepared to make the 16 million euros that that they have received in the past 18 months—indeed, there is much more to come—from the European Commission available to Eurosceptic organisations or whether that funding was a Europhile propaganda exercise driven by the Commission, he was not prepared to answer. I invite him to do so on the Floor of the House this afternoon. Will the money, after proper debate and dialogue, be disbursed on an equal and fair basis among the organisations, or will the power of the state, the Commission and the purse determine the issue?

That question arose, the House will recall, in the second referendum in Ireland. Having lost the referendum on the Nice treaty, the Irish Government changed the rules so that a lower proportion of money was available for the no vote campaign, with predictable consequences. Basically, we are wasting time, as the period of reflection is going to last another year. It is actually a period of deflection, is it not? As my right hon. and learned Friend the Member for Devizes (Mr. Ancram) accurately pointed out, it is an attempt to prolong the silence.

In the last European debate, I said that an eerie silence had descended on the Conservative Front Bench with regard to European matters. I am glad to say that that has gone. We are beginning to speak a more realistic language. We heard from the shadow Foreign Secretary, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), some words which, although I cannot say they filled me with a deep glow of enthusiasm about the so-called benefits of some aspects of the European Union, revealed a hard bottom line which had been overlooked by many commentators, including many of my friends.

As I noted in a letter to *The Daily Telegraph* yesterday, my right hon. Friend specifically committed the Conservative party to regaining control over social and employment and similar legislation. I pointed out that it was one thing to say we would do that, which is extremely important, and another to spell out the methods of reasserting national control. I went on to point out that on the Legislative and Regulatory Reform Bill, 130 Conservative MPs supported my new clause 17, which I am informed was cleared by parliamentary counsel's office as I requested. The clause stated that it would be available to a Government, or to the Opposition when in government, to pass legislation inconsistent with the European Communities Act 1972 and, in particular, directives or regulations under section 2, and that the judiciary must be bound by that provision. That is the crunch point.

The sovereignty of the House depends ultimately on that formulation in the new clause. It states specifically that the provisions of any subsequent enactment inconsistent with the European Communities Act shall be binding in legal proceedings in the United Kingdom. That binds the Law Lords, which is where the problem lies.

I see the sphinx-like look of the Minister for Europe. For almost two years, throughout the Maastricht debates, he and I jousted. He was—I hesitate to say the bag carrier—the runner for the late John Smith on that Bill. He and I were direct opponents on it, although his job was to table amendments that were as close to mine as possible, so that when we called a Division, the Opposition would be able to try to claim that it was theirs as well. In fact, they were following us into the Lobby, not the other way around. I will not mention your role, Mr. Deputy Speaker, as that would be inappropriate.

Mr. Jeremy Browne: The hon. Gentleman said that he detected signs of encouragement from his Front Bench and a changing stance on the European Union. Has he received any private assurances that the Conservative party will remove itself from the European People's party soon? Will he remain vigorous and rigorous in ensuring that the Leader of the Opposition does not go back on his word to his party?

Mr. Cash: I have noticed a continuing trend—it happened in the debate in the Chamber the other day. The Liberal Democrats are beginning to show a degree of realism. I have never before, for example, heard them making Eurosceptic noises, but they are beginning to do so. Although I am sure the hon. Gentleman is trying to get me to make some statement on the EPP that would suit his purposes, I can say unequivocally that both before the leadership election and subsequently, I have been given clear assurances that we will withdraw from the European People's party. I do not need to enlarge on that matter, which I know a great deal about because, when I was shadow Attorney-General and shadow Secretary of State for Constitutional Affairs, I was directly responsible for advising the then leader on those very questions—I was unequivocal and wrote a clear letter in which I said that we must withdraw from the European People's party forthwith.

The matter is tied up with the European constitution. Despite the one-year period of deflection, as I call it, Angela Merkel, the Chancellor of Germany, clearly stated on 17 November last year that she is determined to bring back the European constitution. If that is the case—I take Angela Merkel's statement at face value—why are we having another year's reflection or deflection? I have always maintained that the European Union is a national objective for Germany, because Germany wants a European Union that it can dominate through the voting system. That is Germany's national interest, but the European constitution is most emphatically not in our national interest.

Those points are part and parcel of a bigger, broader and deeper political and historical debate about where Europe goes in the 21st century. Ultimately, it will be a question of political will and realism—the realism is apparent from the various noises off, but the political will is not apparent. In his speech to the European Parliament a few months ago, the Prime Minister stated that he wanted to show leadership, but the reforms that he said that he sought have manifestly not been delivered.

As other hon. Members have said, an opportunity has been wasted. I accuse the Government of shirking their duty and of cowardice on a massive scale. The hon. Member for Birmingham, Edgbaston (Ms Stuart) did not use the same language as me, but she has said that it is time to get rid of the idea of the European constitution, which has failed and cannot sensibly be put back on the rails. It is not for us to go into the past—there are occasions when we must look at the development of those arguments over the past 20 years—because we need to live in the present. Whatever people's aspirations at the time of Maastricht, that was then and this is now, and this is not the time to hunt the snark without a compass. We need clear objectives. The British Government, the new Foreign Secretary, the Prime Minister and the Minister for Europe, who is very experienced, need to start dishing it out to the other member states in tomorrow's meeting. They need to get a sense of realism out in the open and to exercise political will.

I have mentioned the vote by my hon. Friends in support of my Back-Bench amendment to the Legislative and Regulatory Reform Bill, and I trust that the House of Lords will carry my amendment through. Front Benchers agreed to put in Whips as Tellers for my amendment, which was unusual, but none the less the amendment was an important statement of policy. I have suggested privately to some of my senior colleagues that it would not be a bad idea if they went out and told the rest of the world, which is why I wrote to *The Daily Telegraph* yesterday.

Alistair Burt (North-East Bedfordshire) (Con): The rest of the world?

Mr. Cash: Well, *The Daily Telegraph*'s world, anyway. It was also published in *The Financial Times*, and I am pursuing several other avenues. I trust that my hon. Friend is not demurring from the principles that were enunciated by going through the Lobby on that occasion.

It is important that we come up with a design for a new Europe that is thought through, but not carried through unless serious discussions take place around the table. There will be no renegotiations or answers to these important questions unless there is a serious attempt to get down to sorting out what we want and where we are to go. Step 1 is to repudiate the European constitution. I suggest to the Minister that in parliamentary terms, a good starting point would be to remove from the Order Paper the daily reference to the European Union Bill, because that reasserts the idea that that Bill, and therefore the implementation of the European constitution, is still part and parcel of the business of this House. This is not some arcane constitutional point—it is about demonstrating political will. The hon. Member for Birmingham, Edgbaston and many other Members made it clear that it is time that we abandoned the project of the constitution. Of course I would say so, but it is interesting that it is coming from so many different quarters.

I greatly recommend a very good book called "Design for a New Europe" by Professor Jack Gillingham from the United States. It is an endorsement from the United States by somebody who has for the past 25 years made a careful study of the way that Europe has been going. I want to use this opportunity to give a flavour of what he has to say:

> "The EU was never democratic; it had always been a project run by an elite, which in turn justified its existence by results...To save the EU, one must rethink the whole integration process...the EU has long since broken down...The malfunctioning Brussels institutions are now out of control...What's required is less a heroic feat of engineering than a new principle of construction—democracy instead of elitism...A design for a new Europe is needed now."

As you know, Mr. Deputy Speaker, I have said much the same myself over many years, as have many of my colleagues.

Alistair Burt: Constantly.

Mr. Cash: I am grateful to my hon. Friend, who has not always agreed with me on these matters. I have been constant, but not in pursuit of any vainglorious aim. This issue is too big for anybody to attribute to

themselves any particular prophetic ability. So many people said at the time that they were right and we were wrong, but through being very clear and consistent, things have ultimately moved increasingly in the right direction.

Mr. Hoon: I cannot resist commenting on the hon. Gentleman's own consistency. He says that things are moving in the right direction. What is clearly moving his way is the entire bulk of the Conservative party. In former days when we debated these issues, he was very much in a minority on the Conservative Benches—one of a handful of people. I will not use the expression that the former Prime Minister used to describe them, but it was not at all complimentary. Nowadays, Conservative Front Benchers support his position. He is in the mainstream of Conservative party thinking, and I congratulate him on that.

Mr. Cash: I accept that compliment. However, the essence of Conservatism is building organically upon change in a realistic, practical and pragmatic fashion. For example, Disraeli had to take a position on the policies of the mid-19th century and he helped, with John Bright from the other side of the House, to promote democracy in the late 19th century. Those who resisted that point of view 25 years earlier came around to it. The same applies to the appeasement policies of the 1930s, home rule and tariff reform. The bottom line is that we make changes and the European issue is an example of that.

I shall conclude with a quote from the excellent book that I cited earlier. It states:

"Electorates must be made aware that withdrawal from the EU is not an act of aggression or a betrayal of the European Idea but a simple political and economic necessity."

I have never specifically advocated withdrawal. However, if the Government, leaders of other member states and the European Commission are not prepared to face up to the challenge of being realistic, exercising the political will to save Europe and sorting out the boundaries between co-operation and European Government—and to do something about it tomorrow, when the summit takes place, thus changing the nature of the European Union—they will betray Europe and this country.

The Government have an opportunity to save democracy and ensure that we move into the 21st century with economic competitiveness to answer the challenges of the new globalised world. The failure of the Lisbon agenda gives them a reason to do so; otherwise, they merely whistle in the wind. It is the moment of truth. They can do it. I do not believe that they will but, when they fail, it will be their responsibility and the people of this country will turn against them and turn them out of office. Just as those in favour of the constitution failed in France and Holland, so the Government would have failed in this country had the question of the future of Europe been put in a referendum, as it should have been many years ago.

5.27 pm

Keith Vaz (Leicester, East) (Lab): Some hon. Members complained that others made the same speeches in debates on European affairs. We now have the ultimate solution to the problem: we can read the book. We do not even have to participate in the debate. Even better for the Minister for Europe as he gets on his RAF plane tomorrow morning and heads off with the Foreign Secretary, the hon. Member for Stone (Mr. Cash) could record tapes for my right hon. Friends to enable them to listen to the contents of the magnificent book on their way to the European summit.

I hope that my contribution will be as brief as that of my hon. Friend the Member for Barnsley, Central (Mr. Illsley), because others wish to speak. The shadow Foreign Secretary said that 95 per cent. of the speeches were the same—and as has been the case since he was made shadow Foreign Secretary, 95 per cent. of his speech consisted of jokes about Ministers. I admit that the jokes were funny and had hon. Members rolling in the aisles. I am sorry that you missed it, Mr. Deputy Speaker—but perhaps you watched it on the monitors. The jokes were funny but the speech contained no substance.

First, the right hon. Gentleman complained that the Minister for Europe had made a speech about Europe earlier today. He then complained that the Government, including the Minister for Europe, had shown no leadership. He ended his speech by saying that he agreed with several points that the Minister for Europe made in his earlier speech. I am sorry that I have not seen a copy of that speech, because it sounds like just the kind of speech that a Minister for Europe should be making.

I wish my right hon. Friend well in his first European summit since becoming Minister for Europe, and I know that he will do a splendid job, as will the Foreign Secretary. They are a pretty powerful team. I know that when they go to the European summit they will be batting for Britain, as all Ministers, no matter from which political party they come, have done over the past 20 years—although I am sure that the Minister, being a football fanatic, will ensure that there will be a television screen on the margins of the summit so that he can watch England versus Trinidad and Tobago tomorrow. Sadly, Derby County have not made it to the World cup this year.

I want my right hon. Friend to consider three points at the summit. The first, of course, relates to enlargement. Britain is rightly seen as the champion of enlargement. Since 1997 we have consistently supported the enlargement of the European Union that has brought so many benefits to this country. The recent Ernst and Young report on the result of the latest wave of enlargement and the arrival of the 10 new countries showed that it had benefited the economy of this country by £300 million. It is therefore no surprise that we continue to press the case for enlargement.

I would like the Minister to come back from the summit and give us firm assurances about Bulgaria and Romania. I realise that there are problems about the admission of those two countries, but they have gone way down the line as far as the opening and closing of the various chapters are concerned. They were told that they might be admitted on 1 January 2007, although there might now be a slippage to 2008; we are told that the decision is to be put back to October 2006. It would

[Keith Vaz]

be helpful for those two countries, and for us, if we had a firm timetable by the time the summit ended. It is also important that the Government stick to the commitment that they made earlier this year that there would be an indication by August this year on the most important aspect of enlargement as far as Romania and Bulgaria were concerned—people's freedom of movement.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I returned last week from Bucharest, where I had been with the Environment, Food and Rural Affairs Committee. Many of the Romanian Ministers to whom we spoke highlighted very honestly their lack of readiness to join in January. I am glad that the hon. Gentleman shares those concerns, and I hope that he will continue to seek assurances from the Minister on this matter. I do not think that Romania's entry on 1 January is as clear-cut as we once thought.

Keith Vaz: I am grateful to the hon. Gentleman for that intervention.

In the end, this will be up to the Commissioner for Enlargement when he presents his report. But whatever happens, we need to know about it. We do not want a repeat of the fiasco that took place before the last enlargement, when we did not have a position on whether workers from the 10 new countries would have the right to work here, or whether they would have to register. That was followed by hysteria from the Conservatives, who said that all those people would come into this country, take our jobs and our homes and cause misery for the people of Britain. Of course that turned out to be perfectly unfounded. Let us have a clear timetable, so that there can be no hysteria from the Conservatives about what we are going to decide on freedom of movement.

My hon. Friend the Member for Barnsley, Central (Mr. Illsley) mentioned Turkey and Cyprus, and I too am concerned about the progress of those negotiations. They have just started, and I know how hard my right hon. Friend the former Foreign Secretary worked to get Turkey to start those negotiations, and about the drama at the airport as the Turkish Foreign Minister arrived. I am disappointed with what has happened; we need to ensure that if Cyprus and Turkey are going to continue their long-standing dispute, the EU will act as an honest broker to try to sort out the problems. It would be terrible if, now that we have worked so hard to get Turkey to this stage, there were further delay. Obviously I understand the concerns of the Cypriot people as well.

Mark Pritchard (The Wrekin) (Con): Will the hon. Gentleman comment on the fact that unemployment is now at a four-year high? If that trend continues, it might lead in coming months and years to tensions when those who seek a manufacturing job who might not have considered doing so previously find that people from other European countries are in those jobs? That is a serious point, and we should consider it in relation to the prospect of other migrants coming into the country.

Keith Vaz: It is a point, but I urge the hon. Gentleman to read the Ernst and Young report, which examines specifically the arrival of Poles, Hungarians and others from EU countries and finds that they have been a benefit to our economy. If there is new evidence, that will have to be considered. Enlargement has benefited us, however, to the tune of £300 million. In addition, other countries, having seen what Britain did, have decided to do the same. The French have agreed to open their categories so that people from the states that joined in 2004 will be able to work in France too. Obviously, we will need to keep all of that under consideration. As for Bulgaria and Romania, we should have a clear timetable and a clear decision from the Government so that we know where we stand on the issue of freedom of movement for those from the new member states.

On the constitution, I do not object to a period of further reflection. There are still major problems with the constitution. If we had put it to the British people, I, too, believe that they would have rejected it, as the Government did not do enough work prior to any possible referendum to explain to the British people what the constitution was about. I also defer to the knowledge of my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) and the right hon. Member for Wells (Mr. Heathcoat-Amory), who both represented the House on the Committee that considered the constitution. When such Members, who represent this House, scrutinise what is happening in Europe and come back here to talk about their concerns, we should listen. They would be the first to say that they raised those concerns long before the conclusion of the discussions, and many of us did not listen to or hear what they had to say. Let us reflect again, but let us debate precisely what we want from what is left of the constitution.

Let us not, however, leave Europe unable to move forward on crucial issues. There is a difference between a constitution and a rule book. We cannot run Europe according to the rules for a Europe of six or 15. We must consider the European Union as a Europe of 25—and, in 2007 or 2008, of 27. We really must change. Who do we have to thank for extending qualified majority voting and making sure Europe operated in a much more efficient way? We thank the Conservative Government who held office before 1979, who extended QMV more than any other Government in history. If we consider the results of QMV, we will find that we have been on the winning side on QMV votes on a much larger scale than any of the other big countries. The last time I looked at the figures, 90 per cent. of the times that we voted according to QMV, we won. Therefore, saying that QMV was in some way bad for Britain is wrong, because both Conservative and Labour Ministers used QMV to push through our agenda.

The hon. Member for Moray (Angus Robertson) raised the issue of the Tampere agenda, which of course has been renamed Hague 2, which dealt specifically with justice and home affairs. As we face a Europe-wide terrorism threat, it is vital that we should work with our European partners to combat international crime. The European arrest warrant, which has come into force, has been extremely important in enabling us to combat fraud. It is equally

important that we should find justice and home affairs institutions that ensure that we can work together with our European partners to combat crime. What are we so afraid of in dealing with European allies and supporters who wish to combat crime?

Mr. Graham Brady (Altrincham and Sale, West) (Con): I am grateful to the former Minister for Europe for giving way. I agree that we should co-operate with our partners to fight crime and terrorism, but will he be clear about whether he advocates giving up the veto in these areas and opening them to qualified majority voting, which we oppose?

Keith Vaz: The Foreign Secretary has said that she will look into this whole area, as we are obliged to do, having taken part in the entire Tampere process, which started during the last Finnish presidency in 1999. We must look at that process and see whether it is in our interests. The Government will propose it if it is in our interest to combat crime by moving forward in that way. In making such a decision, I do not want to substitute my view for that of the Foreign Secretary and her experts. However, when that decision is made, the hon. Member for Altrincham and Sale, West (Mr. Brady) should have the sincerity to say that it has been done in the interests of this country and of our police and intelligence services, in accordance with how they wish to combat crime.

I make two further points in conclusion. First, ever since my time at the Foreign Office I have advocated that there should be a Minister for Europe at Cabinet level, with a department of European affairs supporting that Minister. The Foreign Office mandarins are wonderful and I pay tribute to them—the people who used to work for me at the Foreign Office were among the finest civil servants in the galaxy; they were top-quality, first-class diplomats—so I will have no problem if we have one diplomatic service for Europe. I do not think we will ever get such a service, but if we do, I am willing to bet anyone in this House that the civil servants will all be British, because they are the best in Europe. However, the problem is that the Foreign Office is very concerned about structure. Let me give an example by telling an anecdote.

The day after I became Minister for Europe, the then Foreign Secretary took me to lunch and asked whether I would expand my portfolio. He wanted to give me responsibility for entry clearance, as well as Europe. I agreed to take on entry clearance, even though it was a very large portfolio to add to Europe, and many people thought that I was mad to do so. The Foreign Secretary said, "Because your portfolio is so big, I'm afraid you're going to have to give up Russia. Russia is so huge, as part of the Europe portfolio, that it will have to go to another Minister; otherwise you'll have more than 50 per cent. of all those portfolios." So I agreed to give up Russia.

When I got back to my office—a wonderful office, which is now occupied by the current Minister for Europe, and I wonder nostalgically whether I might have left some of my papers in his desk—the then permanent secretary, who is now in the other place, came to see me. He said, "You can't give up Russia in exchange for entry clearance, because Russia is part of Europe in terms of the way in which the Foreign Office command is organised, so to take it out of Europe would require a complete reorganisation of the civil servants in the Foreign Office."

Such language was possibly used to dissuade our modernising Prime Minister from doing what he should do, which is to create a ministry of European affairs. As my hon. Friend the Member for Birmingham, Edgbaston said, that is the position in a number of other European countries. They have dedicated Ministers for European affairs and a dedicated Foreign Secretary, and there is enough work to enable all the Foreign Office Ministers to get on and do all that they have to do.

If we take such a step, that will allow a Minister to come to the Dispatch Box regularly to be scrutinised by the European Scrutiny Committee, chaired by my hon. Friend the Member for Lanark and Hamilton, East (Mr. Hood), so that we can ensure that there is a proper dialogue between Brussels, the United Kingdom and the British people about what is happening in Europe. The Conservative party is of course opposed to that step, because it would give Europe a profile in the British Government that Conservatives do not want it to have. They want to scrutinise more, but they do not want a Ministry for European affairs, although that would mean more scrutiny.

I fully support what the Chairman of the European Scrutiny Committee said about this House moving on, about ensuring that we scrutinise properly what is happening in Europe, and about papers arriving in time for his Committee members to read, rather than the day before, or even on the day itself; indeed, they sometimes arrive even while he is deliberating.

Mark Pritchard: Will the hon. Gentleman give way?

Keith Vaz: I will not, as I have nearly finished.

I turn to my final point. I heard on Radio Leicester this morning that the Minister for Europe is going to start a quest in England and Wales to make the European Union more interesting. I fully support my right hon. Friend in that proposal; it is a great idea. As well as going to mainland Europe, he ought to spend time going around this country—*[Interruption.]* No, not just Derbyshire. He should go around making the British people more interested in this great concept. I tried, and sadly failed, to do that when I was Minister for Europe, but I know that my right hon. Friend will succeed.

The British people know the benefits of Europe, as demonstrated by the World cup competition, in which friendly European nations play football against each other—it is Germany versus Poland tonight—and that is one way in which we can explain how important those international relations are. I wish my right hon. Friend enormous success, but he cannot succeed if Members of Parliament are not prepared to help him. We have a role to play in explaining to our constituents the benefits of Europe and Britain's successes in Europe. Unless we remain fully engaged with Europe, we cannot remain a successful nation.

5.45 pm

Alistair Burt (North-East Bedfordshire) (Con): Bearing it in mind that the test of a free society is how

[Alistair Burt]

decently it treats its minorities, I hope that I am not about to put that too much to the test in relation to my Front-Bench colleagues and the Whips. It is a pleasure to make what is for me a rare speech on European matters, and I have enjoyed the debate this afternoon. I take the point made by other hon. Members that the atmosphere is not dissimilar to that of an end-of-term Adjournment debate, and there are some familiar faces who have taken part in all of those.

I share strongly with the hon. Member for Leicester, East (Keith Vaz) and my hon. Friend the Member for Stone (Mr. Cash) the opinion that Europe is much too important a subject to be left to a handful of aficionados who either take an interest in the matter outside the Chamber, as I do, or take part in our debates. I suggest to the Minister for Europe that one way to deal with that might be to have this debate on a motion that we could divide the House on, with a free vote. There are precious few free votes in this House. The hon. Member for Bury, North (Mr. Chaytor), my successor in that constituency, introduced a 10-minute Bill earlier designed to engage people more in political affairs, but we could achieve that by having many more free votes. We all know what our postbags are like on free votes, especially when the issue is in doubt and Members can say what they think and influence policy by doing so. I am not saying what the motion should be and I have no idea what the result would be, but it would fill the House and the Galleries and create the interest that we want.

Mr. Davidson: I would welcome a free vote on British entry to the euro and on the constitution, because it would of course be extended to Ministers and Parliamentary Private Secretaries. I am certain that in those circumstances it would be clear that those of us who oppose the constitution and the euro are in a substantial majority on this side of the House.

Alistair Burt: As soon as I suggest the idea of a free vote, ideas and suggestions about possible votes emerge. However, I digress so let me move on.

We have had an enjoyable debate. As someone who takes part in such debates only intermittently, I always learn a great deal from colleagues on both sides of the House. Over Whitsuntide, I travelled to Serbia, Macedonia and Albania. While the legacy of communism is not hard to find in eastern Europe, it is always encouraging and illuminating to see what has survived despite it. The reason for my visit was to celebrate the activities of a remarkable group of young people whom I have come to know in recent years. They come from many different countries in the Balkans, but they share a determination to go into public life with integrity in lands where trust, honesty and integrity have been heavy casualties in a dictatorship of fear. Working together, and mostly sharing a belief that the principles of Jesus Christ form an opportunity to come together and not divide, whatever one's religious background, they have slowly begun to emerge in more senior positions in politics, business and the media in their own countries. That has been the result of great commitment and dedication. At the third Balkan gathering in Belgrade, more than 150 people came together to celebrate the fact that the human spirit could not be crushed, and that faith and principle had been reduced only temporarily by repression and corruption. As with apartheid, the agony is not that dictatorship fails—it always does—but that it succeeds all too well in damaging mind and soul, leaving a moral and material vacuum that takes time to fill.

The countries that I am talking about are on their way. They boast busy capitals, where young people enjoy cafés, bars and restaurants. The atmosphere is open and modern but, under the surface, all three countries are poor. Unemployment is at around 35 to 40 per cent., and foreign investment is low. Politics is fiercely contested but democratic—the recent referendum to detach Montenegro from Serbia rested on a knife edge. The forthcoming election in Macedonia will be close, but is likely that a centre-right Government will be returned. A Government of similar colour was returned in Albania last year, after losing power for eight years. That is an example of the sort of turn-and-turn-about politics of which this House would be proud.

Infrastructure is poor. Roads, services and transport links need investment, and professionals are poorly rewarded. A teacher in Albania, for example, will work for €240 a month—not an uncommon salary for a public-sector professional.

Old socialist attitudes die hard. An excellent private university in Skopje struggles with a Government who are not impressed with its initiative, but students pay and flow through the doors for quality teaching. A private company is told by the Government to employ people full-time, even if the contracts are not there to support such a work force. People want domestic economic reform along lines very familiar to Conservative Members, but they fear that it is happening all too slowly.

The worst damage has been done by the corrupt nature of government and its impact on trust and integrity. Public confidence is low, so too many talented and qualified people believe that their future can lie only outside their own land. Those who work abroad—and 1 million out of 4 million Albanians do so—send their remittances home and make a vital contribution.

Those people, both in government and out of it, who are working to combat the trend, need our full support. I met Ministers and politicians in every country determined to make a difference. So let us salute Samuel and his team in Belgrade for their faith in their country, and for their determination to fire people with a desire to stay and work for a brighter future.

Let us also acknowledge the work of Vilma Trajkovska in Macedonia. She is the widow of a reforming president who was a key architect of the agreement that brought peace between Macedonia and Kosovo in 2001, yet who tragically died in a air crash three years later. Madam Trajkovska now heads an international foundation established in her husband's memory, and continues his work of defusing conflict and building a modern Balkans.

Finally, let us hear it for Arian and Dorian, two young men from different political parties in Albania. They work tirelessly in a sceptical environment to

bridge gaps and divides in a land where the word "opponent" normally means "enemy".

One further theme unites all those people, and virtually all the political parties in their countries—the importance of joining the EU. It is very easy, in the democratic security of these islands, to forget the EU's political origins. We find little need to recall the shattered remnants of continental Europe, but we were never occupied. The legacy of a century or sometimes more of racial, ethnic and nationalistic conflict is the reality of everyday memory for millions of people in continental Europe. The EU's political impact as a force for stability, a yardstick for advancement and a barrier to all that ever happening again should never be discounted. There are very few members of the "Better Off Out" brigade in the western Balkans.

My right hon. Friend the Member for Richmond, Yorks (Mr. Hague) is on the ball. In a recent speech, he said:

"It cannot be doubted that the EU has been a major force in securing democracy and the rule of law in many countries that were new to those freedoms. We have seen the EU's effectiveness in the last quarter century in the Mediterranean, we have seen it in the new members from central and eastern Europe since the fall of the Berlin Wall, and we see it now in the Balkans and Turkey. Enlargement has been a triumphant success.

EU membership is a sign that you are a decent trustworthy member of international society."

Hear, hear. He repeated the comments in his excellent speech from the Front Bench this afternoon. It is easy to be blind to the faults of the EU when one comes from where the Balkan countries are coming from, but perhaps they see a truth in the existence of the EU that bears our being reminded of it. Equally, however, the EU has now got to step up to the plate. If the EU does not reform and deliver, it will risk letting down all those people who are pinning so many hopes on it.

Even those who are interested in reform and reconstruction of the EU can now feel some greater optimism for its future. For many years, a cautious and moderate centre-right Conservative voice has warned of the worst faults of the EU, imploring it to wake up to a wider world, stop the endless self-analysis of institutions and accept that the blueprint of the 1950s, dealing with the challenges of that time, may not be the only way forward. My right hon. Friend's recent speech also had much of that spot on. He said:

"Britain is well placed to lead and challenge some orthodoxies of recent decades that are now so clearly failing. We must replace the habits of heavy regulation and rigidity with freedom and flexibility."

The cause that he champions there, and the reason for my sense of enthusiasm and optimism, relates to the emergence of a remarkable new leader in Germany and Europe: Mrs. Angela Merkel.

The new Chancellor of Germany has made some recent speeches that indicate how far centre-right thinking is moving in answer to the familiar and tedious sclerosis of the EU. She understands the need to ask fundamental questions—something we would do. I am slightly surprised that some of her remarks have not been referred to earlier. In the Bundestag on 11 May this year, in a debate on the European Union, she said:

"The truth must be looked in the eye, for it is in part sobering indeed. Many citizens criticise Europe for its tendency to overregulate and doubt that Europe can tackle the problems of the future—unemployment and low economic growth. In brief, it must be said that Europe is not valued as highly by the Europeans as its history would perhaps give reason to believe."

She continued:

"We must, and I am deeply convinced of this, critically review the state of the European project. We must put the people at the centre and answer their questions. What does Europe mean for my job, for my prosperity, for my social security when I fall ill or grow old? Does Europe make things easier, better or does it put a brake on them, put obstacles in their way? I believe that we should not avoid these questions. We should answer them directly, giving specific, concrete replies.

In my opinion, our task now is no more and no less than to add a new rationale to the historical reasons for the foundation of the European Union."

Mr. Cash: I am listening to my hon. Friend with great interest. I, too, have been following what Angela Merkel has been saying. Does he recognise that—with respect both to those admirable young people he referred to at the beginning of his speech, who are looking for a new world within the European framework, and to Angela Merkel and the German people—they need to be prepared to have a radical rethink of the European Union to get it back to the democratic principles and the idea of nation states in association with one another, as I and others have advocated? That is the way to move forward to satisfy their requirements and to address the sort of sentiments expressed by my right hon. Friend the Member for Richmond, Yorks (Mr. Hague).

Alistair Burt: I am not sure how far I can commit the Chancellor of Germany to following all of my hon. Friend's agenda. I hope to reassure him, and colleagues on these Benches and in the House in general, that some of the caution that has been expressed about the progress of the European Union over the years—when it has been perfectly obvious that it has been failing and not delivering—has been picked up by the Chancellor of one of Europe's most important states. That is a start. It is progress. The sort of things that Angela Merkel says should be welcomed by anybody in the House, but particularly by my colleagues on the Front Bench.

Mr. Cash: But she still wants the constitution.

Alistair Burt: Let me come to that in a moment.

Angela Merkel goes further. She tackles economic specifics as well. She said further in the Bundestag:

"It is our task to cooperate actively on the Lisbon Strategy. It is important to examine where Europe has bound its own hands, where its policies are inimical to growth."

She went beyond her own shores, and, speaking in New York to the German-American chamber of commerce and others, she said:

"Demonstrating a real commitment to free trade means demonstrating that we accept competition, that we want open markets, that we are not isolationist and protectionist, although such tendencies do exist. It means demonstrating that globalisation is a challenge we are meeting head-on. That is easy enough to say, but the difficulties begin when action is called for."

I cannot think of many Conservative leaders who would have been disturbed or concerned about saying

[Alistair Burt]

exactly the same thing. Tremendous progress is being made in Europe when someone of Angela Merkel's stature is dealing with just that matter.

On dealing with the problems of deregulation, both domestically and in the EU, the German Chancellor said in New York:

"Secondly, we have promised to cut down on red tape. That, too, is easily said, but putting it into practice is a different matter. We want to learn from other countries in Europe that have pioneered ways of measuring regulatory impact."

I reckon that that applies to us. Such pressure would not have been in place but for my Front-Bench colleagues and others—I include as part of that the force of light sitting behind me, my hon. Friend the Member for Stone (Mr. Cash)—and the way in which we have tackled regulation over many years. The German Chancellor has also said:

"I expressly support the Commission, in particular the President of the Commission and Vice-President ... who have both said that dismantling bureaucracy is the order of the day. We can cut 25 per cent. of all bureaucracy, not just here at home, but throughout Europe."

To be honest, I do not know what more we are looking for. She has made a tremendous start and I am very impressed.

Of course, those are just words, but unlike with the Prime Minister, whose challenging rallying call to the European Parliament—my right hon. Friend the Member for Richmond, Yorks referred to that earlier—was not followed up by real conviction or the delivery of change, I think that the sentiments of Mrs. Merkel mean that we can expect action. For a long time, Conservative Members have been looking for a serious partner who understands, as we do, not only the importance of the origins of the European Union and the need to maintain it, but the imperative of renewing it and meeting new challenges. The EU needs to continue to be an answer to the problems of Europe, not a contributor to new ones. In the German Chancellor, we may have found such an ally.

Chris Bryant: But she is in the European People's party.

Alistair Burt: There are, of course, blind spots. The hon. Gentleman raised the EPP. I have not come here to discuss the Conservative party's domestic arrangements and disagreement among friends, but given that my hon. Friend the Member for Stone rose to similar bait, I do not think that it will cause any harm if I say a little about the matter, and I do not think that I will be letting any secrets out of the bag.

It is no secret that I voted in the final ballot for my right hon. Friend the Member for Witney (Mr. Cameron) as leader of the Conservative party. I voted for him knowing of his commitment to withdraw from the European People's party-European Democrats group. I also voted for him although we had had a conversation in which I told him that I would not have made such a commitment and that I was not a fan of it. I am not so much of a hypocrite as to say something in the Chamber about the EPP-ED that would be patently ridiculous and contrary to everything that hon. Members know about me. However, the matter is of no consequence because the decision is not mine, but that of the leader of the party and the leader of our group in Europe.

I am passionate about Europe, and my friendships and relationships with people in the Christian Democratic Union go back some 20 years. However, those relationships and friendships will be maintained, irrespective of the relationships of groups in the European Parliament. Important though the matter is, it is not nearly as important as doing my job in opposition of removing an arrogant, deceitful, ineffective, time-expired and useless Government. Nothing that Conservative Members do in relation to Europe will get in the way of that, so Labour Members can take no comfort from any discussions that we might have about whom we sit with in the European Parliament.

Let me return to the blind spots. I was not referring to Mrs. Merkel's membership of the EPP as a blind spot because, of course, I do not think that it is a blind spot. However, we do not think identically to Mrs. Merkel and the CDU. For example, the constitution as it is drawn will not be an answer. My hon. Friend the Member for Stone is right, as are many hon. Members, that the constitution will not work. The hon. Member for Birmingham, Edgbaston (Ms Stuart) has done superb work on the constitution and her comments about it are elucidating, honest and refreshing. She knows, as the rest of us do, not only that the constitution is not an answer, but that Europe will continue to blunder on until we find an answer to the fundamental fudge. What must we do and support collectively, and what must we do on our own as nation states to draw distinctions and identify differences? Whatever it may be called, that issue has still not been sorted out, and until it is, the arrangements will not work. Whether there are six, 12, 25, 27 or 32 members, the issue must be sorted out, and we must all find a mechanism for that to be done.

Let me identify another blind spot on which I should like to hear from the Minister in due course. I should like the German presidency of the EU to take development and aid issues more seriously than appears likely at present. Those issues were rightly moved up the agenda under the UK presidency, and an ever-shrinking world continues to demand that we recognise the need to attack world poverty and injustice through a judicious balance of aid, trade and capacity-building.

It is rumoured that the forthcoming summit of the G8 and the German presidency of the EU may not maintain interest in international development issues. It is most likely that Germany will concentrate on economic and intellectual property, but that may provide openings. Perhaps the Minister will let me know what the Government are doing to ensure that development issues are a specific focus for Germany in 2007, so that the Gleneagles commitments can be built on. That may mean holding Government to account for promises that they have made, or pressing them on new promises.

If development is not to be a focus in itself, how will we seek to use any agenda that Chancellor Merkel sets out to press for progress on commitments to developing countries? It would be a shame if we went

back on everything that has been achieved, and I hope that we shall be able to make progress. Given the effectiveness of the Department for International Development, I, along with a number of my colleagues, still feel that the EU may not always be the best vehicle for dealing with the amount of aid that is involved. I should welcome any comfort that the Minister can offer.

As others have said today, the main thing is to recognise that, as the European Union stands at a crossroads once again—it seems to do that during most weeks—there are real causes for optimism, provided that the EU continues to listen to the moderate centre-right voices of reform that have been so consistently championed by Conservative Members. My right hon. Friend the Member for Richmond, Yorks—I am delighted to see that he has returned to the Chamber—said in his speech on Europe the other week:

> "I am a firm believer that Britain's place is in the European Union, a strong player in Europe, not at the margins. But that does not mean that we should abandon our critical faculties in examining the EU's predicament."

I entirely agree. I am sure that when my right hon. Friend comes to exercise his critical faculties in examining the EU's predicament, he will see the force of what Angela Merkel is achieving in Germany. I am sure that he will urge the Government to recognise that there are valuable opportunities for reform and progress, and that in driving forward reform and progress in Germany, Angela Merkel is giving a lesson that the Government, in their indolence, would do well to follow.

6.7 pm

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): I know that others want to speak before the winding-up speeches, so I shall be briefer than I should have wished to be otherwise.

The debate has been very good-natured, as such debates usually are. I had expected a degree of consensus on the idea that the constitution was dead, just as joining the euro was dead, until my hon. Friend the Member for Leicester, East (Keith Vaz) let the cat out of the bag by acting as an outrider for the European Union—as he often does—and suggesting that the whole point of a pause for reflection in this country was that it was a pause to persuade.

It was good that we received some copies of the text of the Minister's speech earlier. Particularly valuable was this quotation:

> "The issue is how we take forward the proposals that were agreed in the constitution".

I think that the idea that the pause is all about working out how we proceed with the constitution is fundamentally inappropriate, but it is shared by many of our European partners. The outgoing Austrian President, Chancellor Wolfgang Schüssel, has said

> "I can well imagine a referendum that takes place simultaneously in all EU states. The constitution would be accepted if the majority of the European population and the majority of states approves it."

That is an interesting constitutional concept, and it would be helpful if the British Government made it absolutely clear that we are not prepared to be bounced into a European constitution by a vote taken elsewhere. Mr. Schüssel added that he was convinced that something new had to be added to the document and that this could be a new name or method for adoption of the document. The idea that renaming the constitution makes it more acceptable fundamentally misses the point, as does the suggestion that, because we are having difficulties with the present procedure for ratification, we need to find a new way of adopting the document. That does not recognise that perhaps the document itself is part of the problem.

There is a similar proposal from the Belgian Liberal Premier, Mr. Verhofstadt, who said:

> "If four fifths of the Member States have ratified it and one or more Member States have encountered difficulty in proceeding with ratification, the matter will be referred to the European Council."

Basically, he was saying that that was a good idea and the way in which the matter should be progressed. That also indicates that ratification of the constitution is still sought by much of Europe and that the difficulty is seen to be with those peoples who have not yet chosen to ratify the constitution. There is a wonderful comment from Giscard d'Estaing, who said:

> "What is this joke? We have to vote again until the French see what the stakes are".

There is no limit there or the suggestion that there should only be a single vote. They should keep on voting, presumably on the basis of re-sits that they continue to take, until they come up with the right answer.

The constitution is dead, but many people will not admit it. I remember the enthusiasm in this Chamber shown by the Liberal party when the Luxemburgers voted in a referendum to support the constitution. I was reminded of the way in which the Albanians used to say, "We and the Chinese are 7 billion strong." The Liberals were able to say that, with the Luxemburgers, they could fill a reasonably large charabanc with supporters of the European constitution.

The drive, however, to a united European and ever-closer union has not gone away. Those who focus on the constitution as the main issue and who see its stalling as a great success and as some sort of political victory misunderstand what is happening elsewhere. The drive to a superstate continues and the flow continues towards ever-closer union. I had wanted to say something about the drive to a European defence agency, about ever-closer union on asylum issues, justice and home affairs and about the power being taken by the Commission under the guidance of the European Court of Justice to establish lists of crimes for which punishments have to be established by Europe. I also wanted to refer to the space agency and the work that has been done to establish a diplomatic service even though its establishment was clearly in the constitution and should not have proceeded. However, a consular service is being set up with embassies abroad, which is a clear example of a proposal in the constitution being proceeded with anyway. The work of the European Court of Justice is also greatly increasing the drive towards centralisation.

I had also hoped to touch on issues relating to health and tax in which the ECJ continues to take powers from the United Kingdom. The Commission intends to

[Mr. Ian Davidson]

publish a communication on alcohol and health in September despite having no competency for health matters. Again, that is a completely new area of work that the EU hopes to expand. The ECJ has recently taken the decision that it, rather than an outside body, should preside over disputes between member states. Again, that is the expansion of power into new areas in which the EU did not previously see itself as having a role, but which it now explicitly states that it wishes to take on. The question is what we do about all that.

I have come to the conclusion that reform of the budget is impossible without some sort of car crash. I believe that we should vote to reject the European budget when we have the opportunity to do so in order to concentrate minds. It seems clear that even the voice of the people in France and Holland is being ignored. Unless the situation is brought to a crisis, the elites of Europe will pay no attention. I regret the fact that we are in that position, but if those in power above us have no intention of listening to the will of the people on these issues, we have little choice.

Finally, I would like to offer the Minister a suggestion about how he could make himself even more popular—*[Interruption]*—if that were possible. My suggestion would also give the European Union a good name. EU beef has in the past been distributed to pensioners in my constituency from the enormous surplus stocks, as has EU butter and cheese. I am aware that there are enormous stocks of surplus EU wine, so I propose that the Minister take the initiative and seek agreement with his colleagues to give some wine from the EU wine lake to pensioners in my constituency—*[Interruption.]* Yes, to others, too, but pensioners first. I suggest that this be called the Hoon allocation, which would ensure that his name was remembered throughout the country for a long time to come.

Mr. Hoon: I am grateful for my hon. Friend's invitation, but I am slightly surprised that he makes it at this point, because in my previous ministerial positions I regularly offered to help him out at election time, but somehow or other, he seemed to find it difficult to accept my offer.

Mr. Davidson: I secured a Labour gain when I was first elected in 1992 and my majority has climbed ever since to become the second largest in Scotland. I do not believe, however, that there is any necessary connection between that and the fact that the Minister has never been to my constituency. I would like to make it clear that it would not be necessary for him to hand-deliver the wine himself, only to ensure that it is done. I will arrange the distribution, and I am willing to name it after him. The Hoon allocation, or something similar, would make sure that he is remembered for more than he has been up to now. After all, his predecessor will be remembered for the destruction of the European constitution in France and Holland during his period of office, so perhaps the Minister for Europe will be prepared to help lubricate political discussion on the EU constitution during his time.

6.18 pm

Chris Bryant (Rhondda) (Lab): It is a great honour to follow my hon. Friend the Member for Glasgow, South-West (Mr. Davidson) and I congratulate him wholeheartedly on coming second in last week's swimming competition between the House of Lords and the House of Commons.

David Taylor (North-West Leicestershire) (Lab/Co-op): Who won?

Chris Bryant: I seem to recall that I beat him by a narrow margin. I should point out that the Minister for Europe has never visited my constituency either, and I have the largest majority in Wales and the fifth largest in the land.

Mr. Davidson: Since my hon. Friend has mentioned the swimming competition, it is only fair to draw to other Members' attention the fact that—

Madam Deputy Speaker (Sylvia Heal): Order. Time is limited and other Members wish to speak. I do not think that the swimming competition took place in Europe.

Chris Bryant: I hate to remind you, Madam Deputy Speaker, but Britain is in Europe and the competition took place in London.

To move on to more serious matters, I have taken to heart the injunction of the right hon. Member for Richmond, Yorks (Mr. Hague) earlier this afternoon when he said that 95 per cent. of our debates on these issues repeat points that have already been made before. I hope not to say anything that I have said here before, but it means that my speech is split into three rather odd parts. The first is about the television without frontiers directive, an important measure being considered at the moment. The second is about mobile telephony charges and the third is about the EU and its relations with Iran.

On the first, many Members will not think of the television without frontiers directive as the single most important issue on the stocks at the moment. In 1989, it allowed originally for the system of listed events, which means that we are able to watch the World cup on free-to-air television as well as the Olympics and other events. The Commission is proposing some changes, some of which are to be welcomed and some are sincerely not to be welcomed.

The first that should not be welcomed is the proposal to extend the directive to all audio-visual media services, because that creates the danger of the European Commission bringing forward policy that should properly be the regard of individual member states. The Commission is also in danger of doing that in suggesting that there should be a specific rule governing all audio-visual services in Europe with regard to incitement of hatred on various levels. That commitment would go considerably further than UK law. Freedom of speech, as it plays out in each member state, should be for that member state to determine and not for the EU to determine.

The television without frontiers directive also suggests that there should be changes to the protection of minors. For the most part, articles 3d and 3g(f) are sensible measures. All of us would like audio-visual services across Europe to protect minors, and I would

argue that more stringent controls on the broadcasting of advertisements to children that promote eating and drinking wholly inappropriate food and drink, which in turn does not lead to a healthy lifestyle, would be only right and proper.

Ofcom has suggested rather tentative measures that fail to address the fact that the vast majority of children watch not children's programmes but adult programmes. For instance, the most watched television programme among nine to 14-year-olds is "Coronation Street", which is sponsored by and advertises Cadbury. We need to address a real problem: our youngsters face a crisis of obesity and if we do not tackle that robustly, we will make a big mistake.

The directive also moves forward on the issue of product placement. Members who have watched a Bond movie will have noticed that product placement is an important part of the way in which most American-funded films are made. It is not that I want to interfere with that, but there should be honesty about the way that products are placed in television programmes, particularly those paid for by the licence fee. I note that the BBC no longer insists on people saying sticky-backed plastic instead of Sellotape, and I do not have a problem with that, but I would not want to go down the US route, where programmes are sponsored by Coca-Cola and there are large Coca-Cola cups in front of jurors for "The X Factor" or "Pop Idol" and so on. Audiences want to know when they are being sold something and we should support that important part of the directive.

One issue that, as far as I know, has never been mentioned in this House but has been debated at some length in Europe is the cost of mobile telephony when roaming around other countries in Europe. I thought that we were meant to have a single market, yet the difference in cost between a Latvian phoning home when in Malta and a British person phoning from Germany is dramatic. Mobile telephone companies have been grossly overcharging around Europe for many years. It is only because of the Commission's intervention in the past few months that, at the very last minute, some mobile phone companies have decided to cut their fees for roaming calls. I am glad that they are doing so, but it is only sometimes thanks to the international efforts of the European Commission—for which it rarely gets any praise, although I note that it managed to get a whole laudatory front page out of the *Daily Mail* on one occasion—that some businesses are prepared to take action.

I end by talking about an area to which the Foreign Secretary referred: EU-Iran relations. I know that many hon. Members and many members of the public feel that the most important issue to be addressed at the moment is that of Iran's intentions when it comes to enrichment of plutonium. I share that concern and I believe that Britain has played an important role, working with our French and German colleagues, to make sure that we have a robust policy. That has paid dividends by bringing not only the Russians and Chinese, but the Americans to a sane and sensible position. I hope that the Iranians will, in the very near future, respond positively to the proposal for talks. The EU representative, Javier Solana, has also played an important role in ensuring that the negotiations between the EU3 have been successful and that the Iranian Government fully understand the EU position.

Equally important, however, is the issue of human rights in Iran. Iran's human rights record is grisly. It has been so for many years, but in many ways it has become worse in the past 18 months. Last week in the other place, Lord Triesman reported that the number of executions in Iran had increased dramatically compared with this time last year. We know that the use of the death penalty in Iran is on the increase: Amnesty International reckons that there were at least 94 instances of its use last year in Iran, and the International Federation of Human Rights estimates a much higher number of cases—between 300 and 400.

I know that not all hon. Members believe that the death penalty is wrong. I believe that it is wrong in all instances, just as torture is wrong, but it is particularly wrong when it is imposed on minors—those aged under 18. Last year, at least nine people aged under 18 were executed in Iran. In 2004, a 16-year-old girl was hanged for fornication and a 14-year-old boy was whipped to death for eating during Ramadan. That is not a situation that people either in this country or across the European Union can countenance any longer.

Furthermore, the death penalty is regularly used in Iran for lavaat, or homosexuality. On 19 July 2005, Ayaz Marhuuni and Mahmoud Askari were executed in Mashhad. They were both 17, although the authorities tried to say that they were 19, and at the time of the alleged crimes, they were probably 15 or 16. Almost certainly, the charges presented against them, which changed from day to day, were trumped up. Not only were they hanged, but it was not a British-style hanging; instead, as is often the case when the death penalty is used for lavaat, they were executed by a slow hanging method whereby a thin cord is placed to the side of the neck so that the neck does not break and the person struggles on the cord, often for several minutes, before being asphyxiated. It is a deliberately brutal and cruel death, which we should not countenance.

At least 11 people were executed for lavaat between December 2004 and November 2005. Many more have been sentenced and no more has been heard of them, but we can be fairly certain that in many cases the execution has happened, not in public as used to happen, but in private. In addition to that, there are many honour killings in parts of Iran. One expert on the Ahwaz region said that homosexuals

> "are generally killed in Ahwaz, by the security forces or by their male kin, in one of three ways: strangulation, throat-slitting or decapitation. If the homosexual youths are killed by the security forces, their corpses—frequently decapitated but accompanied by their heads—are left in the street. Their families therefore have a certain tragic incentive to kill them more humanely"—

Madam Deputy Speaker: Order. In the limited time left, the hon. Gentleman should relate his remarks to the European Union.

Chris Bryant: I am grateful to you, Madam Deputy Speaker. I was about to say that what the EU has tried to do, albeit perhaps not frequently enough, is raise such human rights issues in its discussions with the Iranian authorities. I believe that this week provides a real opportunity for the EU to make progress and, in

[Chris Bryant]

particular, to make sure that no EU country repatriates anyone from Iran who seeks asylum by virtue of their homosexuality. Some people have been repatriated to Iran by other European countries and have subsequently been executed. There are, of course, countries in Europe that have a mixed record on those human rights issues, but I believe that the EU has a unique opportunity to move forward with a robust record on human rights.

6.29 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): After a long period away from the House, it is a pleasure to take part in one of our Euro bashes. We should have a website, "Euro debaters reunited", because we debate the issue in the same fashion, and make the same arguments every six months, hands warmly clasped around one another's throats.

Our debates, however, have become rather sad. Europe used to be a serious threat for some Members, but now it has all the savagery of a dead sheep. Some Members regard it as a bright vision to distract people from reality, but that vision has become remarkably tired. Europe has ceased to be relevant to our lives—it is no longer a front-line issue, as it has all the excitement and relevance of a debate on late library fines or the regular brushing of teeth. It has become a backwater, and it is of less concern to us, because it is of less concern to the people of Europe. They do not want more enlargement, and they certainly do not want Turkey to join. They do not want a constitution, even though regular séances are held in Brussels and the Government have participated in efforts to introduce it by the back door, and they do not want the hydra of a European foreign policy. As a result, Europe is treading water, and the question of what we get out of it and what it is for is more important, particularly as our contribution has risen to £6 billion a year. If we include our contribution to European institutions apart from the budget, it rises to £8 billion a year. If we add the cost of regulation, we pay 4 per cent. of our gross domestic product to belong to an economic union that has become the high-unemployment, low-growth blackspot of the western world.

Europe has opted for a system of bankers' rule, resulting in high interest rates and a high exchange rate that will become even higher as the dollar comes down, thus strangling European economies, including the recently improved German economy. In the major European countries, unemployment is at 8 or 9 per cent. or even higher, but we cannot expand demand to deal with the problem. If we cannot provide economic satisfaction and run the economy for the benefit of our people by providing them with jobs, democracy is over, because they will riot and change the Government. The unions will go on strike, and nothing can be done because Europe is locked into deflation and a system of bankers' rule. The French and Italians used regularly to devalue their currencies because they wanted to remain competitive against the Germans and keep their economies going, but they cannot do so any more. There is nothing that democracies can do to improve their economic position. The Minister for Europe wishes to make Europe fun and amusing, but he would be better employed telling people what it is for and what effect it has on their daily lives, apart from a depressing one.

6.33 pm

Mr. Graham Brady (Altrincham and Sale, West) (Con): As always, it is a pleasure to follow the hon. Member for Great Grimsby (Mr. Mitchell), and to conclude our debate, to which stimulating contributions were made by Members on both sides of the House. Our debates have become more interesting as the need to find a new approach to EU policy becomes more pressing. My hon. Friend the Member for North-East Bedfordshire (Alistair Burt) made a characteristically good speech, and I can assure him that we will not persecute him. Indeed, I hope that he will participate in our debates more often in future. He rightly pointed to the growing consensus on deregulation and on economic reform in the EU, but a corresponding movement towards flexible structures and away from the burdens imposed by the constitution is sadly lacking.

My hon. Friend the Member for North Dorset (Mr. Walter) made an important speech about transparency and scrutiny, and reminded the House of the role of interparliamentary bodies such as the parliamentary delegation of the Western European Union. My hon. Friend the Member for North-West Cambridgeshire (Mr. Vara) spoke about the extraordinary arrogance of European politicians, who are determined to ignore the will of the people, and he reminded the House of the pressing economic challenge faced by the EU.

The hon. Member for Ilford, South (Mike Gapes), the Chairman of the Select Committee, warned that the constitution might rise from the dead at precisely the time of the next general election—surely an excellent reason why the Government might want to declare emphatically now that they would veto it, and that there is no point in bringing the constitution back at any time in the future. That view was shared, I think, by the hon. Member for Barnsley, Central (Mr. Illsley).

My right hon. and learned Friend the Member for Devizes (Mr. Ancram) revealed that he has become addicted to European debates. It is a pleasure to see him back and contributing to them. He went on to highlight the folly of assuming that the constitution is dead, and warned that the Government are missing a golden opportunity to change the direction of the European Union—a point also made by my hon. Friend the Member for Stone (Mr. Cash).

The hon. Member for Birmingham, Edgbaston (Ms Stuart) made a thoughtful speech, which bodes well for the speech that she will make tomorrow at Open Europe, to which I look forward to listening. She spoke about buns and babies, big ones and small ones, ins and outs, but most crucially, she acknowledged the importance of making it possible to return powers to the member states, ending the process whereby the acquis communautaire is a one-way street. We would welcome such flexibility in the structure of the European Union.

Mr. Cash: On the common fisheries policy and the common agricultural policy, I note that in his

important speech my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) stated that both policies

"have failed, economically and environmentally. Conservatives have long sought more local and national control in both these areas".

He also spoke about reasserting

"national control over social and employment legislation."

Would I be right in thinking that the party's policy would not be to rule out the idea of establishing national control with respect to the common agricultural policy and the common fisheries policy?

Mr. Brady: My hon. Friend is right. We have ruled out nothing in respect of the methods that we would use to achieve what all rational people must accept as a necessary objective—to find a system that works, instead of one that has failed so badly. He refers to our top priority, which is to return national control of our social and employment regulations. That is critical not just for us, but in leading the way in the European Union. Only when we have done that will we see the Lisbon agenda finally unlocked and others realising that they need to make real changes if they are to avoid the relative economic decline in which the continent is at present locked.

The hon. Member for Newcastle upon Tyne, North (Mr. Henderson) spoke of the way in which the EU has changed over the past 15 years. He said that there has been more emphasis on the political structure, and he spoke in favour of a European defence structure, although he said that it could proceed only with popular support. It would be interesting to know where he believes that support will come from, as there is no evidence of it.

The only frustration in winding up for the Opposition is that the Minister for Europe always has the last word and I cannot reply to his speech. Today, I express my sincere thanks to him for taking the unusual step of making his speech this morning to the Centre for European Reform. He has been keeping us in suspense for some time. As my right hon. Friend the Member for Richmond, Yorks said, the Minister has refused to answer questions about the future of the constitution, for fear of having to say what he would like to see in its place.

I read the Minister's speech with great anticipation and could hardly contain my excitement. He succeeded at least in making Europe more interesting for me. However, instead of the serious attempt that I had hoped to see to answer the burning questions of the day, there was a vacuum. Where was his position on the constitution? Does he believe it is dead or does he believe it can come back? Where was his position on the working time directive and the crucial need to regain control of our social and employment costs? Where was his answer to the question whether the Government are poised to surrender our veto over justice and police matters?

My right hon. Friend referred earlier to the written answer that I received from the Home Office a couple of days ago, which stated that when such a proposal was made,

"we would have to consider very carefully the potential risks and benefits and the overall impact of such a move."

It is time the Government were prepared to come to a position of principle and say what they believe and where they stand on this important matter.

In his speech this morning, the Minister for Europe stated that public support for the European Union in this country has fallen from 57 per cent. in the early 1990s to 33 per cent. today. He pointed out that 37 per cent. of British people are now looking to buy property overseas—perhaps it is because they are so desperate to get away from the Labour Government. He said that huge benefits have derived from our membership of the European Union, but he also said that

"our citizens seem to take it all for granted."

He blamed the people rather than himself and his colleagues, who have not communicated the case. Support might have declined as the EU has moved further away from being a market and further towards being a political union.

He talked about the huge political disillusionment across Europe that leads to low turnout in elections. Does he agree that disillusionment is greater when democratic choices are ignored, as the French and Dutch referendums appear to have been, or when Governments, such as our own, refuse the opportunity to hold a vote in the first place? He discussed the need to create a Europe that addresses the priorities of the people, but he does not seem to understand that the wide priorities will come to the fore in European affairs only when we have finally consigned the constitution to the dustbin and recognised that that is precisely the wrong direction.

The British Government have been content to sit mute and vacillating showing no leadership and making no contribution to the debate. As the hon. Member for Birmingham, Edgbaston has hinted, there is a danger that they will look stupid if they continue just to sit. It would be better if we were represented at the summit by someone like the Czech President, Vaclav Klaus, who is a man of real principle and who will be putting the arguments, which British Ministers should be making, for a more flexible EU.

We have supposedly had a national debate. According to a written answer from the Minister for Europe, it has been limited in the course of the past few months to

"a range of events across the UK"—

including

"What is next for the East Midlands in Europe?"—

It was an event

"held on 27 January 2006; a debate on the future of Europe at King's College London on 10 February; and an event on trans-national co-operation in Taunton on 15 March".—[*Official Report*, 5 June 2006; Vol. 447, c. 336W.]

He was unable to adduce any other evidence that the Government are leading a national debate.

In the analogy of the hon. Member for Glasgow, South-West (Mr. Davidson), the water will carry on cascading down the hill because, as the burden of red tape continues to increase, the costs will continue to be piled on. As the council of British Chambers of Commerce in Europe has put it,

"the underlying political bedrock for economic growth across Europe is far from stable. Progress on the Lisbon Agency is

[Mr. Brady]

depressingly slow...the objective of achieving a 'dynamic and competitive knowledge-based economy' by 2010 seems a bad joke."

There is no point in Mr. Barroso, the Commission President, scrapping a few outdated directives if the growth of massively damaging directives, such as the working time directive, continues. The Minister for Europe may want to comment in his winding-up speech on the latest proposal from the Austrian presidency to increase the scope of the working time directive, which, according to the BCC, has already cost the UK £16 billion. Why did the TUC spokesman quoted in *Labour Research* on 1 February say:

"One thing is certain; in the long run the UK will not be able to retain the opt-out in its current form. The choice facing the Council of Ministers is between imposing much tougher conditions on how the opt-out is used and phasing it out altogether."

Why? Surely that illustrates perfectly the damage that is being done through the extensive application of qualified majority voting in areas in which it is clearly inappropriate. Is it not also a compelling argument for our position, which my right hon. Friend the Member for Richmond, Yorks reiterated last week in his speech to Open Europe, that Britain should seek to take back control of our own social and employment legislation?

The British Government failed miserably to set out a new vision for the European Union during their presidency, and they also squandered the following six months. The so-called period of reflection has been a period of silence for Britain. While other EU Governments have variously ratified the EU constitution, called for the French to vote again and said that the treaty should be cherry-picked or that it should proceed for some countries and not for others, the British Government have said nothing.

Can the Minister now start to fill in some of the facts for the House? Will the Government support the establishment of a fundamental rights agency? If so, what assurance can he give us that it will have no powers to interfere in the internal affairs of the United Kingdom? Can he be certain that it will not duplicate the work of the Council of Europe?

Will the Minister spell out in detail the Government's position on police and judicial affairs? Are the Government prepared to surrender that crucial veto, or will they hold firm against one of the biggest proposals from the constitution being allowed in through the back door? I hope that he will indicate that co-operation in policing matters is acceptable, and indeed desirable, but that national control over these areas must be maintained.

Will the Minister share with us the Government's assessment of the UK debate in the period of reflection, which, according to a recent written answer that he gave me, will be placed in the Library tomorrow? Will he make it clear that Britain will veto any moves towards an EU diplomatic service? Will he clarify whether a common European energy policy can be achieved through co-operation between member states and confirm that there is no need, and no case, for a new EU competence in this area? I do not expect much by way of reply, because if the Government had a real vision for the future they would not have been so coy about sharing it with the British people over the past few months. Indeed, they have been content to allow others to make the running and to see the process of integration resume.

Our vision is based on the fact that we have seen and understood that the EU, as it is, is failing. We have begun to set out how the EU must change if it is to prosper in future. It should not be an ever-closer union pursuing an outdated dream of increased integration; instead, it should be a structure to aid and encourage co-operation between free democratic member states. At the core of the EU should be a truly open internal market. Our aim should be to remove the remaining obstacles to trade and to widen boundaries. The creation of a new transatlantic free trade area would be a better goal for Britain to pursue than the absurd obsession with a constitution for Europe.

Britain will devote its energy to that goal only when the constitution has finally been declared dead. It is time that the British Government and our EU partners were prepared to confront the stark choice that lies before us—to continue in relative economic decline under the current model of centralisation and over-regulation, or to create a flexible, open, deregulated European Union fit for the challenges of the 21st century. Nothing that we have heard from the Government today or in the past 12 months gives grounds for optimism that they have the vision or energy to lead the European Union out of its current crisis.

6.47 pm

The Minister for Europe (Mr. Geoffrey Hoon): I am delighted to see that debate on Europe's priorities is very much alive in this House. As I highlighted in my speech this morning to the Centre for European Reform, it is a debate that has not always been taken up by the people of Europe, and it is clearly something that we need to encourage.

If I may say so, the right hon. Member for Richmond, Yorks (Mr. Hague) was uncharacteristically unkind to those of his hon. Friends, and mine, who contributed to the debate, because we have had a lively, thoughtful and serious debate about the issues. I would not suggest that anyone has repeated arguments that they have advanced before, although it is fair to say that there was a tinge of familiarity from days past about the speech by the hon. Member for Stone (Mr. Cash).

Among Labour Members, we heard serious and thoughtful speeches by my hon. Friends the Members for Lanark and Hamilton, East (Mr. Hood), for Newcastle upon Tyne, North (Mr. Henderson), for Birmingham, Edgbaston (Ms Stuart), for Ilford, South (Mike Gapes), for Barnsley, Central (Mr. Illsley), for Leicester, East (Keith Vaz), for Glasgow, South-West (Mr. Davidson), for Rhondda (Chris Bryant) and for Great Grimsby (Mr. Mitchell).

Hon. Members asked several questions relating to other key foreign policy issues, which I will attempt to answer in the short time that I have available. First, I should like to conclude our discussion on the EU's priorities and the opening of tomorrow's European Council. My right hon. Friend the Foreign Secretary comprehensively set out the discussions that we expect to take place over the next couple of days and the UK's objectives in those discussions. Our ambition, at this

Council and in the future, is to ensure that the EU continues to deliver real outcomes on a programme designed to address the serious problems of the day, which are of course also the issues that our citizens care passionately about. The 39 per cent. turnout at the 2004 European elections shows that despite the fact that we are working more closely with EU institutions than ever before on an agenda that has been very much driven by the United Kingdom, our citizens do not always see the benefits and opportunities that our EU membership provides. I am not in the business of apportioning blame, but deeply sceptical media in this country and, nowadays, a rabidly anti-European Conservative party have not helped.

I made the point to the hon. Member for Stone that when he and I first debated Europe in 1992, when I was first elected to the House of Commons and was still a Member of the European Parliament, he was in an isolated minority on the Conservative Benches. There was a handful of supporters for such views but the great majority of Conservative Members, including Front Benchers—such as the right hon. Member for Richmond, Yorks, who was about to become a Cabinet Minister—were essentially pro-European, supportive of the Maastricht treaty and arguing for its acceptance by the House and the country. Now, the hon. Member for Stone represents the mainstream of Conservative thinking on Europe. I detect little difference between what he used to say then and what Conservative Front Benchers say today. To that extent he has met with great success, but the other side of the coin is that Conservative Front Benchers have met with great failure.

Mr. Cash: Will the Minister for Europe come into the present and acknowledge that today's Order Paper contains an order for Second Reading of the European Union Bill, which would implement the European constitutional treaty that the Government have put on ice? Will the Government clearly state before tomorrow's summit that they will take it off the Order Paper?

Mr. Hoon: No. What interested me about contributions from the Conservative Benches was the subtle, sophisticated and straightforward speech that the hon. Member for North-East Bedfordshire (Alistair Burt) made. He always speaks eloquently and clearly. Let us contrast that with the position of most other Conservative Members. In the hon. Gentleman's plea in favour of his unrequited passion for the German Chancellor, he did not seem to see the logic of the position that he was setting out. He said that the German Chancellor, a Christian Democrat, was setting out a vision for Europe that Conservatives should adopt. What is the reaction of the leader of the Conservative party? He does not want to meet the German Chancellor, who is the leading light on the centre right in Europe today. I have had more meetings with the German Chancellor than the leader of the Conservative party has. I have probably held more meetings than most Conservative Members have with leading members of the Christian Democrats throughout Europe. That demonstrates the Conservative party's isolation in Europe.

We heard that position clearly enunciated by the right hon. Member for Richmond, Yorks and repeated by the hon. Member for Altrincham and Sale, West (Mr. Brady). The Conservatives want a wholesale change in the treaty. That is a perfectly proper political ambition—or at least, it would be if even one other party in the European Union agreed with them. However, they are totally isolated and playing a game of fantasy Europe. They invent policies because they cannot deal with the reality of what is happening in the European Union today. They are trying to pretend that somehow, there is a way through without facing reality. Unless and until they face up to the genuine issues and problems, no one can take their views seriously.

The right hon. Member for Richmond, Yorks gave an entertaining, characteristically witty speech. However, at the end of it no one was any the wiser about what the Conservative party pretends to believe. We must all deal with Europe as it is, not how we might like it to be.

Mr. Vara: The Minister questions Conservative policies. Will he enlighten the House on his party's policy on the constitution? Why have there been so many U-turns, with the Prime Minister wanting a referendum and then not wanting one?

Mr. Hoon: As I have already said, the difference between the Labour party and the Conservative party is that we are dealing, day in, day out, with the realities of what is happening in the European Union. The hon. Gentleman was not here at the time of the Maastricht treaty debates, which occupied the House for months on end. At that stage, the Conservative Government were grappling with the detail and having to confront the realities of constitutional change in the European Union. It was a painful process for the Conservative party, because the hon. Member for Stone and his sidekicks caused enormous trouble for the then Government. Nevertheless, that treaty was ratified in the end. It was agreed by the House on behalf of this country. That is the difference between the Conservative party then, when it was seriously engaged in European issues, and its current pathetic attempt to pretend that it is discussing those matters.

Mr. Brady: Is the right hon. Gentleman really saying that there is an unstoppable momentum towards further integration with the EU? That would be a huge cause for concern. We, and the hon. Member for Birmingham, Edgbaston (Ms Stuart), say that it should be possible to bring powers back, but is the right hon. Gentleman saying that there is no point in the British people or the British Parliament saying that, because we simply have to roll over and do what we are told by Brussels?

Mr. Hoon: Is that really the hon. Gentleman's position? Does he really think that that is what happens, and that Brussels makes sure that everything it wants to achieve happens, while the British Government simply go along with it? He knows that that is not the case. The illustrations that he gave earlier included the working time directive. One of the reasons why the working time directive has not been implemented is that the Government have preserved our opt-out, to ensure that we do not jeopardise this country's huge economic success by implementing

[Mr. Hoon]

legislation that we do not judge to be appropriate at this stage. That is the way in which we deal with real issues, unlike those on the Conservative Front Bench.

Mr. Stewart Jackson (Peterborough) (Con): I am touched by the right hon. Gentleman's obsession with the internal politics of the Conservative party rather than with the politics of the Labour party and the Government. If he and his colleagues have made such a positive case for the European Union over the past nine years, why is it so incredibly unpopular in polls up and down this country, and across the whole of Europe?

Mr. Hoon: The European Union is not incredibly unpopular. I suggest that the hon. Gentleman go and look at the various soundings that are taken on this issue. Neither is it popular, however, as I made clear in my speech this morning to the Centre for European Reform. My hon. Friend the Member for Rhondda mentioned mobile phone costs earlier, and we need to set out the way in which Europe makes a huge difference to people's lives. Another practical illustration of that is the number of cheap flights that all our constituents take advantage of these days. Anyone who comes to my local airport, East Midlands airport, will see planes full of our constituents travelling regularly on cheap flights across Europe—*[Interruption.]* I am being heckled about this. I have to say that I too am on those flights, so I speak from experience. Those changes were achieved in this country only as a result of legislation in the European Union.

David Taylor: I am grateful to my regional neighbour for giving way. Does he acknowledge that the growth in cheap flights has almost nothing to do with our membership of the European Union, and everything to do with aviation being a tax-free zone in Europe, as in other parts of the world?

Mr. Hoon: I am sorry that my hon. Friend made that point, because he is completely wrong. If he looks at the history of the development of European transport he will see that the only reason why those cheap flights are possible is that, through the European Union, we brought an end to the restrictive practices under which a limited number of national carriers were protected by their Governments and prevented from flying from airports such as East Midlands and many other regional airports around the country to regional airports in other parts of the European Union.

That is an example of European Union legislation directly benefiting our constituents and our citizens. It illustrates the challenge that we face, which, as I made clear in my speech this morning, is to ensure that we can demonstrate the benefits that flow from an increasingly integrated single market. Who was the Prime Minister who regularly extended qualified majority voting in order to ensure that we had a successful functioning single market? It was Baroness Thatcher. When I was a member of the Legal Committee of the European Parliament dealing with single market issues, she was responsible on 12 occasions for changing the basis of qualified majority voting to ensure that the development of the single market benefited the people of the United Kingdom and of the European Union. We must ensure that that process continues.

We must go on completing the single market, because it provides benefit for British business and enormous opportunities, in an enlarged European Union, to sell to a single market of 460 million consumers. That has been an enormous advantage for the United Kingdom, and when the Conservatives were thinking seriously about European issues, they recognised that. We now have no idea where they stand on those issues. They are supposed to be sympathetic to the interests of British business, but their policies would challenge the basis on which many businesses in the United Kingdom operate, which is selling into a large single market.

If the Conservative party had its way, according to what limited knowledge we have of its position, the businesses that provide employment opportunities for people in the United Kingdom would necessarily fail. Without that single market, they would not be in a position to sell their products or employ their people. That is the challenge for the Conservative party. I accept that it is also a challenge for Government, and this Government have accepted that challenge.

It being Seven o'clock, the motion for the Adjournment of the House lapsed, without Question put.

PETITION

Telecommunications Masts

7 pm

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is my pleasure to present the petition of Mrs. Anne-Marie Jones of the Bluebridge residents association, signed by 317 others.

The petition states:

The Petition of the residents of Milton Keynes,

Declares that the proposed erection of a 24m Lattice Tower telecommunications mast at Fingle Drive, Stonebridge, Milton Keynes will have an adverse visual impact on the local community.

The Petitioners therefore request that the House of Commons urge the Government to work with Milton Keynes Council to prevent the erection of this mast.

And the Petitioners remain, etc.

To lie upon the Table.

Commonwealth Doctors and Dentists

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

7 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I regret that a Home Office Minister has drawn the short straw in having to reply to this debate. I shall not cast any aspersions on the Home Office; I shall leave that entirely to the Home Secretary. I want to raise the effects of ending work permit-free entry for international medical graduates who complete their training by working in the national health service, which will affect several thousand doctors—I have heard estimates of between 10,000 and 17,000.

The regulations were suddenly brought in on 10 March, without consultation and without discussion in the Commons. They came into effect on 3 April, and the immediate reaction was fear among international medical graduates working in the health service about their futures. Would they be allowed to stay? Would they have to have a work permit? What would happen to them? The matter was brought to my attention by Pakistani doctors in Grimsby, where more than 100 international medical graduates work in our local hospital trust. The more I found out about what is being done, the more disgraceful the situation looked. There was a working-training relationship whereby graduates from Pakistan, India—which over-produces doctors by a considerable amount—Bangladesh, Malaysia, Sri Lanka and other Commonwealth countries came here to complete their training by working in the health service and did not need work permits to do so. That relationship benefits us, the health service that employs them and the home country, because those doctors return better skilled and better trained.

The NHS has always incorporated international medical graduates, whose initial qualifications were obtained outside the UK, under the permit-free training system. We therefore had a commitment to help train international medical graduates from the Commonwealth, who work as house officers, senior house officers and in other capacities in the health service. Some of them stay on to higher grade posts, some obtain qualifications from the royal colleges and improve their skills when they get back home, and some stay and work as GPs, often in the most difficult and deprived areas of the country, where we need them. Some, of course, go home. The system has served us well. It has served the origin countries well, too, as the training that they get is of a high standard.

Suddenly, under the new regulations, preference must be given to graduates of British universities. Nobody quibbles with that; everybody accepts it. We must have a preference for doctors produced in our own country. The second preference, however, is for doctors from the European economic area. That means that Commonwealth doctors who previously came in without work permits will now be disadvantaged. There are doubts about the linguistic abilities and relevance of the training received by doctors in the European economic area compared with the skills and linguistic abilities of international medical graduates who must take the Professional and Linguistic Assessment Board test to work in this country. The PLAB will not be required for European economic area doctors.

First consideration being given to British and EEA doctors means that many international medical graduates will not even get an interview. Applications will therefore become very uncertain, because hospitals and other institutions will have to prove that no British or European doctors are available.

My first question is why was this measure rushed in, given that it is so far-reaching, and will impact on many doctors and other people working in the health service, and on many relationships with Commonwealth countries? I can see no reason, apart from to allow the Prime Minister to announce a new immigration system for this country, into which doctors suddenly had to be crammed at the last minute. The intention behind the old work permit-free system was to give a preference to Commonwealth doctors, but the organisations concerned were not consulted about the new measure, which was simply rushed in during March.

My second question is, why was there no consultation? I made a mistake in the early-day motion that I tabled on this issue. I said that the British Medical Association was hardly consulted, but it corrected that; it was not consulted at all. It informed me that there was a meeting in January at which the intention of introducing a new scheme was vaguely announced, but no time or other specifics were given; the scheme was announced, rather than discussed. Suddenly, a couple of months later—in March—the scheme was rushed in. So there has been no consultation with the BMA.

Lord Warner, at the Department of Health, continues to tell correspondents that there have been consultations, but there have not. Indeed, I have in front of me a long list of organisations complaining about that issue. For example, I have communicated with the Indian, Pakistani, Bangladeshi and Malaysian high commissions, none of which were consulted. All those countries and their doctors are affected by this scheme. The Overseas Doctors Association, moreover, was not consulted.

I want to read some extracts from statements that were issued to the Home Office, the Department of Health or publicly. The Royal College of Psychiatrists found that

"many trusts have put Senior House Officers on short-term contracts. Many of these contracts will expire this summer."

In response to this new initiative, work permits will be required. The RCP says that its people, who have come through their training and

"provided a service to the National Health Service...are now at risk of having to go back home."

It adds that psychiatry, which has always had a high proportion of applicants who are international medical graduates, and which has become dependent on them,

"is likely to encounter the loss of a substantial number of trainees under the New Rules, probably...more than other specialities."

The Association of Anaesthetists of Great Britain and Ireland says that the regulations have been introduced in a manner that shows little

"proper consideration for those who are already working in the NHS",

and will make it difficult for foreign graduates to come here and get postgraduate experience.

[Mr. Austin Mitchell]

The Royal College of Paediatrics and Child Health says:

"In many areas of the UK paediatric services have depended on these doctors and we have a duty to be fair to them."

I'll say we have a duty to be fair to them! It continues:

"Many face uncertain futures at short notice. Some long-standing training schemes are also threatened."

Not only does the health service depend greatly on the work of these international medical graduates; training schemes that have been developed will have to be wound up, and at short notice.

The trainees committee spokesman of the Royal College of Physicians says:

"I am particularly concerned about care of patients, especially in departments where colleagues from outside the European Community have provided the bulk of care for a long time."

It adds that

"the implementation of these rules started less than a month later on 3 April 2006. It is our view that the almost immediate implementation of these rules is unfair and potentially deleterious to patient care."

We have rushed into new regulations that will have a disastrous effect on the health service.

The Forum of International Medical Associations Chairpersons wrote to the Prime Minister saying:

"Not only will it make it impossible for any new doctor from overseas to obtain training in the UK, but doctors already under training will find their career path suddenly blocked."

The Royal College of Obstetricians and Gynaecologists states that it has

"serious anxieties about this new ruling and the impact it will have on both the short and long term future of the specialty of obstetrics and gynaecology."

There is a shortage of British recruits in that area, so we are even more reliant on doctors recruited from overseas in the traditional fashion. The president of the college has written:

"We are particularly concerned about the effects on our own specialty where there are at present insufficient UK graduates entering training to develop the workforce to sustain services. The consequences for Women's Health and for Obstetrics and Gynaecology in the short and medium term look bleak to say the least."

I have also seen correspondence from various departments of obstetrics and gynaecology. For example, the department in Sheffield thinks that it will be very difficult for it to recruit gynaecologists and obstetricians because it depends on overseas graduates. The East Lancashire Hospitals NHS Trust states:

"Currently, 72 per cent. of our trainee doctors are from outside the EU".

How will they be replaced? The trust also says:

"The process to obtain work permits is both costly and time consuming (minimum of 3 months in our experience)".

The hospital will have to put in the administrative work and pay the costs of £145 per work permit—another charge on the health service.

The Royal College of Surgeons, like many of the other royal colleges, has developed sponsorship schemes in co-operation with other nations, in which

"overseas Surgeons come to the UK for short periods to complement their local training. These doctors then return to their home country".

The RCS has an especially close relationship with Sri Lanka, but it is threatened by the innovation.

The Council of Heads of Medical Schools thinks that the change might affect student numbers and the legitimate needs of students to follow their specialty training. It also believes that it is unfair that students will be allowed only two years of permit-free training in which to complete their foundation training.

Universities UK says that many doctors who come here to train then take further medical degrees at universities, but that will no longer happen. It says that the change will affect

"precisely these doctors who after two or three years in the UK would be those considering taking an MSc to improve their medical education."

A consultant ophthalmologist, at a conference in Singapore for the south Pacific region, e-mailed me today to say:

"Nearly all the ophthalmologists in Singapore came to the UK for a period of specialist training.

We currently train all the ophthalmologists from Sri Lanka for a period of mandatory training of one year sponsored by the Sri Lankan Government."

What will happen to that scheme?

What will happen to those doctors training over here who have taken the PLAB 2 examination, which costs £430, but have not obtained a post? Will they get a work permit? What will happen to those doctors in post? Will they have to negotiate a new work permit every time they change jobs and move on to a new position? Are they going to be allowed to complete their training? What rights will they be given? None of that has been considered and there was no mention of it in the announcement. The effect has been to produce uncertainty in the health service and the medical professions, and I do not understand why the Departments involved should have acted as they did. We are talking about a highly skilled work force, to whom we owe a huge debt of gratitude and on whom the health service depends. It is monstrous that this should have happened.

The Department of Health has said that it consulted, so why is there such an outcry? Why were these fears not taken into account? Why were they not discussed and dealt with? What are the Home Office and the Department of Health going to do about it? So far, all the responses on the matter are essentially holding replies. To a reader like me, who gets so many such replies, that suggests that the Departments do not know what they are going to do. In the meantime, they are trying to fob the storm off and hope that it passes.

It would be more sensible to be honest and admit that there has been a cock-up. The two Departments involved should introduce a new scheme to keep the graduate students here and allow the NHS to have continued access to them. We are still going to need them, as the European economic area cannot produce enough graduate doctors to fill the huge gap that is going to open up. At present, between 10,000 and 17,000 such people work in the health service: we will not get that many from Europe, so we must work out how to deal with the consequences of ending the scheme.

It is possible that we could run the scheme down in a gradual manner. That would be better than suddenly

imposing new rules out of the blue, which will cause great damage to the NHS and to trainees who provide a valuable service in many parts of the country. My constituency, for instance, depends heavily on people who should not be treated so shabbily, with the two Departments involved rushing in measures without either consultation or consideration.

I have written to the Health Department and the Home Office to ask whether they will jointly receive a delegation of interested parties to discuss the problem. I am sure that the relevant high commissions and other organisations are making their own lobbying arrangements, but the most important thing is to find a way to avoid the consequences of the measure's sudden imposition. We must begin a consultation process, as should have happened much earlier on, and thus find a way to ease the transition. We need to introduce the changes gradually, rather than impose them abruptly in the space of a few weeks.

7.17 pm

The Parliamentary Under-Secretary of State for the Home Department (Joan Ryan): I begin by assuring my hon. Friend the Member for Great Grimsby (Mr. Mitchell) that I am pleased to be here to answer this debate, and that I do not believe that I drew the short straw this evening. I welcome the opportunity to talk to the House about the recent change to the immigration rules for postgraduate doctors and dentists. However, before I get into the detail of the change and address the points that have been raised, I want to take this opportunity to set out the Government's position on migration, and to set the change in context.

The five-year strategy on asylum and immigration was published over a year ago, in February 2005. It sets out the premise that we need to be clearer about which migrants we need in the UK, and why. That is the basis of our immigration system, and of our manifesto commitment to introduce a points-based system for managed migration.

It is the job of the Government to manage migration into the UK so that the needs and rights of UK citizens are maintained. That is why the points-based system for managed migration, on which we consulted widely between July and November last year, went back to first principles to identify and select the migrants whom the UK really needs, and who benefit the UK by being here.

The Government are, and have always been, very clear that migration makes a substantial contribution to economic growth because it helps to fill gaps in the labour market, including key public services, such as health and education. Migration also increases investment, innovation and entrepreneurship in the UK. Culturally, we are enriched by people with diverse backgrounds from other countries.

With an expanded EU, there is an accessible and mobile work force already contributing to our growing economy, closing many gaps experienced by employers. Our starting point is that employers should look first to recruit from the UK and the expanded EU before recruiting migrants from outside the EU. Migration needs to be properly managed. It also needs to be robust against abuse. Only those of benefit to the UK should be admitted and, once here, they must comply with the conditions of their leave.

That, then, is the underlying strategy. On that basis, we outlined our proposals for a five-tier managed migration system in the Command Paper, "A Points-Based System: Making Migration Work for Britain", which was presented to the House on 7 March. The aim of the new system is to develop a more efficient and transparent migration system that sets out clearly who is permitted to come to the UK and why. We want to design a system that is better able to identify and attract those migrants who have the most to contribute to the UK—one that offers a more efficient, transparent and objective process and that improves compliance while reducing scope for abuse. As part of that work, we have reviewed existing routes for employment, training and study with a view to identifying which are of most benefit to the UK.

Underpinning the new migration system will be a five-tier framework, which will replace more than 80 work and study routes. That will help people to understand how the system works and will direct applicants to the category that is most appropriate for them. Tier 1 will cover those highly skilled individuals who can contribute to growth and productivity. Tier 2 will be for skilled workers with a job offer, who can fill gaps in the UK labour force. Tier 3 will provide for limited numbers of low skilled workers, needed to fill temporary labour shortages. Tier 4 will accommodate overseas students. Tier 5 will cover what we describe as youth mobility and temporary workers: people who are allowed to work in the UK for a limited period of time, primarily to satisfy non-economic objectives.

We also intend to set up an independent body to identify employment shortages across all sectors of the economy. It will be known as the skills advisory body and will build on existing structures and expertise—in particular the skills for business network, which is funded in part by the Department for Education and Skills. Shortages identified by the skills advisory body will inform Government decisions on the use of migrant labour within tiers 2 and 3 of the points-based system.

I want to turn to the place of doctors and dentists within the migration system. The massive investment that we have put into NHS staff and reforming medical training to build up UK NHS capacity has worked. We now have more than 117,000 doctors working in the NHS—27,400 more than in 1997—as well as record levels of doctors in training in UK medical schools and we do not need to rely on overseas doctors as much as we did in the past. That investment and expansion, coupled with the reform of medical education, is leading to increased competition for medical posts. It has become clear that, owing to the changing labour market, the specific category within the immigration rules for doctors and dentists that allowed permit-free training could lead to the displacement of UK graduates. There has been a growing consensus that changing the rules is the right thing to do.

Mr. Mitchell: That is a hypothetical fear. There is not unemployment among British-trained doctors. At the moment, there are 20,000 Commonwealth doctors working in hospitals in the health service, and we are dependent on them. What will happen to them? That is

[Mr. Austin Mitchell]

the big question. What will happen to their futures? It is all right to say that we need to protect British doctors—everybody agrees with that—but why now, so suddenly and so abruptly?

Joan Ryan: Those are the very points that I am addressing at the moment. Despite the changes, there is nothing to say that overseas doctors from outside the European economic area cannot work in the national health service. It only has to be demonstrated that such a doctor is needed because a post cannot be filled by a doctor from the UK or the EEA. We do not expect a mass exodus of the doctors who are here at present.

Mr. Mitchell: Such a decision will have to be made by the appointing hospital. If it could not find anyone from Britain or the EEA, it could then call in applications from international medical graduates and Commonwealth doctors. However, such applications could not be called in until that point, so the hospital would not necessarily be choosing the most able people because the search would be insufficiently wide and it would have to make appointments by category. Additionally, some medical graduates from overseas might not even get an interview. People are basing their careers and planning their lives around a period of training in this country and their qualification depends on that. However, they now have no certainty about what will happen.

Joan Ryan: If I can make a little progress, some of the answers to those points will perhaps become a little clearer.

It is only right that jobs and training programmes that are available in the UK for junior doctors should go first to UK nationals. That is the principle of ensuring that UK workers have access to jobs, which is the principle at the heart of our migration system and, indeed, the migration systems of developed countries throughout the world. I make no apology for the fact that the Government are committed to fostering the talent and harnessing the abilities of our own citizens.

The changes that we have made to the immigration rules for postgraduate doctors and dentists do not mean that we will no longer allow doctors and dentists from overseas to come and train in the UK. They mean that, as in other sectors of the economy, UK and EEA nationals must be considered first. Non-EEA nationals who wish to come to the UK as new doctors or dentists will still be able to do so, but they will have to apply in a way that is the norm for other overseas workers. That means that employers who wish to appoint an overseas doctor or dentist first have to demonstrate that they cannot find a UK or EEA national to fill the post.

When considering the changes, we wanted to reduce as far as possible the burden on NHS trusts, postgraduate deans and individual hospitals. We thus announced the changes in March so that we could give people as much time as possible to plan for their effect before the next round of appointments to posts started in August. I recognise that we did not provide full details of the changes before they came into effect, but we took steps to ensure that all relevant stakeholders were consulted on, and informed about, the general intention of the changes. Officials from the Department of Health and the Home Office outlined the proposed changes at a NHS work force planning meeting in January, which was held well in advance of the changes coming into effect in April. Since then, officials have had several meetings and discussions with stakeholders, so I do not accept the allegation that we did not consult adequately on the change.

There have been some regrettable reports in the media regarding the change, such as suggestions that all overseas doctors and dentists training in the UK will be asked to leave before they complete their training. Those with leave granted under the previous rules still have that leave and are subject to the same conditions as they were before the changes were made. That means that they can complete ongoing posts and take new posts within the period for which they have leave. We have also put in place transitional arrangements to allow certain doctors and dentists who are in the middle of training programmes or training posts to switch into the work permit system without requiring employers to advertise the job and demonstrate that they cannot find a UK or EEA national to fill the post.

As well as making transitional arrangements for those already in training, we have retained some provisions for overseas doctors and dentists in the future. If people have chosen to study medicine or dentistry in the UK and completed their degree here, we have made provision for them to stay on in the UK to undertake the next stage of their training.

The changes are not the end of the road. They are a step on the way to a more coherent and consistent migration system and a response to the success of our programmes for recruiting and training UK doctors.

The motion having been made at Seven o'clock, and the debate having continued for half an hour, MADAM DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at half-past Seven o'clock.

House of Commons

Thursday 15 June 2006

The House met at half-past Ten o'clock

PRAYERS

The Speaker having leave of absence pursuant to Order [16 May], THE CHAIRMAN OF WAYS AND MEANS *took the Chair as* DEPUTY SPEAKER.

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Science and Innovation

1. **Andrew Miller** (Ellesmere Port and Neston) (Lab): What assessment he has made of the potential impact on the economy of Government encouragement of investment in science and innovation. [77539]

6. **Helen Southworth** (Warrington, South) (Lab): What his assessment is of the impact on the economy of investment in science and innovation. [77547]

The Chancellor of the Exchequer (Mr. Gordon Brown): With science spending doubling since 1997 and research and development credits now worth £1.5 billion to business, Britain has seen 200 spin-off businesses created each year compared with 70 10 years ago. To support Britain as the world's best location for science, the Minister for Science and Innovation is announcing today that he will build on our proposed new institute for energy and environmental research and the single budget for health research by inviting the Royal Society to create new international science fellowships to bring the world's best scientists to the United Kingdom.

The House might be interested to know on the day of the national service of thanksgiving to mark Her Majesty the Queen's 80th birthday that, in addition to a crown piece to celebrate her diamond wedding anniversary, there will be two £2 coins, one to mark the Union of 1707 and a second to mark the abolition of the slave trade in 1807.

Andrew Miller: I thank my right hon. Friend for his recent visit to Ellesmere Port, which was truly welcomed by the Vauxhall work force and management. What steps does he intend to take to enable UK manufacturers such as Vauxhall to position themselves so that the UK can take a leading role in future vehicles beyond the internal combustion engine?

Mr. Brown: To visit Ellesmere Port, to have confidence that the workers there can win the next model for Ellesmere Port and to know that 1.6 million cars are now being produced in Britain is to have faith in the future of British manufacturing, as long as it is modern and efficient.

In addition to all the other measures that we are taking, including the new institute to study environmental and energy technologies, there will be capital allowances available for investment in environmental technologies related to fuel. We are also working with Brazil, South Africa and Mozambique to develop bioethanol from sugar, which will contribute to our meeting our renewables obligation. We are determined to have the most environmentally efficient means of producing fuel in future.

Helen Southworth: The Northwest Development Agency has committed more than £50 million to develop Daresbury science and innovation campus. We now have a return on that investment, with 22 ultra-high-tech companies based at the centre. Will my right hon. Friend come to see world-class science in action at Daresbury and discuss further investment opportunities?

Mr. Brown: I am grateful to my hon. Friend, who has worked hard to promote new investment for that important scientific campus. I understand that the Northwest Development Agency is investing about £50 million in that campus, which is one of two science and innovation campuses. Not only are 22 businesses operating there, but considerable new infrastructure investment is being made to attract businesses for the future. That reflects our recognition that, in modern manufacturing, we need to promote advanced science and technologies so that in future we lead the world in key technologies. The north-west is an important part of the new investment.

Dr. Vincent Cable (Twickenham) (LD): How does the Chancellor explain the fact that, on the one hand, 80 university science departments have closed in the past six years because of the squeeze on university research and teaching of science while, on the other, he is handing out £1.5 billion of taxpayers' money every year to private companies, which have access to shareholders' funds and capital markets and which have rewarded his generosity by increasing R and D not one iota? Is there not a fundamental lack of coherence in the Government's approach to science and innovation?

Mr. Brown: The lack of coherence is in the Liberal tax and spending plans that were announced only a few days ago. There seems to be a £20 billion gap in the spending plans of the hon. Gentleman's party.

I hope that the hon. Gentleman will support the £1.5 billion in R and D tax credits so that Britain is a scientific leader in future. I hope that he supports our doubling of the science budget for the United Kingdom, so that instead of being behind the rest of the world as we were under the Conservatives, we are catching up and hope to lead the world. I hope that he also supports the money that we are putting into universities. It seems to me that in every part of the country the Liberals are making promises to spend on universities, science and R and D tax credits, but he must now explain his £20 billion spending gap.

Mr. Michael Fallon (Sevenoaks) (Con): Who is the Chancellor fooling when he boasts about extra investment in science, given that the permanent secretary at the Department for Education and Skills told the Select Committee yesterday that overall funding was going to get tighter? If total education and science spending is to increase more slowly than transport spending, is it any wonder that we end up with 15 million people who the Secretary of State for Education and Skills says would not pass maths GCSE?

Mr. Brown: We will take no lectures from the hon. Gentleman. When we came into power, spending per pupil was £2,500. It is now £5,000 per pupil. We have doubled spending per pupil. When we came into power, spending on university students had been falling under the Conservative Government. It is now rising as a result of what we are doing. We have set the ambition that we will increase spending per pupil. By 2011, capital spending per pupil will equal that in private schools. I would have thought that Opposition Members would want to support our ambitions in this area.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. Friend remember when he listens to Twickenham Man that Twickenham does not have a university? Huddersfield does have a university. I was with Huddersfield, Bradford and York universities only last Friday. They are enthusiastic about the innovation, the science, the technology and the investment that has been going on over the past nine years. Will my right hon. Friend remember that I was told, "You don't look at a university campus to find an entrepreneur."? We need new ways to bring more entrepreneurial spirit and activity on to university campuses.

Mr. Brown: I am grateful to my hon. Friend, who chairs the Education and Skills Select Committee. He will be aware of the fact which I set out initially in the main answer to the question. It is that 200 companies are spun off from universities every year. That is three times what was achieved under the Conservative Government before us. There are 20 companies now listed on the stock exchange—this is in the past two years—that have a combined capital of £1 billion. The idea that Britain is not moving forward, as has been suggested by the shadow Chancellor, in high technology and science-based industries is completely wrong. We are making considerable advances and we shall continue to do so, but it depends on us making the commitment to both education and science, which we have done, but which other parties seem unprepared to do.

David Simpson (Upper Bann) (DUP): I am sure that the Chancellor will join me in congratulating three schools in my constituency that have received prestigious awards under the young enterprise programme for innovation. There has been a difficulty with funding throughout the United Kingdom. Has that problem been rectified? Lastly, I wish the right hon. Gentleman well for his trip to the Province on Monday.

Mr. Brown: I am looking forward to visiting Northern Ireland on Monday and meeting representatives of all political parties. No doubt I shall hear some spending representations from many of them.

The enterprise insight programme in Northern Ireland has been a tremendous success. It has encouraged young people to take up business opportunities and many have started their own businesses once they have left school or college. At the same time, throughout the United Kingdom, thousands of school children are involved in enterprise programmes, particularly as part of enterprise week. We are determined to continue to fund them. I would be happy to meet the hon. Gentleman to talk about funding for his area.

Climate Change (Taxation)

3. **Anne Snelgrove** (South Swindon) (Lab): What recent assessment he has made of the effects of the climate change levy on carbon emissions. [77541]

4. **Ms Angela C. Smith** (Sheffield, Hillsborough) (Lab): What recent assessment he has made of the impact of the climate change levy on carbon emissions. [77542]

11. **David Wright** (Telford) (Lab): What his policy is on using taxation to tackle climate change; and if he will make a statement. [77552]

The Financial Secretary to the Treasury (John Healey): The climate change levy is playing a crucial role in enabling the UK to meet its Kyoto targets. An independent valuation conducted recently by Cambridge Econometrics has examined the levy. It concluded that the levy would, by 2010, deliver annual carbon savings of 3.5 million tonnes. That is far in advance of the forecast of 2 million tonnes of carbon when we introduced the levy.

Anne Snelgrove: This is an issue of great concern to growing numbers of my constituents, who are concerned that their children and grandchildren's futures will be marred by global warming. Given that the climate change levy package has reduced emissions of carbon by 16.5 million tonnes and is a vital part of meeting our Kyoto commitments, how does the UK's progress on meeting these commitments compare with our international colleagues?

John Healey: My hon. Friend is right. The UK led the way with introducing the climate change levy, and now it is the sort of measure that is required throughout the European Union. We led the way in introducing an emissions trading scheme, and we led the way also in setting up and strengthening the European Commission's scheme. We are leading as well with our commitment to Kyoto. Along with the Netherlands and Sweden, we are one of only three EU member states, of 15 countries, in being on track to meet our Kyoto targets.

On climate change, the test for all parties is whether they will back the domestic action that is needed in

Britain. In addition, can they wield the international influence that is required to secure the international action that is needed even more badly?

Ms Angela C. Smith: I am sure that every Government Member accepts that the levy plays a significant role in reducing carbon emissions. Does my hon. Friend agree that it is an industry-friendly measure, given the incentives that it provides to improve energy efficiency and thus the cost-effectiveness of British business?

John Healey: My hon. Friend will remember that when we introduced the climate change levy, we also introduced a 0.3 per cent. cut in employers' national insurance contributions. She will be aware of the launch of a new campaign by the Carbon Trust, which is linked to the climate change levy. British businesses will waste more than £500 million over the summer if they fail to adopt energy efficiency failures, and the campaign demonstrates that the trust can help them by delivering an average 15 per cent. saving in energy efficiency and business costs. Clearly, the climate change levy package can help business and the environment, so I hope that it receives support from Members on both sides of the House.

David Wright: How can we better use the tax system to promote microgeneration in residential properties? The technology is expensive to install initially, and the payback period is very long, so can we incentivise home owners to invest in microgeneration technology at the front end to avoid that long payback period?

John Healey: My hon. Friend will be aware that we reduced VAT rates on all significant microgeneration technologies that are installed professionally in domestic or charitable buildings. That is the extent of the action that we can take under existing VAT rules, but he will know that my right hon. Friend the Chancellor anncunced in the Budget extra support to try to boost microgeneration technologies and build the market in Britain. Demand is still too low for the technology to take off, but we want that to change. As a Government, we are prepared to try to help, as we want the technology to spread much more widely across Britain.

Mr. Paul Goodman (Wycombe) (Con): The Chancellor recently claimed that one of his favourite memories is Paul Gascoigne's goal against Scotland in 1996, but Whelan claims that, after the goal, the Chancellor was so upset that he would not speak to him for weeks. Which of the Chancellor's claims is more credible—his claim that people support his climate change levy, rather than a proper tax or levy on carbon, or his claim that he will support England tonight?

John Healey: There are several questions at the heart of the challenge of climate change. Does the hon. Gentleman accept that the climate change levy has delivered greater reductions in carbon emissions than forecast and that almost a fifth of carbon savings in our Kyoto commitment have been delivered by the climate change levy package? Does he therefore accept that his right hon. Friend the Member for West Dorset (Mr. Letwin) was wrong when he said in the House:

> "We regard the climate change levy as an aberration that should never have been brought before Parliament"?—[*Official Report*, 18 July 2000; Vol. 354, c. 322.]

Julia Goldsworthy (Falmouth and Camborne) (LD): Does the Minister consider it appropriate that revenues from green taxes as a proportion of the total tax take have fallen while emissions continue to rise?

John Healey: The hon. Lady, typically for a Liberal, takes a simplistic view. I have two things to say to her. First, the point of environmental taxation is not, contrary to the Liberals' view, taxation for taxation's sake: it is about the change in behaviour and opinion that those taxes can achieve. It is wrong to look at taxation simply in terms of the total tax receipts, because environmental taxes can influence behaviour and lead to a reduction in receipts. Environmental taxes can be used, as can discounts for biofuels and climate change agreements, to achieve significant environmental ends without raising the environmental tax take. Secondly, as the hon. Lady looks at the big black hole in her spending and tax plans and the £8 billion of environmental taxes that she would impose on people, I urge her to take a more sophisticated view, and we look forward to her plans in future.

Science Funding (North-East)

5. **Mr. Kevan Jones** (North Durham) (Lab): What recent discussions he has had on Government funding for science in the north-east. [77543]

The Chief Secretary to the Treasury (Mr. Stephen Timms): I have received a number of representations on regional funding, including on science and innovation, and will consider them in our work on public spending over the coming year.

Mr. Jones: Will my hon. Friend join me in congratulating Durham county council and the County Durham Development Company on their NETPark project, a major science park being developed in County Durham? Does he agree that it is important that such innovation has the full backing of all Government agencies, including the regional development agency? Will he look into why £4 million of funding has been withdrawn from the new plastic electronics centre at the site for budgetary reasons?

Mr. Timms: I gladly join my hon. Friend in congratulating Durham county council and I agree that it is an important issue for the region's productivity. That is why I welcome the decision of One NorthEast to commit £200 million over five years to building up the scientific research and innovation of the north-east. I will certainly look further into the particular case that he mentioned. Last week, I met the chief executive of AddIt North-East, whose role is to pool public sector communications demand as a lever to build a world-class infrastructure for the region. That lever is being applied with particular success in the north-east.

G8 Finance Ministers Meeting

7. **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): If he will make a statement on the outcome of the most recent meeting of G8 finance ministers. [77548]

The Chancellor of the Exchequer (Mr. Gordon Brown): The G8 communiqué called for an enhanced dialogue between oil producers and oil consumers to bring greater stability to the oil and energy markets, supported the education for all initiative on international development and advanced market commitments for health. The communiqué also called for an urgent agreement on world trade to thwart the dangers of protectionism.

Mark Lazarowicz: My right hon. Friend referred to the education for all initiative and he will be aware that thousands of schools up and down the country, including Leith Walk, Trinity and Granton schools in my own constituency, supported the "My friend needs a teacher" campaign. What positive steps were Finance Ministers able to take to advance the commitments made on this matter at Gleneagles last year?

Mr. Brown: Hundreds of schools around the country are now linking up with schools in developing countries, and the Department for International Development is providing support to enable those schools to have teacher exchanges or contact between the pupils in the different countries. I applaud the initiative of the schools in my hon. Friend's constituency. As to progressing the education for all initiative, 110 million children are not going to school today, two thirds of whom are girls. For $10 billion a year, we could provide education for every child. As the House knows, the British Government have set aside £8 billion over the next 10 years to make possible a major education initiative that will help millions of children into school, but we will need the support of other countries and also the fast-track initiative of the World Bank to expand to achieve that. We discussed with other countries on Saturday how to secure a co-ordinated campaign to enhance the number of children going to school. That will be a subject for the G8 meeting next month, which the Prime Minister will attend, and will also feature in the September meetings of the World Bank, where we hope to reach further agreements. It is a major international initiative and I hope that, by this time next year, we will have signed up all the major countries to make it possible.

Mr. Brooks Newmark (Braintree) (Con): Did the G8 Ministers discuss the importance of education in preparing our children for the highly competitive global economy in which we live, or did the Chancellor tell G8 Ministers the truth about his pledge instead, which is, in the words of the permanent secretary in the Department for Education and Skills, that it is a "pipe dream" and that

"no research was being done"

on it? He said that it was designed for the next day's headlines, not for the next generation of school children.

Mr. Brown: What the hon. Gentleman says is completely wrong. I announced in the Budget new money for capital spending on schools, so that each pupil in state schools would have exactly the same amount of capital spending invested in him or her as is the case in private schools. *[Interruption.]* They do not think that investment in buildings or computers or equipment is important. *[Interruption.]* When we came to power, the average investment per pupil in buildings and equipment was £100 a year; today it is £1,000 a year—a tenfold rise. The hon. Gentleman should look at his own party's policies, which have consistently tried to cut expenditure on education.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): Will the Chancellor continue his commitment made at Gleneagles last year to halve world poverty by 2015? If the wealthiest countries can increase their spending from £20 billion a year to £200 billion a year over the next decade, we can indeed reach that target. If his fellow Finance Ministers think that is challenging, will they look at global arms expenditure, which is £900 billion? In the comprehensive spending review that he will announce later this month, will he give a commitment that the United Kingdom will do more than its bit to ensure that the target of halving world poverty by 2015 is achieved?

Mr. Brown: International development spending in the United Kingdom increased last year and this year and will increase next year. We are on course to meet our targets for international development spending. World development aid is increasing. We have signed the agreements that make it possible to write off multilateral debt, so in total we expect up to £170 billion of debt to be written off. The condition of that is that the money will go to education, health and anti-poverty programmes in the developing countries. At next month's meeting of the G8, we are determined to push forward so that every country agrees that the commitments that we made for the millennium development goals on poverty, education and health are met. I hope that that is the common view in all parts of the House.

Mrs. Theresa Villiers (Chipping Barnet) (Con): Did the G8 Finance Ministers discuss the fact that in 2005 Britain recorded its slowest economic growth for 13 years? In the first quarter of this year, our growth put us 15th out of the 23 Organisation for Economic Co-operation and Development states that have reported so far. We are below the OECD average, below the G7 average, behind the EU 25 and no better than the poorly performing eurozone. We may be ahead of slow-growing France, Germany and Italy, but when will we start catching up with the world's successful economies?

Mr. Brown: The Conservatives seem to be banking on a recession. They must face up to the fact that growth is strengthening this year and will be faster in the second half of the year than in the first half. Growth since 1997 is far faster than it was in the 18 years before 1997, and we are the country that has low inflation, low interest rates, high employment and sustained growth—the opposite of what happened with two major recessions in the Conservative years. The

hon. Lady will also have to face up to the fact that, to maintain our levels of growth, we will need the investment in education and science and the investment in the infrastructure for the future, so her announcement at the time of the Budget that she would not support the additional public spending will have to be revisited. I hope that she will agree that she has to do that.

Mrs. Villiers: The Chancellor is in denial about the way everything is going in the economy. If everything is going so well, why has Derek Scott, the former economic adviser to the Prime Minister, criticised the Chancellor's "higher taxes", "intrusive micromanagement", "deteriorating fiscal position" and "burdensome regulation"? Does the right hon. Gentleman agree with Derek Scott, a Labour insider, that Labour's record is "mixed", "depressing" and "dispiriting"?

Mr. Brown: If things are going so badly, why did the shadow Chancellor praise us only a few months ago for our record of macro-economic stability? Why did he praise us for having an economic record in creating stability, which his party had never achieved? If things are going so badly on regulation, why did the Heritage Foundation, which is beloved of the right wing of the Conservative party, report that we are a more liberal and deregulated economy now than in 1997, when we took office? If things are going so badly, why are there more people in work, why are interest rates low, why are there more home owners, and why is there more prosperity in this country than ever the Conservatives could achieve?

Debt Cancellation

8. **Chris McCafferty** (Calder Valley) (Lab): What recent assessment he has made of progress on cancellation of the debt of the world's poorest countries. [77549]

The Economic Secretary to the Treasury (Ed Balls): At their spring meeting, the World Bank governors confirmed the 100 per cent. debt cancellation for heavily indebted poor countries, matching the debt relief that the International Monetary Fund has been providing since January. World Bank debt cancellation will be implemented on 1 July, the first day of its financial year. Debt relief is already making a difference in Zambia, for example, where the Government are using the proceeds of debt relief to abolish health fees for rural populations.

Chris McCafferty: How will my hon. Friend ensure that the funds released to the poorest countries through debt cancellation will be used for basic services to achieve the millennium development goals, particularly reproductive health services for HIV prevention, the reduction of child and maternal mortality and gender empowerment?

Ed Balls: My hon. Friend is right to press us on those issues. She has considerable expertise and a fine record of campaigning on those issues over many years. She has mentioned reproductive health, and she knows that unprotected sex is the most common cause of HIV/AIDS infection, which currently affects millions in developing countries, including 2 million children around the world. Worldwide, less than one in five people have access to HIV prevention services. Last year, DFID spent £242.9 million on improving maternal health services and reproductive health services, but, as I have highlighted in the case of Zambia, releasing resources for investment in preventive health care is the particular focus of discussions. We must do everything that we can to fight the scourge of AIDS around the world.

Mr. Mark Hoban (Fareham) (Con): The Chancellor has highlighted the importance of trade as well as of debt cancellation as a means of lifting people out of poverty. The Government know that a good result from the Doha round will lift more people out of poverty and improve the economies of particular countries. When did the Chancellor last meet Peter Mandelson face to face to put that case?

Ed Balls: We are in regular touch with commissioners on all those issues. The successful completion of the round is extremely important. Although we made progress at the end of last year, the situation is still disappointing. The hon. Gentleman is right to press for further action, and we will not lower our ambitions. In particular, agriculture is key—we need an ambitious outcome to the round, which means an ambitious outcome on agriculture. We will continue to press commissioners and Trade Ministers around the world to get an outcome as soon as possible.

Kitty Ussher (Burnley) (Lab): Will my hon. Friend join me in congratulating organisations such as Jubilee 2000 on their work over many years in highlighting the need to cancel debt in the poorest countries of the world? Does he agree that that type of people power can be incredibly effective both at home and abroad? Will he therefore update the House—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. That is at least two questions.

Ed Balls: My hon. Friend is absolutely right. Make Poverty History was a truly brilliant campaign—it was probably the most successful political campaign that I have ever seen in terms of mobilising, in particular, young people to support international social justice. There has also been some fine campaigning by hon. Members. In particular, my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) is promoting a private Member's Bill that has Government support tomorrow. The Bill will make sure that we continue to make progress on the millennium development goals, and I urge all hon. Members to be here tomorrow to support it.

Tax Credits

9. **Malcolm Bruce** (Gordon) (LD): What steps he is taking to tackle overpayment of tax credits. [77550]

The Paymaster General (Dawn Primarolo): End of year adjustments are an integral part of the flexible system that responds to families' circumstances as they

change. Eliminating the need for adjustments would require a move to a fixed system, where eligibility would be based on the previous year's income and circumstances, which would diminish responsiveness. The Government have introduced administrative enhancements and policy developments to improve the operation of the tax credits system, which includes measures to reduce overpayments.

Malcolm Bruce: I hope that that works. Last month, the Paymaster General wrote to me confirming that, after an examination of the transcripts of a constituent's telephone calls to the Revenue, the Revenue acknowledged that it had incorrectly advised the constituent, that the constituent would not have to repay the sums involved and that the constituent would be compensated. Given the clear evidence that staff are finding it difficult to cope with the system, the lack of staff training, the evidence of fraud and the injustice to so many thousands of citizens who have claimed those credits and who have been forced to pay them back, will she acknowledge that the Revenue should always examine the transcripts and not persist in issuing denials when the mistake is usually theirs and not the constituent's?

Dawn Primarolo: Improvements to the tax credit system have been discussed in detail in this House, and I am sure that those discussions will continue. I cannot comment on the specific case raised by the hon. Gentleman, but the system to determine whether an error has occurred and whether an overpayment should be written off is clearly defined and clearly followed. If he believes that that has not happened in the individual case that he has mentioned, I am happy for him to bring it to me again.

Mr. Brian Jenkins (Tamworth) (Lab): My right hon. Friend will realise the hardship that is caused to many families who have to repay tax credits, but does she recognise, as I do, that only a fool or a knave would ever pretend that we will get this 100 per cent. correct? I assure her that I would rather be struggling to defend overpayments than underpayments under this scheme.

Dawn Primarolo: My hon. Friend is making a very clear case. Some 6 million families are receiving tax credits, and their role in lifting 700,000 children out of poverty is making a huge contribution to all our communities. Their flexible and responsive nature is particularly important for families whose incomes fall and who therefore need more tax credits. He will know from last year's figures that 700,000 families' incomes fell significantly and they then received extra support from the tax credits system, which the system supported by the Opposition—the Liberals and the Tories—would have denied them.

Mr. Mark Francois (Rayleigh) (Con): Yet another question on tax credits; yet another occasion on which the Chancellor has failed to defend his own failed policy. In 2004-05, almost half of the 6 million tax credit payments were wrong. This week, the Institute for Public Policy Research, Labour's favourite think-tank, produced a report that said:

"as the system currently operates, there are real doubts about whether this is an effective policy mechanism."

When will the Chancellor accept personal responsibility for his creation of a massively over-complicated system that is causing misery to millions of families and needs to be reformed?

Dawn Primarolo: It does not matter how much the hon. Gentleman wriggles in trying to disguise the fact that the Conservatives want to abolish tax credits and take them away from millions of families, because he cannot deny that whenever this has been discussed in the House, including by the Treasury Committee, it has been concluded that tax credits are a significant contribution to challenging and eradicating poverty. The basic policy is correct, and the administration must follow that.

David Taylor (North-West Leicestershire) (Lab/Co-op): There is no doubt that tax credits have helped millions of families—thousands in North-West Leicestershire and in every other constituency—in tackling poverty. However, can my right hon. Friend reassure the House that the substantial income disregard that is being implemented is the best way of tackling poverty? Is it not at least possible that it will be a significant incentive to collusion in fraud in some cases? What assessment has been made of the cost of this new initiative?

Dawn Primarolo: First, as my hon. Friend can see, the package of announcements, including the disregard, is in the pre-Budget report books. Secondly, tax credits have two objectives: first, to assist in the eradication of poverty; and secondly, to help people to into work. The disregard is designed specifically to help people to transfer into work and to support them in that early period. Thirdly, I can give my hon. Friend the undertaking that he seeks in that the tax credits system will continue to ensure a robust compliance strategy.

Inheritance Tax

10. **Mr. Peter Bone** (Wellingborough) (Con): What the total cost was of administering inheritance tax in each of the last five years; and what the estimated cost is for 2006-07. [77551]

The Chief Secretary to the Treasury (Mr. Stephen Timms): The cost of collecting each pound of inheritance tax was 1.23p in 2000-01, 1.21p in 2001-02, 1.38p in 2002-03, 1.21p in 2003-04 and 1.14p in 2004-05, the most recent year for which figures are available. I do not expect a big change in the current year.

Mr. Bone: Why will not the Government scrap this morally indefensible tax?

Mr. Timms: Because it is morally the right tax. Only 6 per cent. of estates paid inheritance tax last year. The zero threshold is £285,000 this year, rising to £325,000

in 2009-10. All wealth passed to spouses or civil partners is tax free. It is right to apply tax in that way and we will continue to do so. If the hon. Gentleman is suggesting that it should be abolished, he needs to explain where the money would come from.

Helen Goodman (Bishop Auckland) (Lab): Does my hon. Friend agree that any party that claims to be concerned about equal opportunities must have a fair inheritance tax regime?

Mr. Timms: I do agree; my hon. Friend is right. I expect inheritance tax to raise £3.6 billion this year. The Conservative party needs to identify the spending that would be cut or the taxes that would be raised to fill the gap.

Tax Credits

12. **Mr. Andrew Pelling** (Croydon, Central) (Con): What steps he is taking to reduce underpayments of tax credits. [77553]

The Paymaster General (Dawn Primarolo): Her Majesty's Revenue and Customs actively encourages claimants to report changes in circumstances promptly to reduce the likelihood of underpayment.

Mr. Pelling: I thank the right hon. Lady for that answer. Will she take cognisance of the Treasury Committee's suggestion that a complete analysis should be made of official error? Would that analysis be published?

Dawn Primarolo: A full statement on the strategies for tackling fraud and error will be published shortly.

Mr. David Laws (Yeovil) (LD): The Treasury report on tax credit fraud and error was supposed to be released last month. I understand from the Department that it has been completed. Where is it?

Dawn Primarolo: The report will be published shortly.

Science and Innovation

13. **Mrs. Siân C. James** (Swansea, East) (Lab): What assessment he has made of the contribution of expenditure on science to the performance of the economy; and if he will make a statement. [77554]

The Chief Secretary to the Treasury (Mr. Stephen Timms): A study by the Organisation for Economic Co-operation and Development in 2001 found that a 1 per cent. increase in public research and development spending leads to a productivity rise of 0.17 per cent. There is also growing evidence of a link between effective use of information and communications technology and higher productivity.

Mrs. James: I thank my hon. Friend for his response. I believe that it is important to invest in science to help the UK economy grow and for us to compete in an ever increasing global economy. I draw his attention to the semi-conductor company, Pure Wafer, in my constituency. It is the only company outside Japan with the technology and capability to recycle 300 mm silicon wafers on a global scale. It has received grant assistance and brought jobs to Swansea, and it was recently awarded the title of Welsh company of the year. Will he ensure that the Government continue to invest in science to provide local jobs and help us to compete on a global scale?

Mr. Timms: I can certainly give my hon. Friend that assurance. I congratulate the company in her constituency and pay tribute to the support that she gives it and other firms in her area. The 10-year strategy for science that we launched two years ago set out the ambition that public and private investment in research and development should reach 2.5 per cent. of GDP by 2014. Thanks to the new stability that we have achieved in the British economy plus the extra support for science, we can look forward to many more examples, such as that to which my hon. Friend drew the House's attention.

Adam Price (Carmarthen, East and Dinefwr) (PC): Given the Chief Secretary's comments about the link between science expenditure and economic development, why does Wales, with 5 per cent. of the UK population, receive only 2 per cent. of the science budget, which is about a third of what the Government spent last year on science overseas?

Mr. Timms: The science budget will reach £3.4 billion by the next financial year—more than twice the 1997 level in cash terms. Of course, many decisions about money that is committed in Wales are now for the Welsh Assembly. However, there are many outstanding examples in Wales of science-based companies thriving, thanks to what the Government have done.

Bioethanol

15. **Mr. Bob Blizzard** (Waveney) (Lab): If he will make a statement on tax on bioethanol. [77556]

The Financial Secretary to the Treasury (John Healey): We are strongly committed to supporting the development of biofuels in Britain. The Budget announced an extension of the 20p per litre discount on both biodiesel and bioethanol and that will run until at least 2008-09. The Chancellor also made a range of announcements to bring into force a renewable transport obligation.

Mr. Blizzard: Several weeks ago, I had the pleasure of launching one of the country's first bioethanol pumps at a filling station in Lowestoft. This is a symbol of our determination in East Anglia to lead the way on biofuels. We have new biofuel plants coming on stream, but is my hon. Friend satisfied with the present rate of progress? Does he think that the process needs more encouragement? What discussions is he having with motor manufacturers to ensure that we have vehicles

that can use bioethanol and petrol in the same tank—as they have in Brazil—ready for the new bioethanol revolution?

John Healey: I welcome the introduction of the new bioethanol pump in my hon. Friend's constituency. East Anglia is taking the lead in many ways. One of the first bioethanol plants is likely to be set up in Wissington, close to my hon. Friend's constituency. The industry is being given great support and encouragement by the package of measures that the Chancellor announced in the Budget. That will give greater certainty about the development of the market. Clearly, even to reach the level at which 5 per cent. of our road fuels are derived from renewable sources—which is the level of the obligation—will involve a huge step up. However, I am confident that we now have in place the sort of package that will lead to that sort of development. The development of engine technology and of the technical specifications for fuel will be part and parcel of our ability to push well beyond 5 per cent. after 2010-11.

Mark Pritchard (The Wrekin) (Con): In an earlier response to a question about bioethanol, the Chancellor mentioned Mozambique. Does the Minister acknowledge that there are many sugar beet farmers around this country, not least in Shropshire, which has 600, with 200 in my constituency alone? They would be more than willing, able and keen to assist the Government in meeting their climate change targets, if only there were a guaranteed market, and incentives rather than a stick. Will the Minister send out a message today to Shropshire farmers—rather than just Mozambique farmers—about how the Government will encourage them to get into the bioethanol market?

John Healey: I am not sure that the hon. Gentleman has looked at the package of proposals put in place by my right hon. Friend in the Budget. Nor am I sure that he has looked at the reaction of the industry to those measures, or at the plans for the new bioethanol plants in this country. The purpose of our policy is to develop the biofuels market in Britain, which will provide new opportunities for British farmers. However, we are not providing a fresh form of subsidy for British production. We are interested in building the biofuels market and gaining the environmental benefits from it. The managing director of Losonoco, one of the firms due to set up two bioethanol plants in the UK, has said that, from the firm's perspective, it was a good Budget and that the support that the Government is giving to the biofuels sector was very encouraging.

Mr. David Kidney (Stafford) (Lab): We now have in place all the right economic instruments, including the reduction in fuel duty, the capital allowances for new developments and the proposed renewable transport fuel obligation. Does my hon. Friend agree that what we need now are home-grown entrepreneurs to come forward to make the most of home-grown fuels?

John Healey: My hon. Friend is right. The Government can go only so far. We have put in place the framework of incentives and support for the development of the market, but, in the end, it requires private investment and private enterprise. The signs are good, but private industry and investment must now do the heavy lifting.

Tax Credits

16. **Mr. Laurence Robertson** (Tewkesbury) (Con): What estimate he has made of the amount of overpaid tax credits in Gloucestershire during 2005-06. [77557]

The Paymaster General (Dawn Primarolo): The information requested by the hon. Gentleman will not be available until family circumstances and incomes for 2005-06 have been finalised.

Mr. Robertson: I thank the Minister for her response. She will be aware that a considerable amount of tax credits have been overpaid through no fault of the claimant and that, when they have to pay the money back, it causes considerable hardship. I recently wrote to her about a case in which the claimant had put her income down on the claim form, but not in the specific box required. She subsequently confirmed that that was her income, but was then overpaid because the Inland Revenue was unable to take account of what she had reported to them. She is now faced with a bill for £3,500, which she cannot pay back. Will the Paymaster General look into that case, and into the whole issue of overpayments that are absolutely no fault of the claimant?

Dawn Primarolo: I am sure, Mr. Deputy Speaker, that you would not want me to conduct an MP's surgery here in Treasury Questions—[Hon. Members: "Go on."] Perhaps I should not have said that. The hon. Gentleman should write to me on that specific case and I will look into it—a facility that I offer to all Members. I remind him that during 2003-04, the first year of the scheme's operation, 54,000 families received tax credits. In 2004-05, that figure rose to 60,000, and some of those families, because of their income, benefited to the tune of £2,400 or more. The crucial point is that tax credits in Gloucestershire and everywhere else are contributing to lifting children out of poverty and assisting families and parents to return to work.

UK Productivity

17. **Miss Julie Kirkbride** (Bromsgrove) (Con): What recent assessment he has made of the productivity of UK business. [77559]

The Economic Secretary to the Treasury (Ed Balls): The Budget report provided an assessment of all areas of the UK economy and UK competitiveness, including gross domestic product, productivity growth, labour market performance and economic stability.

Miss Kirkbride: I think that I thank the Minister for that non-answer. He was a special adviser in the Treasury when the Chancellor of the Exchequer made

it one of his first priorities, back in 1997, to raise economic productivity. The Minister must know that his Government have singularly failed to do that, and that we have actually dropped down the economic competitiveness league. What is he going to do, through tax and regulation, to make the economy of this country a good deal better than it has been in the past nine years?

Ed Balls: I thank the hon. Lady for her question and for being here to ask it. The fact is that since 1997, productivity has grown in every quarter under this Government, unlike under the previous Conservative Government, when it fell. This week's edition of "Employment Outlook", produced by the Organisation for Economic Co-operation and Development, tells us:

"Britain has scored the highest employment rate and the best combination of unemployment and inactivity rates in the G7 countries for the first time in 50 years."

We have combined stability, strengthening productivity and record levels of employment. People will remember the difference between that record and the record of previous decades, when we suffered the deepest recession since the second world war and the longest recession since the second world war, when people suffered from negative equity and when we had high interest rates. People do not want to go back to those days.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): One of the areas of concern for manufacturing in my constituency is the cost of energy. In the light of that, and given what has been stated about the next generation of nuclear power, what is the Treasury's view?

Ed Balls: My hon. Friend is right to point out that the high cost of energy in recent months has been an issue for British industry, and more generally for the economy. On Monday, the Governor of the Bank of England talked about the pressures on the economy as a result of the high oil prices around the world. An energy review, which will report in a few months time, will be a Government report and will set out exactly how we can have an energy policy that meets our climate change obligations and also delivers security and diversity of supply. That report will refer to the need for a range of measures and of sources of energy, but we will need to wait for the final details before we can comment on it.

Ann Winterton (Congleton) (Con): Is the Minister aware that business and industry are more heavily taxed now than ever before? In 1997, the tax take was £80 billion; this year, it is £140 billion, due to corporation tax, national insurance tax and other taxation. On top of that, there a huge amount of regulation, some of which is emanating from the European Union. Is it any wonder that companies, including headquarters in the City of London, are thinking of relocating elsewhere?

Ed Balls: As I said in a speech yesterday, the number of listings in the UK has been rising, rather than falling, in recent years. We have cut corporation tax from 33p to 30p. We have cut small business tax. We have also cut capital gains tax from 40p to 10p since 1997. However, the hon. Lady includes in her figures one tax that we did raise: a £5 billion windfall tax on the privatised utilities. The Conservatives opposed it, but it has helped to get down unemployment—particularly youth unemployment—in constituencies across the country. I would like her to support that tax rise, but I fear that she will not do so.

Climate Change Levy

18. **Albert Owen** (Ynys Môn) (Lab): What recent discussions he has had on the climate change levy and its impact on carbon emissions. [77560]

The Financial Secretary to the Treasury (John Healey): We have discussions with a wide range of groups on a wide range of issues, including the climate change levy. Talking of discussions, next week we will be able to debate and vote on the climate change levy as part of the Finance Bill; indeed, we will discuss it with all parties in this House, and I hope that all will back it at that point. In particular, I hope that, for once, we will see backing from the Conservatives on the environment, instead of opposing the levy. I hope that they will support the measures that we are taking.

Albert Owen: I am grateful to my hon. Friend for that response. He will know that high energy users, including the aluminium smelter sector, have reduced their CO_2 emissions considerably because of incentives provided by the Government, through changes to national insurance and part-exemption from the climate change levy. That has allowed smelters, including Anglesey Aluminium in my constituency, to reduce their carbon emissions by up to 30 per cent. Will he consider that issue further when climate change is under discussion, to ensure that British manufacturing, including smelters, is more productive? Does he agree that that carrot and stick approach is just what British industry needs?

John Healey: My hon. Friend is right in that the package that we introduced with the climate change levy included the important climate change agreements, giving an 80 per cent. discount from the levy for high energy, high intensive sectors, especially those facing international competition. We were able to introduce those discounts for 42 sectors and have since added five more. We are looking to legislate for those five more, building on an extra nine that we added previously. We are trying to strike an essential balance with a package of measures that gets us the environmental gains that we need, but protects the competitiveness of British industry. We have achieved that with the climate change levy package and I hope that we will receive support from both sides of the House for the Finance Bill next week, instead of the Tories—to coin a phrase—talking tough and voting soft.

Tax Credits

20. **Greg Clark** (Tunbridge Wells) (Con): What criteria he used in deciding on his response to the request from the Institute for Fiscal Studies for information on the cost of the £25,000 income disregard for tax credits. [77562]

The Paymaster General (Dawn Primarolo): In responding to the freedom of information request from the Institute for Fiscal Studies and in the subsequent review of the decision, officials at Her Majesty's Revenue and Customs followed the criteria set out in the Freedom of Information Act 2000.

Greg Clark: The Paymaster General knows exactly what the likely cost of the increased disregard will be, but in rejecting the freedom of information request she said that officials had to balance the public interest in disclosing the information with the public interest in withholding it. What is the public interest in preventing MPs from knowing the cost of her policy? Is it not a shameful situation for the Chancellor of the Exchequer to be afraid of scrutiny of his flagship policy?

Dawn Primarolo: On the first question that the hon. Gentleman posed, the information has been made available to the House. On the specific point of the Freedom of Information Act 2000, Her Majesty's Revenue and Customs is a non-ministerial department. It is for officials to follow the criteria set out in the Act, and that is precisely what they did.

Mr. David Gauke (South-West Hertfordshire) (Con): The Paymaster General will be aware that the Treasury Committee's report, published recently, criticised the lack of understanding of the cost of the new package, including the disregard, as well as a failure to understand the roles of IT, fraud and official error. The report also stated that the Committee was not convinced that the Paymaster General fully realised

"the extent to which HMRC needs to re-focus its administrative structures for tax credits around the needs of claimants."

Since that report was published, has the penny finally dropped?

Dawn Primarolo: The Treasury Committee said:

"We commend HMRC for the positive step it has taken towards improving the way it deals with complex cases, by setting up a specialist team for the express purpose".

The Committee also commended HMRC for the moves it has made to improve its work.

The report said that

"we welcome the fact that the Government is seeking to improve the operation of the tax credits regime by introducing a package of reforms."

The Treasury Committee's report commented in detail and commended the department on the administrative changes it is making. The press release by the Committee also acknowledged that tax credits are the right policy.

Pension Reform

21. **Mr. Philip Dunne** (Ludlow) (Con): What discussions he has had with the Secretary of State for Work and Pensions on the tax implications of pension reform; and if he will make a statement. [77563]

The Economic Secretary to the Treasury (Ed Balls): I am pleased, if somewhat surprised, to be able to answer question 21. My right hon. Friend the Chancellor and Treasury Ministers have regular discussions with the Secretary of State for Work and Pensions on a range of matters, including those relating to pension reform.

Mr. Dunne: I am grateful for that very informative response. In evidence to the Treasury Select Committee earlier this week, the Secretary of State for Work and Pensions was unable to give a clear-cut assurance that increases in the basic state pension would definitely be linked to earnings, not just in 2012 but throughout the life of the next Parliament. It is increasingly unlikely that the Chancellor will be in a position of influence over the next Government, but will the Economic Secretary say whether he has any doubts about the affordability of that key plank of the Government's pension reforms?

Ed Balls: I know that the hon. Gentleman keeps a close eye on pension issues, as a member of the Select Committee and through his website, where he has expressed his concerns about affordability. The Government's position was set out clearly in the White Paper. We want to introduce the earnings link by 2012, and certainly by 2015. Our aim is to reform pensions in an affordable way that is fair to future generations as well as to this one. That is what we will deliver.

Rob Marris (Wolverhampton, South-West) (Lab): Tax relief on pension contributions currently costs £18 billion a year in foregone tax revenue, and there will be further tax relief under the new pension arrangements proposed by my right hon. Friend Secretary of State for Work and Pensions. However, the evidence from the Department for Work and Pensions is that tax relief has a negligible effect on how much is saved in pension schemes. Why is there tax relief under the new scheme, when the existing relief is not doing what it was designed to do?

Ed Balls: As my hon. Friend knows, people pay tax on their pensions when they receive them, and they receive tax relief as they contribute to their pensions. That has been the system in this country for many years, and it is the right way to ensure that we encourage people to save for retirement. We want more rather than fewer people to use the tax reliefs by saving for their pensions, and that is why the current system will continue after the White Paper has been implemented.

Business of the House

11.31 am

Mrs. Theresa May (Maidenhead) (Con): Will the Leader of the House give the business for the coming weeks?

The Leader of the House of Commons (Mr. Jack Straw): The business for next week will be as follows:

MONDAY 19 JUNE—Second Reading of Safeguarding Vulnerable Groups Bill [*Lords*].

TUESDAY 20 JUNE—Remaining stages of the Children and Adoption Bill [*Lords*].

WEDNESDAY 21 JUNE—Opposition day [17th allotted day]. There will be a debate on the future of the BBC, followed by a debate entitled "The Failure of the Government's Housing and Planning Policy". Both debates arise on Opposition motions.

THURSDAY 22 JUNE—A debate on defence policy on a motion for the Adjournment of the House.

FRIDAY 23 JUNE—The House will not be sitting.

The provisional business for the following week will be:

MONDAY 26 JUNE—Second Reading of the Charities Bill [*Lords*].

TUESDAY 27 JUNE—A debate on pensions on a Government motion.

WEDNESDAY 28 JUNE—A motion to approve the Police and Criminal Evidence Act 1984 (Code of Practice C and Code of Practice H) Order 2006, followed by consideration of Lords amendments to the National Lottery Bill, followed by consideration of Lords amendments to the Childcare Bill.

THURSDAY 29 JUNE—Remaining stages of the Commons Bill [*Lords*].

FRIDAY 30 JUNE—The House will not be sitting.

I should also let the House know that the business in Westminster Hall for Thursday 22 June will now be a debate on human rights in the Democratic People's Republic of Korea.

Mrs. May: I thank the Leader of the House for giving us the business over the next two weeks. A few weeks ago, the Health Secretary said that it had been the "best year ever" for the health service, but the chief executive of the NHS Confederation said yesterday that the NHS was facing its "toughest year ever". She said that trusts were facing

"a string of directives, one on top of the other, often contradictory",

in a system that was

"long on plans and short on strategy",

and which focused on

"what we report rather than what we deliver."

The Leader of the House regularly tells us about what the Government have done in respect of the NHS. Can we have statement from the Health Secretary on the future of the NHS, and on how she will cut the directives and targets and let staff get on with their jobs?

The organisation Fathers Direct recently produced advice for fathers with the help of a grant from the Government. One thing that the Government can do to help fathers is to support co-parenting on separation, so will the Leader of the House urge the Education Secretary to support co-parenting in next Tuesday's debate on the Children and Adoption Bill?

Apparently, the Prime Minister's proposed fundamental review of Government spending has hit the buffers—I guess that they are otherwise known as the Chancellor of the Exchequer. Last month, the Prime Minister described the review as a vital foundation for spending plans. When will the Chancellor allow the review to be published, and will it be debated in this House?

On financial matters, in Treasury questions Members raised yesterday's evidence from the permanent secretary at the Department for Education and Skills, in which he said that the Chancellor's Budget objective to increase education spending to the current level for private schools was simply an aspiration and that no work was being done on it in the Department. May we have a statement both from the Chancellor, giving further clarification of what he meant when he set that Budget objective, and from the Secretary of State for Education and Skills, explaining why his Department is not doing what is necessary to put in place the Chancellor's aspiration?

The Home Office's failure to start the procurement process on time has reportedly delayed the identity card scheme—another project so important to Ministers. May we have a statement from the Home Secretary on the future timetable for that project? Indeed, given the Government's record, may we have a debate on their handling of IT projects? For example, the Child Support Agency implemented a £465 million new computer system 18 months late and tens of thousands of cases are still stuck in the system. The new IT system for the passport agency was delayed and over budget, and led to more than 500,000 people waiting for passports. The Criminal Records Bureau's new computer system was delivered six months late and £145 million over budget, built up a backlog of 30,000 cases, and has led to people being refused jobs because the wrong data were used, which, of course, brings me back to Home Office incompetence—a recurring theme in business questions recently.

This week, we have seen yet another example of the Home Secretary trying to blame everyone but the Government for the problems in our criminal justice system; if he is not blaming the civil servants, he is blaming the judges. Does the Leader of the House agree that what the public want is honest sentencing? They want to know that when someone is told that they will be in prison for 18 years, they will be in prison for 18 years and will not be let out halfway through or, worse still, when they have served only a third of their sentence. May we have a debate on sentencing policy? Then we can discuss why the Government's action on sentencing means that a man who kidnapped and sexually assaulted a three-year-old girl can be let out of prison after less than six years.

Let us look at the numbers: nine years in government, three large majorities and 54 criminal justice Bills, but only one person to blame—the Prime Minister.

Mr. Straw: First, the right hon. Lady referred to comments about the NHS and said what is needed is to

[Mr. Straw]

concentrate on what is delivered rather than what is reported. I am delighted to concentrate on what is delivered, because the facts of the improvements in the national health service speak for themselves, in terms of huge increases in the number of staff—an increase of 85,000 nurses, 30,000 doctors and 10,000 consultants. There have been improvements in staff levels in every constituency and they are paralleled by improvements in health care for every constituent across the country.

Secondly, the right hon. Lady referred to co-parenting and the proposals before the House next week. I shall certainly pass on her comments to my right hon. Friend the Secretary of State for Education and Skills. Thirdly, she asked about the report in today's *Financial Times* about the comprehensive spending review—

Mrs. May: The fundamental spending review.

Mr. Straw: I am talking about the same thing; there will be a report, as proposed.

Fourthly, the right hon. Lady asked for a debate because she wants to find out about education spending now—by comparison, I assume, with 1997 and the Conservative years. We do not need a debate on the improvements in education spending. All that the right hon. Lady needs to do is to look at the website or to ask in the Library for the figures, which show a dramatic improvement in spending on the service, moving education spending year by year—yes—up towards the level in private schools. That dramatic improvement in spending, along with a significant increase of 33,000 in the number of teachers and an increase of more than 250,000 in the number of teachers' assistants, is leading to dramatic improvements in the educational attainment of pupils in every constituency. I am surprised that the right hon. Lady is not celebrating the achievement of schools and hospitals in her constituency, instead of denigrating the record of good public servants and the effectiveness of public investment.

The right hon. Lady asked about Home Office matters and said that we need debates on sentencing. We have had plenty of debates on sentencing. They have occurred in the context of many of the Bills that she is now complaining about in respect of law and order. As the Prime Minister so effectively pointed out yesterday, it is striking that, more often than not, when we bring forward proposals to strengthen sentencing and to toughen up the judicial system, Conservative Members vote against them. *[Interruption.]* Someone who has probably not checked the facts of even his own voting record said, "Not so," from a sedentary position. The Conservatives voted against abolishing the double jeopardy rule to allow suspected rapists and murderers to be retried when important new evidence—for example, DNA evidence—came to light. They thought that that was a bad idea and that guilty rapists and murderers should go free. They voted against powers for the prosecution to ask for trial without jury where there was a danger of jury tampering. They voted against extending police powers to detain without charge—from 24 to 36 hours. They voted against giving the prosecution a right of appeal against terminating rulings by judges before a case is complete. They even voted against restricting the range of evidence of an offender's bad character that could be admitted in court.

Mrs. May: Sentencing!

Mr. Straw: I hear the word "sentencing" being parroted. The difference is that as a result of those changes, which we had to force through against Conservative opposition, many more guilty criminals are being convicted and sentenced. There was no opportunity before for the courts to convict them because of the inadequacy of the criminal justice system that the Conservatives left. I recall—it is worth us all recalling—that when the Conservatives last had charge of the criminal justice system, police numbers were cut and crime doubled. Under this Government, police numbers have risen by 15,000, and according to the British crime survey, crime has gone down on every measure. That is also the case with recorded crime.

Mr. David Heath (Somerton and Frome) (LD): A cursory examination of the business for the next two weeks suggests that the Government are coming to the end of the post-election legislative programme, barring a late flurry of criminal justice Bills. That being the case, may I ask the Leader of the House not to bring forward the date of the Queen's Speech and not to extend the already over-long summer recess, but to forswear for the rest of this Session the use of guillotine motions on Report stages of Bills, so that we can adequately scrutinise the legislation that is before us and perhaps make sure that some of it stands the test of time?

May I ask again for a debate on nuclear power? Every time the Prime Minister opens his mouth on the subject, it creates the need for a further debate. Yesterday, the Prime Minister said:

> "the new generation of nuclear power stations generate around one tenth of the waste of the previous generation."—*[Official Report, 14 June 2006; Vol. 447, c. 765.]*

However, we know, from the work of the Environmental Audit Committee and the Committee on Radioactive Waste Management, that

> "the amount of high level waste would actually increase by 400 per cent."

It really will not do to have nonsensical statistics bandied before the House, rather than have a genuine debate on a key issue for the future of the country. May we have that debate?

May we have a debate on sport? I say that not because of events in Germany at the moment, or Wimbledon, or test matches, but on the basis of the Audit Commission report on sporting and recreation facilities in our local areas, which says:

> "In England 65 per cent of council facilities are over 20 years old"

and are deteriorating badly. If we do not invest in proper sports facilities throughout the country—not just the Olympic facilities, but ordinary sports facilities for ordinary people to use—we will be doing our country a great deal of ill.

I note that on 29 June we will debate the Commons Bill [*Lords*]. Can the Leader of the House give us any indication of when we will discuss a Lords Bill [*Commons*]?

Mr. Straw *rose—*

Mr. Owen Paterson (North Shropshire) (Con): Ask him where the Liberals are!

Mr. Straw: All over the place. The Liberals are so deeply committed to the House of Commons and democracy that they have a solitary representative in the Chamber.

The hon. Member for Somerton and Frome (Mr. Heath) asks about foreswearing the use of guillotine motions. I am not trying to make a casuistical point—[Hon. Members: "Go on!"] Well, I might. We do not have guillotine motions these days; instead we have programme motions, which were recommended by the Modernisation Committee.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): That is a Foreign Office point.

Mr. Straw: No, it is not a Foreign Office point. The Foreign Office produced remarkably little legislation.

There is a need for as much time as possible for Report stages, but the hon. Member for Somerton and Frome will appreciate that there is a limit on the amount of time available to the House. However, I am concerned that quite a lot of time that is available to Opposition Members is simply not being used, and I will make that available. There has been an early collapse of sittings—*[Interruption.]* The Government put their business before the House. I was in opposition for 18 years, so I know that it is for Opposition parties to make use of their opportunities.

There will be a White Paper on nuclear power. However, meanwhile, if the Liberal Democrats are absolutely desperate for a debate on nuclear power, which would expose divisions in their ranks because some Liberal Democrat Members are in favour of windmills, some favour increasing carbon emissions and others who represent areas with nuclear power stations are in favour of nuclear power, I suggest that they use the Supply day that they have coming up.

Sport and recreation facilities are of course a concern. We have increased the investment for such facilities hugely. I could bore the House by talking about the investment in my constituency and, perhaps, in the hon. Gentleman's, too.

As for the Commons and the Lords, as everyone knows, a Joint Committee is reviewing the conventions of the Lords. In due course—around the end of the year, I hope—there will be proposals on their future composition.

Dr. Brian Iddon (Bolton, South-East) (Lab): The Road Safety Bill, which was lost in the last Parliament, has completed all its stages in the House of Lords. It is two months since its Committee stage in the House was completed. The Bill includes many life-saving measures, but I fear that its Report and Third Reading may be delayed until after the summer. Will my right hon. Friend ensure that the Bill completes its passage before the summer recess?

Mr. Straw: I certainly note my hon. Friend's concern. I will look into the matter and write to him.

Mr. Graham Stuart (Beverley and Holderness) (Con): Will the Leader of the House agree to a debate in Government time on the plight of Zimbabwean refugees? There are many engineers, doctors, teachers, nurses and other people in this country whose skills could be put to good use for our country's benefit, which would maintain those skills for the future. There are also people—including my constituent, Ashleigh McMaster, who, outrageously, has had her application for asylum turned down—who are in limbo because they are unable to study, work or contribute. Owing to the languishing state of their skills, a group of Zimbabwean people will be unable to contribute to that benighted country when Mugabe goes.

Mr. Straw: I understand entirely the concern of Zimbabwean refugees, although I think that the hon. Gentleman is talking not about refugees, but about the different group of unsuccessful asylum seekers, some of whom I have in my constituency. His question illustrates precisely why the asylum system is complex. There are people around the country making similar representations about every single unfounded asylum application. The hon. Gentleman believes that decisions about Zimbabwe are "outrageous", but others believe that decisions about other countries, even safe countries, are outrageous, and, like the hon. Gentleman, continue to make representation upon representation. I understand that, but it does not lie in the hon. Gentleman's mouth or in the mouths of Front Benchers to complain about the complexity of the system, given that the complexity exists because of the force of the representations.

We have sought to streamline the system, notwithstanding the representations. We wanted to introduce a single appeal to replace the layers of appeals that existed 15 and even 10 years ago, and to secure a higher quality of judicial decision-making. The decisions made about hon. Gentleman's constituent were made not by Ministers but by independent judges, and can be reviewed by the Court of Appeal.

Andrew Mackinlay (Thurrock) (Lab): As an M25 Member of Parliament, may I ask—as Surrey and Kent Members have not—for a statement about the safety aspects of the M25 when there is a major crash and people are incarcerated for eight hours? If there were a similar hiatus in aviation or on the railway, a statement would be made; but for some reason we stoically accept dangerous detentions on our motorways. One happened recently. It is extraordinarily dangerous. The House needs to be told what evacuation procedures exist, and what directions and duties are given to the police to prevent more

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people from adding to the hiatus on the motorway. It is time we heard a major statement about how we can minimise the trauma of people who are stuck on the M25 for eight hours in intolerable, dangerous conditions.

Mr. Straw: I know a little about the incident to which my hon. Friend has referred, and I know of the concern about people who were stuck for eight hours. My hon. Friend will be aware that the police used an emergency helicopter to distribute bottled water to stranded motorists. That was important, because it was a boiling hot day.

I will convey my hon. Friend's concern to my right hon. Friend the Secretary of State for Transport. I hope that he will follow it up.

Mr. Hogg: Before we have any legislation on sentencing by criminal courts, may we have a full debate in the House? Many of us want an opportunity to say that the House should not be too prescriptive about the sentences imposed by judges, that judges should have as much discretion as they can properly be given, and that defendants should serve the great majority of the sentences imposed, but also that the potential life sentences imposed under the Criminal Justice Act 2003 can do serious injustice to defendants.

Mr. Straw: I am aware that that is the right hon. and learned Gentleman's view. He has been consistent in that view since the proposals of the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) in 1996, when he opposed his own Front Bench.

I have thought about the matter a great deal, and my right hon. Friend the Home Secretary and my noble Friend the Lord Chancellor are doing so as well. We must achieve a balance between the understandable desire of the public, and indeed the House, for a clear sentencing framework that is more predictable than it was 30 or 40 years ago and ensuring that there is proper judicial discretion. That is relatively easy to say, but more difficult to achieve. We all accept that the issue must be dealt with in a serious and measured way.

Ann Coffey (Stockport) (Lab): Will my right hon. Friend join me in congratulating the students at Avondale school who, as part of their star project, have produced interesting and innovative ideas for encouraging people to save energy? Will he make time for a debate on the citizenship curriculum, which encourages young people throughout the country to take part in important projects of that kind?

Mr. Straw: I do indeed congratulate the pupils and staff of Avondale school. My hon. Friend has talked to me about that project outside the House. The citizenship project is profoundly important: when we meet children in our constituencies or here, we note that although they are genuinely interested in this place and how it works, they lack adequate information and understanding of citizenship and politics. We need to put that right.

Mr. David Evennett (Bexleyheath and Crayford) (Con): In view of the Government's decision today to approve a huge waste-to-energy incinerator in my borough of Bexley, will the Leader of the House arrange an urgent debate in Government time on the whole issue of waste disposal and incineration? My constituents are naturally very unhappy about the decision and its consequences for the local environment.

Mr. Straw: I understand the hon. Gentleman's concern. We have sought to produce much better and greener methods of disposing of waste, including the landfill tax, and they are working. That said, there must be some arrangements for incineration of quite large amounts of waste. No one wants such facilities next door, but they have to go somewhere.

Helen Southworth (Warrington, South) (Lab): At a time when we are focusing so closely on performance in English football, could my right hon. Friend find time for a debate allowing us to consider the circumstances of young players such as my constituent Hannah Dale? Hannah is a star football player, who has won the player of the year award for her club on many occasions. She is an academy player and lives for football, but she turned 11 this month and can no longer play with her team because FA rules do not allow girls to play mixed football after they reach that age. Hannah wants to be a footballer, and we need to ensure that girls like her can become footballers.

Mr. Straw: I wish Hannah every success. My hon. Friend will know of the great success of the Blackburn Rovers women's football team: I pay particular attention to women's football for that reason.

The Government are responsible for many things and are probably to blame for even more, but happily we are not responsible for the rules of football.

John Bercow (Buckingham) (Con): Yet.

Mr. Straw: Ever—and that includes the performance of the England team. *[Interruption.]* My hon. Friend the Member for Edinburgh, South (Nigel Griffiths) says from a sedentary position—and I want this to be recorded—that we all wish the England team well. Some people have the mistaken impression that an England-Scotland game is taking place this afternoon, but we will pass over that lightly.

I will convey the concerns of my hon. Friend the Member for Warrington, South (Helen Southworth) to the chairman of the Football Association.

Mr. Alex Salmond (Banff and Buchan) (SNP): May we have a full oral statement from the Chancellor on his proposals for a £2 coin to celebrate the Act of Union? Is it true that the coin is to be called a Brownie, because it is full of brass, not very popular and soon to be devalued? Is the Leader of the House aware that it will become a collector's item as the Union passes into history, and is it true that 6,000 million of the coins

would have to be circulated in Scotland next year to be the equivalent of the £12 billion of Scottish oil revenues that are the only thing keeping the Chancellor's head above the financial waters?

Mr. Straw: The hon. Gentleman could have asked the Chancellor of the Exchequer about that—

Mr. Dennis Skinner (Bolsover) (Lab): He wasn't here then.

Mr. Straw: He was not here, so he missed the opportunity.

I do not make that many predictions, but I am certain that the hon. Gentleman will pass into history a long time before the Union.

Tony Lloyd (Manchester, Central) (Lab): May I draw my right hon. Friend's attention to two recent shootings in Greater Manchester? A 15-year-old boy in my constituency was shot, but fortunately not killed, and a 15-year-old girl was murdered by her jilted boyfriend. Guns were used in both cases. Alas, many members of the public have become resigned to the fact that guns now circulate in our cities and, increasingly, throughout the country. May we have a statement from the Home Secretary, telling us the Government's strategy for driving the guns out of our sight and making it clear that we do not accept that guns, like drugs earlier, can systematically become part of our national way of life?

Mr. Straw: The whole House will share my hon. Friend's profound concern about the availability of illegal handguns on the streets of some of our cities and towns, and send condolences to the family of the schoolgirl who was killed and sympathy to the young person who was injured.

Over the past 10 years, we have taken considerable steps to strengthen the law on handguns. We banned them altogether in 1997, sentences have been increased, and the police are making greater use of tougher enforcement. However, my right hon. Friend the Home Secretary, along with the Association of Chief Police Officers and Greater Manchester police, is ever ready to consider further measures to strengthen enforcement against the use and availability of guns on our streets.

Mr. Andrew Turner (Isle of Wight) (Con): Will the Secretary of State for Health make a statement on her very popular patient choice agenda in which she explains why the Isle of Wight strategic health authority, against the wishes of the primary care trust, purchased 200,000 cataract operations at an independent treatment centre in Portsmouth, only four of which have been taken up by my constituents, who do not want to have to travel to Portsmouth for their eye operations, yet who still have to pay for them? Is it the Government's intention to put money into the private sector, which should be treating health service patients?

Mr. Straw: I am glad to hear the hon. Gentleman say that he regards as popular one of the many proposals made by my right hon. Friend the Secretary of State for Health; I am sure that she will be pleased to hear that, too. Those policies are indeed popular. Despite the difficulties that he outlines in one respect, the facts are that in his constituency the number of nurses has increased by 27 per cent., there are 1,135 extra doctors, which is an increase of 38 per cent., and almost 400 more consultants, which is an increase of more than 50 per cent.. Those and similar increases have led to real improvements in health care in his constituency and everywhere else. I hope that the next time he stands up, it is to congratulate the doctors and nurses who are delivering improvements in health care in his constituency.

David Taylor (North-West Leicestershire) (Lab/Co-op): Communities such as Ravenstone, Packington, Normanton-Le-Heath and Heather welcomed the election of a Labour Government in 1997 for many reasons, not least the promise of a tighter line against greenfield open-casting, the experience and future prospects of which have blighted the lives of those Leicestershire villages for decades. The same is true of other coalfield community areas in the midlands and elsewhere. Does the Secretary of State for Communities and Local Government plan to make a statement on minerals planning guidance note 3 and whether the concept of the cumulative impact of open-casting has been abandoned in determining applications; and on the reasons for the inquiry inspector's astonishing recommendations in relation to the Long Moor site in north-west Leicestershire, sanctioning a four-year application to extract 750,000 tonnes and potentially condemning the area for decades beyond? There are also risks in relation to Lodge House in Amber Valley. The issue is extremely serious, and not only in the valley in north-west Leicestershire.

Mr. Straw: I know that that is a problem in Amber Valley as well, because our hon. Friend the Member for Amber Valley (Judy Mallaber) was just telling me that she endorsed what my hon. Friend the Member for North-West Leicestershire (David Taylor) says. I understand his concerns and I shall be in touch with my right hon. Friend the Secretary of State for Communities and Local Government, especially on the question of the cumulative effect of open-cast mining in his area.

Mr. John Greenway (Ryedale) (Con): May we have a statement from a Minister at the Department for Environment, Food and Rural Affairs on the movement restrictions imposed on 33 fish farms in north Yorkshire as a result of viral haemorrhagic septicaemia being found in fish on only one farm some weeks ago? The matter is serious: many of the fish farmers now face ruin and fish cannot be moved to lakes and other watercourses that angling clubs and estates need for the rest of the fishing season. Compensation and aid for the farmers is desperately needed. it would be paid in any other EU member state and it would certainly be paid to the agriculture industry.

Mr. Straw: I shall let the Secretary of State know today about the hon. Gentleman's concerns. I also draw

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his attention to the fact that oral questions to the Department are next Thursday and he can table a question on Monday.

Mr. Jim Devine (Livingston) (Lab): This week, I received my draft entry in "Who's Who" for 2007. It contained my London address, which at a time of trouble is a bit worrying, given that in the '70s a terrorist organisation used "Who's Who" to get the address of an individual whom it subsequently murdered. Will the Leader of the House consider writing to the publishers of "Who's Who" to ensure that nobody's address appears?

Mr. Straw: Happily, I am not responsible for "Who's Who" entries—yet. If I were, I would tell the truth about Conservative Members. However, I am certain that the publishers will allow a House of Commons or other accommodation address in place of a private address.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on access to telephone services in rural villages, particularly those in Shropshire? Does the Leader of the House agree that it is wrong that BT is failing in its universal access obligations and that villagers in Kynnersley in my constituency are suffering from poor telephone services and little access to internet and broadband services, despite BT's high rhetoric?

Mr. Straw: I will pass on the hon. Gentleman's concerns to the Secretary of State for Trade and Industry. In addition, if he has not already done so, I invite him to write to the chairman of Ofcom.

Paul Flynn (Newport, West) (Lab): When can we discuss early-day motion 2350? It states:

[That this House records its sorrow at the first death of a British soldier in the Helmand Province and salutes the courage and professionalism of British troops; and fears that the mission is an impossible one that will strengthen the Taliban, lead to more British deaths, the Columbia-isation of Central Asia and possibly deteriorate into a British Vietnam.]

Last week, there were complaints of a shortage of morphine in British hospitals and there is a chronic shortage of morphine throughout the developing world, yet our troops are engaged in what has been described as a "mission impossible" to destroy the raw material for the manufacture of morphine. Would it not be more sensible of us to license Afghani farmers to use their poppy crops for the production of morphine, rather than to try to destroy the livelihoods of 2 million people and drive them into the hands of the Taliban?

Mr. Straw: My hon. Friend has consistently opposed criminal sanctions in relation to all drugs. I understand his point of view, but I do not agree with it. Increased production of morphine for lawful use is needed, but I do not think that that is an argument for generally legalising the growing of poppies. *[Interruption.]* He should bear in mind that, overwhelmingly, poppy production in Afghanistan is not used for morphine production, because it can be sold for a much higher profit on the streets in the form of illicit drugs.

Mr. Andrew Mackay (Bracknell) (Con): I am sure that the Leader of the House is aware that one of his principal responsibilities is to ensure the clarity of Government policy. There is considerable confusion following last night's television programmes, in which the Lord Chancellor on "Question Time" appeared to condemn the Home Secretary and other politicians for interfering with the judiciary but, simultaneously, the chairman of the Labour party, the right hon. Member for Salford (Hazel Blears), was on "Newsnight" saying the opposite. Does the right hon. Gentleman think that Home Office questions on Monday is sufficient to ensure clarity, or should someone come to the Dispatch Box on behalf of the Lord Chancellor next week?

Mr. Straw: The right hon. Gentleman may raise the matter in Home Office questions, and I suspect that he will do so. In fact, there is consistency between what my right hon. Friend the Home Secretary said on Monday and what my right hon. and learned Friend the Lord Chancellor said more recently this week. Let us be clear: on Monday, my right hon. Friend the Home Secretary expressed a reservation about a specific sentence—he is entitled to do that; he was not criticising the judiciary, merely expressing a reservation—and this morning my right hon. and learned Friend the Lord Chancellor gave what I thought was an eloquent exposition of the overall position on sentencing.

Mr. Andrew Love (Edmonton) (Lab/Co-op): My right hon. Friend will know that there is to be a debate on House of Lords reform in Westminster Hall next week. Apart from the fact that I cannot be present, I regard that as wholly inadequate for debating one of the most important issues on which the House must decide. If my right hon. Friend is true to his word and wants to take the temperature of the House in that respect, and if we are to achieve the so-called "developing consensus" on the future of the House of Lords, it is critical that we have a debate in this Chamber. Can my right hon. Friend reassure the House that we will not wait until the Committee reports at the end of the year, but that we will have a debate in the main Chamber before the summer recess?

Mr. Straw: I cannot promise my hon. Friend a debate before the summer recess. There will be a debate on Tuesday next week in Westminster Hall. I will not be able to be present, but my hon. Friend the Deputy Leader of the House will be deputising for me. There was a debate which lasted for three hours on 10 May, which was in Government time. A good debate it was, too. It was on the motion to establish the Joint Committee on Conventions. I promise my hon. Friend that, during the calendar year, there will be other opportunities to debate what I accept is an important issue and a heavy responsibility on my shoulders.

Philip Davies (Shipley) (Con): May we have a debate on adult education? The Government's decision to cut adult education funding and divert the moneys to other areas of further education has led to a cut in the overall

budget to Shipley college last year. It has led also to many people having to pay extra fees, many of whom cannot afford them. Bradford college has decided to shut Burley Grange in my constituency, which provided adult education for people in Wharfedale. I am sure that the Leader of the House understands how important adult education is to many people throughout the country. I hope that he will find time for a debate on the subject. There are issues that are causing much anguish in my constituency.

Mr. Straw: I do understand the importance of further education. I am proud to say that I have been, and remain, the governor of the further education college in Blackburn for the past 15 years. I take a real and close interest in the matter. There have been some changes in funding, not for all adult education—let us be clear about that—but of non-vocational adult education. I know the importance of that to those who are concerned. Overall, there has been investment in education at other levels—primary, secondary and higher education—as well as in further education. That is leading over time to significant improvements in skills levels and, for example, in eradicating adult illiteracy, about which my right hon. Friend the Secretary of State for Education and Skills spoke yesterday.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Mention was made a few minutes ago of handguns. My right hon. Friend will be aware also of the problem that is caused by the misuse of airguns, which affects so many of our constituents. My constituents were pleased with the Government's proposals in the Violent Crime Reduction Bill to tighten up the law on airguns. Unfortunately, that Bill seems to have been delayed in the House of Lords for more than six months now. Will my right hon. Friend do what he can to encourage the quick completion of consideration of that Bill in the other place? When it comes back to this place, will he ensure that it has an early passage, so that my constituents and those of right hon. and hon. Members throughout the House can get the benefits of the protections that are set out in the Bill?

Mr. Straw: I am glad that my hon. Friend has raised the matter. I will follow it up.

John Bercow (Buckingham) (Con): May we please have a debate on special educational needs? I declare an interest as the father of a two and a half year old boy who will almost certainly have such needs. Given that there are about 1.5 million children who are SEN, does the Leader of the House accept that it is most unsatisfactory that the three debates on this subject that have taken place in this Parliament have respectively had to be initiated by my right hon. Friend the Member for Witney (Mr. Cameron), my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries) and the hon. Member for Warrington, North (Helen Jones). Will the right hon. Gentleman accept that the Government need to commit to finding Government time to address the concerns and needs of some vulnerable children with severe, complex and multi-faceted disorders? These children need our help and they need it now.

Mr. Straw: I agree with the substance of what the hon. Gentleman is saying. However, I do not agree with his conclusion. He seems to be implying that the only good debates in the House are those held in Government time. The purpose of ensuring that there is Opposition time and Back-Bench time is to enable issues of importance—matters that are also of interest to the Government—to be taken up by Back-Bench Members. Neither Back-Benchers nor the Opposition have to wait for the Government to find time; they can find it themselves. It is a credit to the House that there have already been three debates on the matter. I will bear the hon. Gentleman's request in mind. He should not undervalue—I do not think that he was intending to do so—the importance of debates other than those that take place in Government time.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): In order to continue the Government's unique and innovative policy of giving things for free—for example, free bus travel for pensioners, free eye tests for pensioners, free television licences for those over 75 and free museum entry for all—may we have a debate on the merit of introducing free and healthy school meals for all primary school children, as is currently being piloted in Hull? It is proving hugely beneficial to the attendance and performance of such children.

Mr. Straw: I am sure that we can have a debate on the matter. I advise my hon. Friend to try to secure an Adjournment debate or a Westminster Hall debate on this important issue.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): Can we have a debate on land-banking? It is an increasingly common practice now, especially in the south-east of England, where overseas companies are buying up large tracts of agricultural land, only then to split them up in plots and advertise them as speculative residential plots. In my constituency, Sinclair Deville has recently bought a four or five acre site and advertised it at the Ideal Home exhibition. It is not within the local plan, but it causes considerable unrest in local communities when these plots are advertised. Also, the practice potentially misleads investors.

Mr. Straw: I cannot promise a debate on the matter. I hope that the hon. Gentleman is successful in an Adjournment ballot. I understand the concerns. It seems to be an issue of consumer protection as much as anything else.

Mr. Peter Bone (Wellingborough) (Con): On 3 May, I asked a series of named day questions to the Home Secretary about my local prison. As of today, I have received no replies. If the answers are being delayed to save the Government embarrassment, that would be a gross abuse of power by the Executive. Will the Leader of the House arrange for the Home Secretary to make an urgent statement on parliamentary questions absconding from the Home Office?

Mr. Straw: I talked to my right hon. Friend the Home Secretary about this issue this morning. He is very concerned about the delay in answering questions. The delay is not for the reasons that the hon. Gentleman implies. As I said in answer to a point of order yesterday, part of the problem is that since about April the number of written questions for answer by the Home Office has doubled. With the best will in the world, as I explained yesterday—

Mr. Bone: They are named day questions.

Mr. Straw: Whether they are named day questions or otherwise, the numbers have doubled. There is understandable concern in the House and outside it about the performance of the Home Office. My right hon. Friend the Home Secretary understands that. With the best will in the world, additional pressure has been put on those who are responsible for drafting the answers. The hon. Gentleman would be pretty merciless if the answers were drafted and they turned out to be inaccurate. There is a balance between timeliness and accuracy.

Dr. Julian Lewis (New Forest, East) (Con): Does the Leader of the House recall from his days of being Foreign Secretary the favourable reception that was given to the Government's strategic defence review for recognising the need for a shift to an expeditionary strategy based on aircraft carriers to deal with terrorist threats as far away from home as possible? If so, can the right hon. Gentleman arrange for a statement soon on who is in charge of future defence policy, given the report this week that the Chancellor of the Exchequer is insisting on £1 billion being shifted from the defence budget to the homelands security budget, which will almost certainly result in at least one of the aircraft carriers not being built?

Madam Deputy Speaker (Sylvia Heal): Order. I call Tobias Ellwood.

Mr. Straw: Would you like me to answer the question, Madam Deputy Speaker? We could adopt this practice all the way through for Opposition questions.

Madam Deputy Speaker: I have to remain neutral, so I will not do it all the way through.

Mr. Straw: My right hon. Friend the Secretary of State for Defence is, of course, responsible for defence policy, through the Cabinet and to the House. It is true at all times that there is pressure on defence spending. I will not embarrass the hon. Member for New Forest, East (Dr. Lewis) by reminding him of the cuts that were made in defence spending towards the end of the Major Administration. If there is any change in our current position in respect of aircraft carriers, it will be announced to the House. I am not anticipating that there should be.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I returned this morning from Afghanistan, having visited Kabul, Kandahar and the provincial reconstruction team in Lashkargah. I had meetings with President Karzai. I also travelled with General Jones, the head of NATO, and met General Richards of the international security assistance force. I put the question of poppy licensing to them. They all agreed that it is something that we need to pursue, even if it is only a pilot scheme.

I am asking for a debate on Afghanistan so that we can discuss these issues and, I am sad to report, the lack of co-ordination between international organisations, whether they be the EU, the United Nations, the Department for International Development and the embassies that are pouring in a great deal of money and good will. There is no overall co-ordination, as we have seen in Bosnia.

Mr. Straw: As the hon. Gentleman will know, when he was in Afghanistan—I am grateful that he made that journey—my right hon. Friends the Secretaries of State for Defence and for International Development were there, and they gave a report in Cabinet this morning. Work by the British Government is knitted together, but co-ordination by other foreign organisation remains a challenge, not least to the UN, as those forces are at present under UN mandate. On the licensing of heroin production, I will pass the hon. Gentleman's concerns on to my right hon. Friends, but I cannot promise the outcome that he seeks.

Mr. Owen Paterson (North Shropshire) (Con): I am afraid to report that a public menace is abroad. When he was responsible for the environment, for transport and local government, he made a mess of them, and he is now damaging parliamentary questions. To make room for the Deputy Prime Minister, Transport and Work and Pensions questions have been cut to only 40 minutes. Transport and pensions affect every single citizen, so is it right to cut them to 40 minutes to give us what is admittedly an enjoyable half hour harpooning a figure of public ridicule?

Mr. Straw: I am afraid that I will treat that question with the contempt that it deserves. The hon. Gentleman would complain far more loudly if there was not an opportunity to question the Deputy Prime Minister or the Chancellor of the Duchy of Lancaster.

John Penrose (Weston-super-Mare) (Con): The Leader of the House will be aware that thousands of pensioners have sent copies of their council tax bills to the former Office of the Deputy Prime Minister and its successors in the past few months. Hundreds of those pensioners live in my constituency, and they kindly sent me copies, too. Can the Leader of the House find time for a debate on the effect of council tax rises on pensioners, many of whom are on fixed incomes and are suffering very badly, which is a cause for great concern, particularly in my constituency of Weston-super-Mare

Mr. Straw: Questions to my right hon. Friend the Secretary of State for Communities and Local Government will take place shortly. It is easy to collect council tax bills and pass them on, and it is fine for the hon. Gentleman to do so as a constituency Member of Parliament. However, I hope that he has done two things. First, I hope that he has told his constituents about all the benefits received by pensioners in the past

10 years, which are very significant indeed. Secondly, I hope that he has explained to his constituents what he and his party would introduce in place of council tax. His party has rightly ruled out a completely mad Liberal Democrat proposal for local income tax, but council tax was a Conservative policy, not a Labour one, so if it does not like it now, let us hear what it would do.

Mr. Brooks Newmark (Braintree) (Con): My local newspaper, the *Braintree and Witham Times*, has fought a tremendous campaign to build a local community hospital in Braintree. My constituents were promised a community hospital that should have been built by the end of last year, but not a brick has been laid. Developers have moved on to the old site, which has only increased their concern. Can the right hon. Gentleman arrange for the Secretary of State for Health to come to the House and make a statement to reassure them a community hospital will indeed be built in Braintree?

Mr. Straw: I do not think that we need a debate. As an Essex boy, I know the hon. Gentleman's Braintree constituency and I know, too, how much the area's health services have improved in the past nine years. Indeed, I have gone there to see and hear about the changes that have taken place. He complained about the delay, but I hope that he will celebrate the fact that there are over 2,000 extra nurses in the health authority covering his area, over 700 doctors and over 200 consultants.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I am a member of the Standing Committee considering the Company Law Reform Bill, which is the largest Bill ever to proceed through the House. Given that the Government lost a vote in that Committee this morning, can we have a statement from the Secretary of State for Trade and Industry to explain why the Government talk tough but vote soft?

Mr. Straw: I doubt whether that is the largest Bill ever. The Local Government, Planning and Land Bill introduced by Mr. Michael Heseltine was, as the Conservative Whip, the hon. Member for Upminster (Angela Watkinson), will recall, a massive Bill. It was so awful, however, that it had to be withdrawn. If the hon. Gentleman can guarantee that there will never be the odd procedural glitch in the unlikely event that a Conservative Government are elected, I am happy to listen to him. The Committee will meet next Tuesday, so we will not lose a great deal.

Points of Order

12.25 pm

Greg Clark (Tunbridge Wells) (Con): On a point of order, Madam Deputy Speaker. In Treasury questions this morning, I asked about the likely cost of the increase in the tax credit disregard. The Paymaster General said that that "the information has been made available to the House." I have checked with the Library and the Public Accounts Committee, but they are not aware that that information has been passed on to them. I therefore seek your guidance, Madam Deputy Speaker, on how we can correct that and how, if the right hon. Lady has inadvertently misinformed the House, that can be put right as soon as possible.

Mr. Mark Francois (Rayleigh) (Con): Further to that point of order, Madam Deputy Speaker. The tenfold increase in the disregard is the key element of the package to put right the tax credit problems announced in the pre-Budget report last December. There has been a great deal of controversy about the cost, which the Government have consistently refused to give to the House and to the public. If it has now been made available, it is a serious matter, because it could be well over £1 billion. The Paymaster General appears to have said that it is available, but we cannot ascertain that that is definitely the case. Will you arrange for her to come to the House today, Madam Deputy Speaker, and make a statement to clear the matter up once and for all?

David Taylor (North-West Leicestershire) (Lab/Co-op): Further to that point of order, Madam Deputy Speaker. I asked a question before the hon. Member for Tunbridge Wells (Greg Clark), and the Paymaster General said that the information I sought which, essentially, is the same as that sought by the hon. Gentleman, was in the Budget book or the Budget document—*Hansard* will reveal which one. I am not saying that it is, but that is what she said.

Madam Deputy Speaker (Sylvia Heal): I understand hon. Members' concerns, but it is not appropriate to extend Question Time under the guise of points of order. The hon. Members concerned may wish to table further questions to follow up the Paymaster General's answer.

Mr. Philip Hollobone (Kettering) (Con): On a point of order, Madam Deputy Speaker. I am concerned about the timeliness of responses to written parliamentary questions, as I tabled a question to the Department for Work and Pensions on 1 December 2005, and received the answer this morning. While I am grateful for the response, Madam Deputy Speaker, is that length of time appropriate for responses to inquiries from Back Benchers?

Madam Deputy Speaker: I understand that the Leader of the House, who is in the Chamber, commented on that point.

Orders of the Day

Commissioner for Older People (Wales) Bill *[Lords]*

Order for Second Reading read.

12.28 pm

The Secretary of State for Wales (Mr. Peter Hain): I beg to move, That the Bill be now read a Second time.

The Bill enables the National Assembly to set up an independent champion for older people. The position will be the first of its kind in the UK and, indeed, possibly in the world. It is modelled on the highly successful post of children's commissioner—another first for Wales. The post was a key commitment in Labour's 2003 manifesto for the last Assembly elections, and the Bill delivers that commitment.

The Bill is the latest milestone in our commitment to older people in Wales. It will provide a platform for further progress, building on what we have already achieved. When we took office in 1997, one in four pensioners were living in poverty, and pensioner inequality was wider than it had been for 30 years. That is why, for the past nine years, our No.1 priority for older people has been to tackle the scourge of pensioner poverty.

Albert Owen (Ynys Môn) (Lab): I very much welcome the Bill and the partnership between the National Assembly for Wales and this Parliament. Does my right hon. Friend envisage that the commissioner's role should include raising awareness, as many pensioners do not apply for means-tested benefits? I accept that we are moving away from means testing, but I am concerned that when we apply the earnings link many of those poorer pensioners will be left behind. Does he believe that the commissioner should assist pensioners in those circumstances?

Mr. Hain: Indeed I do, and my hon. Friend makes a very important point, which is as applicable in his Ynys Môn constituency as it is in mine. A proportion of pensioners have not taken advantage of pension credit, which has lifted literally millions of pensioners across the UK and tens of thousands in Wales out of poverty. Yes, the commissioner for older people could have an important role in championing the opportunities that are available, perhaps putting greater pressure on the bureaucracy to deliver more.

We have also made huge strides in reversing the terrible legacy of pensioner poverty that we inherited from the Tory Government, lifting nearly 2 million pensioners out of absolute poverty and 1 million out of relative poverty. As a result of the measures that we have introduced, the average pensioner household is £1,400 a year better off than it would have been under the Conservative Government, and the poorest pensioners are £1,900 a year better off.

We are now spending on pensioners £10.5 billion more in real terms than when we took office. We are spending on the minimum income guarantee, the pension credit, the £200 winter fuel payment and increases in the basic state pension. Those are just a few of the measures that have boosted the quality of life for hundreds of thousands of older people right across Wales, with a massive 160,000 pensioner households receiving the pension credit and more than 460,000 households benefiting from the winter fuel payment.

Mr. Philip Hollobone (Kettering) (Con): Those figures do not take account of the huge increases in council tax that many vulnerable older people have had to pay since this Administration came to power.

Mr. Hain: As the hon. Gentleman will be aware, there is generous council tax benefit for the lowest income pensioners, which helps them to avoid the large council tax bills that they would otherwise face. The council tax was introduced, especially in Wales, after local government reorganisation by the hon. Gentleman's party. In my constituency, a discriminatory settlement was imposed on the borough of Neath Port Talbot in comparison with Swansea when the right hon. Member for Wokingham (Mr. Redwood) set up local government and imposed the council tax structure on Wales.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The Secretary of State fails to mention the £200 given to pensioners to mitigate council tax increases before the general election, which was withdrawn the following year.

Mr. Hain: When that was introduced, the Chancellor made it clear that it was intended to deal with the particular problem of high council tax bills at that time. It was welcomed and I think that the hon. Gentleman's own party welcomed it. We have since kept council tax rises very low, especially in Labour-controlled areas and under Labour councils, in comparison with Conservative and, even more, with Liberal Democrat councils, so I am surprised that the hon. Gentleman raised that matter.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am grateful to my right hon. Friend, not least because three years ago almost to the day I introduced a private Member's Bill to set up an older people's rights commissioner, which embraced similar issues. Can the Secretary of State reassure me that, in promoting and safeguarding the rights and dignity of older people and tackling poverty in Wales, some aspects of the Bill will allow investigations and enforcement to take place over the English border? Will it not create anomalies unless and until we have an older persons' rights commissioner covering England as well?

Mr. Hain: I intend to deal with that matter later in my speech, but I can point out to my hon. Friend that the focus of the UK Government is on a Cabinet Sub-Committee on ageing policy, which is chaired by my right hon. Friend the Secretary of State for Work and Pensions. That is driving forward a UK-wide strategy, obviously including England and my hon. Friend's own constituency. Devolution allows for, as it were, a policy laboratory to take place right across the UK and to great effect. The Children's Commissioner

for Wales was, because of its very success, subsequently copied in England. Likewise, policy on driving down waiting times was more successful in England than in Wales until similar policies were adopted in Wales. I believe that devolution has brought great benefits in that respect.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): The Secretary of State forgets that Wales has been used by the Labour Government as a laboratory because Wales had the revaluation, which badly affected pensioners, and we have yet to have the revaluation in England. We will take no lessons from the Secretary of State on what the Government have done for pensioners, when those I talk to have been so badly affected by the revaluation in Wales.

Mr. Hain: In that case, why did the Welsh Conservatives, along with the Liberal Democrats, support that revaluation when the Assembly decided to conduct it? Under the new touchy-feely Conservative party, are we not entitled at least to a bit of repentance or consistency from the hon. Lady when she intervenes?

The Government have also taken action to protect people who are let down by the private pensions market—people such as the workers at Allied Steel and Wire in a scandalous case—by setting up the Pension Protection Fund and the pensions regulator and by increasing the financial assistance scheme from £400 million to £2.3 billion. At the Assembly, too, Labour has shown that it is the party best placed to improve the lives of older people in Wales. Many of the Assembly's most ground-breaking and innovative policies have been aimed at older people, including free swimming, health promotion, the strategy for older people and the independent national partnership forum for older people.

Julie Morgan (Cardiff, North) (Lab): On the ASW case, in welcoming the huge increase that has gone into the financial assistance scheme, which will increase the number of ASW pensioners who benefit, does my right hon. Friend also accept that some of my constituents, because they started their working lives young and do not fall within the 15 years before retirement criterion, will not benefit at all? Will he do all he can to extend the provision to those people?

Mr. Hain: Indeed. The former workers of ASW and their families are grateful to my hon. Friend for championing their interests so well. It is a scandalous case and one of the worst examples of how the pensions market can collapse. The abuses that followed affected some workers who had spent all their adult working lives with the company, in some cases leaving them with absolutely nothing. At least we have taken an important step along the road. The fivefold increase in available funding will mean that even more of my hon. Friend's constituents will benefit, but I accept that some have been left high and dry by the collapse.

Adam Price (Carmarthen, East and Dinefwr) (PC): In the ASW case, the Government completely disregarded the conclusions and recommendations of the independent parliamentary ombudsman. What guarantee do older people in Wales have that the UK Government will not show equal disregard for the recommendations of the commissioner for older people?

Mr. Hain: We would not set up the commissioner for older people only to take no notice, would we? I am sure that the hon. Gentleman will welcome our proposal with his characteristic generosity. I acknowledge, to be fair, that his party has supported it in principle. Indeed, as I shall argue later, there is all-party support for the Bill. I believe that the Government deserve credit for introducing the fund and for providing £2.3 billion. I agree that ASW workers were treated scandalously, but at least we are the first Government to try to provide some assistance where we can.

Mr. David Evennett (Bexleyheath and Crayford) (Con): I am listening with great interest to the Secretary of State's speech and Conservative Members support the measure. He has concentrated on pensioners, but the Bill refers to a commissioner for older people. How does he define older people? At what age do people become old? Surely that is an important issue.

Mr. Hain: Of course it is. If the hon. Gentleman had taken the trouble to inquire into the Bill, he would know that the age of 60 is the one that applies.

Just like the Children's Commissioner for Wales, many of the policies that I have been explaining have blazed a trail right across the United Kingdom. Policies such as free bus travel for older people that were pioneered in Wales are now being copied in England. The recent pensions White Paper, published last month, shows that only Labour is capable of helping older people to respond to the challenges of the future.

We live in an ageing society. By 2050, the number of pensioners will have risen by 50 per cent. At the same time, as many as 12 million people are failing to save enough to guarantee a decent income in retirement. Unless we take action now and plan for the long term, millions of people face an uncertain future. That is why we are building a national consensus around pension reform, and the Bill is part of that. For example, our recent White Paper includes a number of important, far-sighted proposals to help us to meet the pensions challenge and provide for tomorrow's pensioners, as well as today's.

A new national savings scheme with compulsory contributions from employers and auto-enrolment for employees will boost savings rates for the future. A higher, fairer state pension re-linked to earnings—the earnings link was broken by the Conservatives—will provide a foundation for further saving. A higher retirement age will help us to meet the challenge of an ageing society, and the least well-off will continue to be helped by a guarantee credit linked to earnings.

Mrs. Gillan: I understood that the Bill related to establishing a commissioner for older people and devolved matters. Is the Secretary of State now telling us that he is planning to devolve pensions to the Welsh

[Mrs. Gillan]

Assembly? Obviously, if he is making such a fuss about the Government's pensions arrangements, they must be passing them to down to the Assembly, because they have nothing to do with the Bill.

Mr. Hain: Dream on. The pensioners of Wales will benefit from this pioneering Bill—probably one of the first such Bills in the world—and I am setting the context for this very important initiative. *[Interruption.]* The hon. Lady finds it embarrassing to have to listen to the incredible record of success of our Labour Government in protecting our senior citizens and lifting millions out of poverty. She does not like to recognise that, bearing mind the miserable record that she was part of under the Conservative Government. Against that backdrop, however, in the way that I have been describing it patiently and carefully—

Mrs. Gillan: Will the Secretary of State give way?

Mr. Hain: No. I need to make progress on the Bill itself.

Julie Morgan: I thank my right hon. Friend for giving way, while he is still considering the Bill's background. Does he agree that the Government are the first Government to recognise the problem of poverty for women in old age? Does he not applaud the Government's proposals that will lift so many women out of poverty?

Mr. Hain: Indeed. The scandalous way in which many generations of women have been discriminated against in not being able to get the full basic retirement entitlement that men have is now being addressed under our new policy.

Mrs. Gillan: Will the Secretary of State give way?

Mr. Hain: Of course I will give way, but I wonder whether the hon. Lady wants to stop me watching the World cup match later on.

Mrs. Gillan: Well, it is nice to know that the Secretary of State for Wales is supporting the English team.

Chris Ruane (Vale of Clwyd) (Lab): My right hon. Friend did not say that.

Mrs. Gillan: Well, if the right hon. Gentleman did not say it, he will have the opportunity to do so when he returns to the Dispatch Box. He does me an injustice because I am very happy to listen to an older worker telling me what he is planning to do from the other side of the Dispatch Box. I should just like to remind him that when I was a very junior Minister, I had responsibility for older workers and introduced a campaign to get older people back into work and to try to stop discrimination against older workers, so at least I have a proud record of dealing with that problem—not a record to which the right hon. Gentleman probably ever wants to admit.

Madam Deputy Speaker (Sylvia Heal): Order. I remind all hon. Members that we are discussing a Bill that relates to Wales.

Mr. Hain: I thought, Madam Deputy Speaker, that you were going to remind all Members that there is a World cup match coming up; but to respond specifically to the hon. Lady's rather graceless jibe, I will, of course, be supporting England with enthusiasm. I am flying an England flag, not out of my house in Wales, but out of my flat in London. Of course several Chelsea players are playing for the England team, and I will be watching them with enthusiasm if she allows me to do so and if hon. Members are co-operative on this matter. Of course the match starts at 5 pm—I just remind the House.

By the way, I acknowledge the hon. Lady's contribution; it is just a shame that the rest of the pension support was so terrible and that so many pensioners in Wales were plunged into poverty. If we ever have to face the iniquity of a Conservative Government again in decades to come, let us hope that we have an older person's commissioner who can fight against the merciless assault on pensioners' rights that the Conservatives will doubtless be responsible for in the future, as they were in the past.

Mr. Roger Williams: Surely the Secretary of State highlights the weaknesses of the Bill? The commissioner's proposed powers will not allow that person to speak directly to Westminster Ministers on issues such as pensions, which are so important to the elderly in Wales. Our noble Friends tried to put that weakness right in the other place, and we will try to put it right in the House.

Mr. Hain: I am afraid that the hon. Gentleman is not recognising the devolution settlement. The devolution settlement—for which the people of Wales voted, albeit narrowly, in a referendum in which he and I were on the same side in campaigning for a yes vote—did not include the devolution of pensions. Of course it did not. Nor did it include tax and social security policy and a lot of other things. Therefore, it would be entirely wrong to give the older person's commissioner for Wales powers and duties in respect of non-devolved matters.

Equally, however, the commissioner will be able to make representations to me, as the Secretary of State, or to the hon. Gentleman, as a local Member of Parliament, and Westminster Members and Ministers can take up those matters. For example, if a patient is placed by a Welsh commissioning authority—a local council or health authority—across the border in an old persons' home or perhaps a hospital and complaints arise, the older person's commissioner will also be able to make representations to the Welsh commissioning body for it to take up with the provider across the border in England. It is interesting that the children's commissioner for England and the Children's Commissioner for Wales have worked out satisfactory co-operation arrangements, and all those sorts of things will be possible in future, on a common-sense basis.

Adam Price: The Secretary of State just said that the commissioner will be able to make representations to him. Will the commissioner have the formal right to do so?

Mr. Hain: It is not a question of a formal right. I have received letters from the Children's Commissioner for Wales—of course I have; I am a Welsh Member of Parliament, like the hon. Gentleman—and of course he can write to me, as the Secretary of State, although he has no formal power to make representations. It is important that we do not undermine the devolution settlement and that we recognise that common-sense arrangements apply. I can assure the House that, if the commissioner identifies concerns about pensioner poverty in Wales, he or she will be able to take action to fight for older people's rights and to fight their corner with the Government.

Against that backdrop of Labour achievement and forward thinking, the proposals for a commissioner for older people should be seen, and by establishing a commissioner Welsh Labour is, once again, leading the way in responding to the challenges that face older people. Over the next 20 years, the concentration of older people in Wales will increase, with over-60s forming nearly one third of the population. Over the same period, the number of people aged 85 and over will increase by a third. Changing family living patterns, fewer children and the increasing number of single people will also change the shape of our society in Wales.

Mrs. Betty Williams (Conwy) (Lab): My right hon. Friend may be aware that the UK charity Counsel and Care has expressed concern that the Government's social exclusion agenda fails to address the needs of the elderly. I understand what the commissioner's role will be, as far as we know it before we debate it today, but will my right hon. Friend ensure that the role specifically includes assessing the needs of the elderly and banishing their social exclusion where it occurs? I appreciate that the charity is UK-based and is speaking on behalf of all UK senior citizens, but will he take the advantage of the Bill to ensure that the commissioner has that role in Wales?

Mr. Hain: Indeed. The commissioner will certainly be able to take into account that important agenda and any issues that my hon. Friend might raise with the commissioner on behalf of her constituents, or that that charity might raise in respect of Welsh pensioners, and the wider implications.

The demographic changes that I have described mean we must adapt our ways of working to engage older people fully and plan for the significant social and other changes that we face. At present, many older people in Wales are unable to live the lives that they want or deserve because they feel marginalised and discriminated against, with too many barriers preventing them from making a full contribution. Those barriers prevent older people from using their knowledge and skills for the benefit of our economy and everyone in our society.

It is therefore essential that we enable older people to play the fullest possible role by establishing an independent champion for all older people in Wales. Furthermore, older people are as diverse as any other group in our society, with the needs of one varying widely from the needs of another. The vital role that older people play therefore needs to encompass a wide range of issues, from employment, housing, and transport, to education and sport, as well as health, social services, pensions and long-term care.

Here again, the commissioner will have a vital role to play, ensuring that our public services are able to provide the best possible service to all older people, helping them live as full a life as possible and making sure that they have access to all the resources they need.

Older people today are more likely to be healthy, to be working, to be better off, and to be contributing to society as a volunteer, school governor or carer, for example. Nevertheless, there are still many older people who suffer ill health, poor housing, lack of access to services or some other disadvantage. That is particularly true in Wales, with our industrial heritage, our significant rural population, and our greater number of older people, compared with the rest of the United Kingdom. A commissioner will be a powerful advocate for those people in Wales, ensuring that their voices are heard.

The idea for a commissioner was one of the recommendations of the advisory group on a strategy for older people in Wales. The idea was then translated into a firm commitment to establish a commissioner, made in the Welsh Labour manifesto for the 2003 Assembly elections. An advisory group subsequently chaired by the Assembly Deputy Minister with responsibility for older people, John Griffiths, and involving key stakeholders, older people and experts from across Wales, produced a report on the role and responsibilities of a commissioner. That was published for public consultation in May 2004 and contained 17 recommendations.

The responses to the consultation showed that respondents were overwhelmingly in favour of the concept of an independent commissioner and the functions proposed for the office. Help the Aged said that the establishment of a commissioner for older people

"will place Wales at the forefront of achieving equality and justice for older people"

and

"will aid the good practice across sectors by engendering a culture of equality and dignity for older people".

The Bill has already been the subject of consideration in the other place. As a result, it has benefited from a number of amendments that clarify and strengthen the powers of the commissioner. Important changes have been made to enable the commissioner to work jointly with other commissioners and ombudsmen and to establish an internal complaints procedure.

My hon. Friend the Under-Secretary gave evidence to the Welsh Affairs Committee on the draft Bill last year, and it was also considered by the Health and Social Services Committee of the Assembly. Although its members raised a small number of issues for further consideration, the Assembly Committee was generally supportive of the Bill and its provisions.

[Mr. Hain]

The Bill proposes the establishment of a commissioner who will be independent of Government and of the Assembly, and who will be able to speak on behalf of older people in Wales, helping to raise their profile and increase awareness of their needs. The Bill is firmly based on the model of the Children's Commissioner for Wales and provides for a commissioner for older people with a similar set of powers.

The commissioner will be able to review the effect on older people in Wales of the discharge, or proposed discharge, of functions of public bodies, such as the Assembly, local authorities, local health boards, NHS trusts and further or higher education organisations in Wales. That will ensure that the work of public bodies has a positive impact on, and takes full account of, the needs of older people. For example, where the commissioner suspects the occurrence of elder abuse, as well as working with the police and local authorities, the commissioner will also be able to review the way a local authority has implemented its policies and procedures for dealing with abuse, and to make recommendations for the future.

Today is world elder abuse awareness day, and I am proud that we are able, through this debate, to send a very clear message that elder abuse, wherever and however it occurs, is indefensible and unacceptable. The commissioner will have an important role in projecting this message and improving existing protection.

The Bill also gives the commissioner a power to help to ensure that organisations that provide certain services to older people have arrangements for whistle-blowing and complaints that safeguard and promote the interests of older people. The commissioner will also have the power to check up on advocacy services provided in Wales.

Another important element of the Bill is the power that it gives to the Assembly to enable the commissioner to examine individual cases and to require information, explanations or assistance from persons about the case—powers equivalent to those of the High Court. That will enable the commissioner to help individuals experiencing service failure to gather the evidence they need to press for charges or to press for change.

The Bill also enables the commissioner to work jointly with other commissioners and ombudsmen where they may both be entitled to examine individual cases. That will prevent duplication and ensure a joined-up approach to any examination. At present, the power extends to the public services ombudsman for Wales, and there is provision for the Assembly by order to apply it to other commissioners and ombudsmen in the future. For example, the Assembly might want to add the Commission for Equality and Human Rights. That would then clarify on the face of the Bill the powers of the commissioners to act together, to share information and to prepare joint reports. Furthermore, we envisage that the working relationship between the commissioner and those other commissioners and ombudsmen will be formalised by a memorandum of understanding.

Other powers in the Bill include the discretion to assist an individual in making a complaint or representation, to undertake research or educational activities, to issue guidance on best practice and to make reports to the Assembly on the exercise of the commissioner's functions.

The Bill also provides for the commissioner to consider and make representations to the Assembly about any matter—this was the point raised by the hon. Member for Carmarthen, East and Dinefwr (Adam Price)—relating to the interests of older people in Wales. This will allow the commissioner to raise non-devolved issues relating to the interests of older people with the Assembly, which could then take them up with the UK Government. In fact, Assembly Ministers and the Under-Secretary have already corresponded on the matter and we are committed to ensuring that the process of responding to representations made by the commissioner works as effectively and efficiently as possible and in a common-sense way, as the children's commissioner has pioneered.

In addition, my hon. Friend the Under-Secretary and I will invite the commissioner to approach us, as UK Ministers responsible for Wales, about any non-devolved matter affecting older people in Wales, just as we have done in the case of the children's commissioner—a point also raised by the hon. Gentleman. However, it is important to note that the commissioner will not be able to exercise his or her functions directly in relation to non-devolved issues. Those matters are properly the responsibility of the UK Government and it would not be appropriate for a commissioner established by the Assembly and for Wales to have such a remit. The provisions of the Bill therefore preserve these clear lines of democratic accountability. That is important.

The geography of Wales means that issues affecting older people often cross local authority boundaries, as we have heard, and sometimes national boundaries, too. We have paid particular attention to ensuring that the commissioner is able to assist an older person in Wales with issues that cross the border—for example, the commissioning of care services in England by Welsh local authorities.

The Bill defines an older person as someone aged 60 or over. That includes people who are entitled to receive winter fuel and pension credit benefits, women aged 60 receiving the state pension, and those covered by the Assembly's free swimming and bus pass schemes, which also start at 60. This age limit strikes exactly the right balance. If it were any lower—there were demands for that—it would have significant implications for the commissioner's potential work load. If it were any higher it would miss an important and growing section of older people. By setting the limit at 60, we will ensure that the commissioner is able to play the most effective role possible in championing the interests of older people.

This important Bill has attracted a good deal of support in Wales from older people and their representatives and all the parties in the National Assembly. I hope that it will receive a similar degree of support on both sides of the House today in the

interests of not only senior citizens in Wales, but hon. Members who want to watch England win their World cup match at 5 o'clock.

The commissioner will provide a vital step forward in addressing ageism and discrimination against older people. The Bill provides the necessary powers to enable the commissioner to play an effective role in turning the tide against such attitudes, and it will improve the quality of life for many older people. It will deliver a real champion for the rights and interests of Welsh senior citizens, to whom Wales owes so much, and I commend it to the House.

1 pm

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I am grateful to the Secretary of State for taking the House through the details of the Bill—never before have I seen a man so desperate to escape from the Dispatch Box to get to the television box!

I commend the Government's choice of date, because this is international elder abuse day, which is apposite. International elder abuse day is being marked by the Conservative party in Wales—the leader of the Conservative group in the Assembly, Nick Bourne, is going to county hall in Monmouthshire with our older people's champion, Nick Ramsay, who, at age 31, is a fine example of a young man who is taking on the responsibilities and concerns of older people in our community.

I am delighted to be joined on the Front Bench by my hon. Friend the Member for Clwyd, West (Mr. Jones) who will make the winding-up speech, and I hope that the House will give him a warm welcome. I apologise to the House because I shall be leaving before the winding-up speeches. I have informed the Secretary of State about the situation, which depends not on a football match but a train time—I do not have the advantage of a chauffeur-driven car to take me to Wales, so I must rely on the excellent train service this afternoon.

I broadly welcome the Bill, but there are points of detail that it will be helpful to explore in Committee. The Bill has already been subject to detailed scrutiny in another place, and I want to place on record Conservative Members' gratitude for the sterling work of my noble Friend Lord Roberts of Conwy. In another place, he intimated that he has a vested interest in the creation of a commissioner for older people, but, notwithstanding that personal interest, I hope that he remains a champion of Welsh people, young and old, for many years to come.

Regrettably, I need to inject a note of disharmony into proceedings. I cannot help contrasting the proper scrutiny that this Bill, which has widespread support, is receiving with what will happen to future legislation for Wales. If the Secretary of State gets his way, this Bill is likely to be the last of its kind, because the procedures set out in part 3 of the Government of Wales Bill will reduce scrutiny in this House to a one and a half hour debate on a Order in Council, which we will simply be invited to rubber-stamp. Although future provisions may be more complex and controversial than this Bill, they will receive less scrutiny on the Floor of the House here in Westminster. As the Secretary of State is all too aware, the House will return to that issue shortly.

The Bill is relatively non-contentious. The proposal to appoint a commissioner for older people, the first anywhere in the United Kingdom, has attracted widespread support. I have read many of the contributions that have been sent in during the passage of the legislation, and it is good to see the level of support right across the board. Indeed, the idea is so good that I do not understand why the Government are not applying it uniformly across the United Kingdom, because the commissioner will not have the ability to scrutinise matters that are not delegated. Some probing will therefore be necessary in Committee to explore the Government's thinking and the reasons for not covering, for example, the whole of England and Wales.

Mr. Hain: I have mentioned common-sense arrangements. The Children's Commissioner for Wales already has informal relations with the police and the Prison Service, although those functions are not devolved, and I foresee similar opportunities for the commissioner for older people to do the job that they want to do in the way in which they want to do it. However, it would not be right to include non-devolved matters within the remit of the commissioner for older people in Wales.

Mrs. Gillan: I understand that point, which prompts the question why there will not be a commissioner for England and Wales, because someone who lives 2 yd across the border in England will not have the same protection as their neighbour. I appreciate that the matter concerns devolution, but devolution does not have to act to the detriment of people on one side of the border. It would be interesting to know why the appointment of a commissioner for England was not considered.

Mr. Hain: This is one of many pioneering bright ideas from Wales and from Welsh Labour. Who knows what might happen in the future, because the children's commissioner, which was another bright idea from Welsh Labour, was transposed across the border to England? The Conservative party has not been an enthusiastic advocate of devolution, but we need to adopt a common-sense approach.

Mrs. Gillan: Methinks that I have given the Secretary of State an opportunity to make a little party political broadcast, which was not my intention. Many of the organisations that have contributed to the thinking behind the Bill would resent the Labour label.

Conservative Members would normally look sceptically at a proposal to establish yet another commissioner—there is a commissioner for everything these days. In this instance, however, I shall leave aside my natural scepticism, because it is possible to make a convincing case for this commissioner. As the Secretary of State has said, Wales has a growing proportion of older people compared with other parts of the United Kingdom. Currently, just more than 22 per cent. of the population of Wales—about 600,000 people—is aged over 60 compared with 20 per cent. of the population in the United Kingdom as a whole, and more than 17 per cent. of the Welsh population is aged over 64 compared with just under 16 per cent. of the UK

[Mrs. Gillan]

population. Looking ahead, demographic changes in the next 20 years are expected significantly to alter the balance of the population, with the proportion of people aged 60 or over expected to reach 28 per cent.

According to research carried out for the Welsh Assembly Government, 430,000 households in Wales—one in three—will include someone aged 65 or older by 2017. In the same year, nearly 150,000 households will be headed by a person aged 75 or older, and about 50,000 households will be headed by a person aged 85 or older, which would be an increase of 56 per cent. on current figures.

Mr. Hollobone: One significant point about those figures is that if the United Kingdom as a whole contained the same proportion of older people, there would be another 900,000 older people in the United Kingdom.

Mrs. Gillan: That point is valid. The Government should be thinking about how they will cope with the pensioner households in England as well as in Wales. They should be thinking outside the box and not only inside the territory.

Many people in Wales aged 50 and over suffer from problems associated with poor housing, poor nutrition, lack of opportunity for employment, and inadequate transport services. I know from personal experience as a junior Minister in the last Conservative Administration that age discrimination in employment is often rife, especially when someone has been made redundant in their 40s or 50s. Older people also suffer from being denied pay rises or proper training opportunities on account of their age. Several organisations—Action on Elder Abuse, Help the Aged, Age Concern, the British Institute of Human Rights, and public bodies such as the Commission for Health Improvement—have cited examples of older people's basic rights being violated.

Angela Watkinson (Upminster) (Con): What relationship does my hon. Friend predict that the new commissioner will have with the National Institute for Health and Clinical Excellence, which recently decided not to approve quality of life improving drugs for people suffering from the early stages of Alzheimer's disease? Increasing numbers of people are in need of those drugs, which also benefit their carers. People often suffer for many years because although their general health is good, those particular drugs have not been approved by NICE. Does my hon. Friend foresee that the commissioner will continue the campaign to try to get them approved?

Mrs. Gillan: My hon. Friend makes an excellent point. It will be interesting to see exactly what the commissioner can achieve over and above Members of Parliament and Ministers, and other representatives of older people. We shall be expecting rather a lot of this commissioner, and I am afraid that they will be expected to deliver. There is a very strong feeling, no matter where one's constituency is, that there is discrimination against older people in terms of the way in which drugs are approved for handing out and the demands made on the health service. It will be interesting to hear what the Minister has to say when we probe these issues further during the passage of the Bill.

Because of the problems that older people have experienced and reported over the years, and because many of them are reluctant to complain about bad service or poor treatment, several organisations have argued for a dedicated commissioner who can stand up to defend and enforce older people's rights and promote age equality in service provision across the board. However, we should be under no illusions, and we certainly should not try to kid the people of Wales into believing that the commissioner will be a panacea for every problem faced by older people. Several people have rightly argued that the commissioner will be no substitute for improvements such as a better basic state pension or improved personal care. Indeed, when the Bill was published, Help the Aged warned that

"pensions reform and an end to means-tested pensions would do more to improve the lives of pensioner households".

Nor will the commissioner do much to alleviate the swingeing 94 per cent.—or £467—increase in band D council tax that has hammered many older people in Wales, or to sort out the chronic problems of the health service in Wales, where older people are reckoned to account for about 60 per cent. of spending. Moreover, legislation alone will not eradicate discrimination overnight. That requires a change of attitudes, which will, unfortunately, take time. However, anything that the newly appointed commissioner can do to speed up the process will be welcome.

The Secretary of State outlined the various stages through which the Bill has passed, but rather than dwell on those I want to touch on some of the issues that arose as it made its way through the other place and which we may wish to explore in Committee. I am still not entirely clear about the precise role that the Government envisage for the commissioner or what is the primary function of that office. Is the commissioner a kind of Ofwat or Ofcom for the elderly, or something more? I am interested in what the Secretary of State said about the practical and common-sense operation of the system. How does he envisage that working?

The Government call the commissioner an "independent champion" of older people and have given him a wide range of quasi-judicial powers. For example, clause 13 provides him with sweeping powers of entry, while clauses 9 and 11 confer on him, in carrying out some of his duties, the same powers as the High Court. In other words, in certain cases he, or she, may have the power to act as investigator, judge and jury. We will want to examine the circumstances in which those powers are to be exercised, as well as the extent of the envisaged operations of the commissioner's staff. Another of the commissioner's principal functions will be to make representations to the National Assembly on matters affecting the interests of older people—almost, in effect, usurping at worst, or duplicating at best, the role of Ministers. We will seek clarification on those areas and on the way in which the commissioner and his staff will work with, or across, the Welsh Assembly Government, the Welsh Assembly and other organisations.

The Bill predates by some months the publication of the Government of Wales Bill, which formally ends the

corporate Assembly and establishes the executive and legislative functions by establishing a Welsh Assembly Government as a distinctive entity. Does the Secretary of State envisage that the commissioner's main representations will be made to the relevant Minister in the Assembly Government or to the Assembly itself, and how will that relationship work?

Finance is another matter of concern. The office of the commissioner will be funded by the National Assembly out of money that has already been allocated to it under the block grant from Westminster. Start-up costs are estimated at £500,000, with annual running costs for the commissioner and a predicted staff of about 30 estimated at £1.5 million. We will want to know exactly what limits will be placed on that expenditure, how the office will operate, and what limits will be placed on the number of staff that the commissioner can employ. What discussions have been held with the First Minister and Members of the Welsh Assembly Government to establish where the money to run this operation will come from, and which areas of expenditure in Wales will be cut or sacrificed in order to find it? What could have been done with that money if it had been spent directly on older people and their needs? What other Departments in the Assembly will make cuts in their services to the elderly to pay for the new operation? Will they face some reductions in order to accommodate the large amount of money that has to be found in the budget for the commissioner?

We believe that the commissioner should be independent and should make representations about the effectiveness of the operations of the Welsh Assembly Government and Ministers. But how can that happen if he is funded directly by the same Welsh Ministers upon whose performance he will be delivering a critical analysis? That is the scenario as a consequence of schedule 1 of the Bill and schedule 11 of the Government of Wales Bill. Responsibility for funding the commissioner will be transferred from the Assembly to Welsh Ministers, as it will in respect of the children's commissioner. As my noble Friend Baroness Noakes pointed out in the other place, the result is that in future the commissioner's funding is to be transferred to the very people from whom they are supposed to be independent. I am sure the Secretary of State will agree that that is illogical and undermines the Government's argument that the commissioner will be an "independent champion" of older people. We should explore that in Committee.

It is particularly relevant to repeat that the work of the commissioner will not act as a panacea given that, under clause 2, the commissioner's powers to make representations on behalf of older people will, as the Secretary of State confirmed, be confined to matters that are devolved to the National Assembly. He must be aware that a great many of the issues that affect older people in Wales will still be decided here in Westminster—pensions and benefits being two obvious examples. In addition, the limitation on the commissioner's exercise of powers to devolved areas only is unrealistic as, in the words of my noble Friend Lord Roberts:

"Individual cases do not...fall neatly into devolved or non-devolved areas."—[*Official Report, House of Lords*, 13 February 2006; Vol. 678, c. 1240.]

My noble Friend speaks with considerable experience of political life in Wales, both as a long-serving Member of this House and as a Minister.

Rather than simply making representations to the Assembly, which will then decide what, if any, action to take, would not it make sense to adopt a more pragmatic approach? I sense that the Secretary of State is considering that. Could we not amend the Bill so that, in some circumstances, the commissioner could have direct access to the relevant Secretary of State if he or she deems it necessary? I hope such an amendment will be considered in Committee without the Government appearing to lose face. We hope that we can work together constructively to get the measure right before it reaches the statute book.

Mr. Hain: Perhaps I can help the hon. Lady. It is important that we do not blur channels of accountability. The commissioner is appointed by the Welsh Assembly Government through the normal, independent Nolan-type procedures. He or she is not a puppet of that Government but an independent figure, as the hon. Lady acknowledged. However, one cannot serve and be accountable to two authorities—the United Kingdom Government and the Welsh Assembly—at the same time. However, as I said, that has not been a problem for the children's commissioner and it will not be a problem for the commissioner for older people in championing the rights of senior citizens.

Mrs. Gillan: I appreciate that intervention. However, we need to examine that independence carefully, especially when we consider schedule 1(3)(3), which provides for amounts to be payable at the Assembly's discretion. We need to explore details, perhaps to satisfy my understanding rather than to be dogmatic about anything. I still maintain that access to the relevant Secretary of State would not blur lines of communication but deal holistically with pensioners and senior citizens in Wales because older people in Wales come under two regimes. We need to have a debate about that in Committee.

Mr. Hollobone: Those of us with some limited experience of local government know that the trend is increasingly to provide a one-stop-shop service for our constituents. In Kettering, anyone who wants to complain about the county council goes to the borough council offices and there is an agreement between the authorities that the complaint will be taken up. People in Wales will become confused and disappointed if the commissioner cannot advance their cause.

Mrs. Gillan: My hon. Friend is right that there is a danger of that. There is a question about points of access to the system for individual citizens. It appears as though there may still be an opportunity for confusion and the role is not as cohesive as we envisaged when we first considered the matter. The devil is in the detail and the Government must have the opportunity to assure us that what we fear is not the case or show us that there will be a cohesive point of entry into the system for older people rather than the divided one that an initial reading of the Bill suggests.

[Mrs. Gillan]

The Secretary of State mentioned that, under the Bill as drafted, an older person is defined as someone who is 60 or older. When reading the valuable contributions that such a wide variety of organisations made to the consultation process, it is clear that many people wanted the age limit to be reconsidered. I appreciate that there was not general agreement and that proposals ranged from 50 years of age to 55, 60 and 65. However, many problems that face older people, especially discrimination in employment, occur at a younger age than 60.

The Government's consultation document, "Opportunity Age: Meeting the challenges of ageing in the 21st century", referred to several problems that face people over 50. They have not changed since the time when I dealt with such issues. In Committee in the Lords, my noble Friend Lord Roberts called for the definition of an older person to be reduced to 50. The Government responded by saying that that would automatically extend the commissioner's remit from approximately 600,000 people to more than 1 million. Ministers in the other place also argued that 60 is the age at which people become entitled to numerous benefits, such as winter fuel payments and, in the case of women—for now at least—the state pension.

Again, I wonder whether there is not some case for flexibility by enabling the commissioner to take action to help those over 50 when he or she deems it appropriate. I hope that the Government will take a pragmatic approach so that we can explore whether the age limit in some instances could be loosened instead of sticking rigidly to an age limit of 60.

The Bill is welcome but it is something of a vehicle for Ministers' party political broadcasts so that, at the next Assembly elections, they can say, "Look at what we've done for older people in Wales—we've given you a commissioner."

Chris Ruane: And why not?

Mrs. Gillan: I note the hon. Gentleman's comment.

Angela Watkinson: As an older person who is one quarter Welsh, I suggest that we should view the matter as a rich seam into which to tap rather than a body of people who need a lot of help.

Mrs. Gillan: My hon. Friend looks eternally young to me and I shall always remind the Secretary of State that I am younger than him, as I told him when he asked my age behind the Chair earlier.

Despite the Government's best intentions, older people in Wales will face the same problems and the Bill will not address, let alone resolve, many of them. Many problems have been created by a Labour regime in Wales that has been unable to bring itself to embark on the reforms necessary to deliver the improved public services on which so many disadvantaged and vulnerable people depend.

Although the measure has a great deal of merit, it should not pass through the House without detailed scrutiny. I want to ensure that the establishment of a commissioner for older people in Wales does not replace the work of Assembly Members or Ministers in this House or the Assembly. I hope that we can produce a good Bill that will, in turn, establish something beneficial for older people in Wales.

The Bill is not perfect and requires more work. However, with that proviso, I am pleased to wish it well. The Secretary of State and all hon. Members who are looking forward to the football match will be happy to know that I have no intention of opposing Second Reading.

1.27 pm

Nia Griffith (Llanelli) (Lab): Thank you, Madam Deputy Speaker, for allowing me to speak in the important debate on establishing a commissioner for older people in Wales, and especially for letting me do so early, because I need to resume my duties in Committee this afternoon.

I am sure that we are all aware of the way in which older people make an extremely valuable contribution to our communities. Many older people provide support for their sons and daughters, many help with the grandchildren and many are carers for their parents or other elderly relatives. Many help to fill the skills gap by continuing to work. Older people are the backbone of many of our voluntary organisations and cultural groups.

When I go to any groups of pensioners or retired people, I always find that we have a lively debate, which covers a range of issues. When older people get into campaigning mode, they can be a formidable force and will not take no for an answer. Recently, users of St. Paul's day centre in my constituency got wind of the fact that the county council was considering the possibility of closing it. They immediately set to work, organising a petition, enlisting the support of local councillors, Catherine Thomas—the local Assembly Member—and me. They organised a coach so that the day centre users could go to lobby councillors at county hall and arranged to address the full council. I was proud to be there with them and proud to be sitting by Mary Williams when she gave a speech, which was well argued and came straight from the heart. It could not have failed to move every councillor there. The result was that a decision was taken to keep the centre open five days a week.

Things do not always work out so well, however. Older people do encounter difficulties, come up against discrimination and get pushed to the bottom of the pile. That is why it is so important that we establish a commissioner for older people who will, among other things, scrutinise public services and public bodies in Wales to ensure that they are discharging their functions properly in relation to older people, and who will provide help to older people when they make complaints against the health service or a local authority in Wales. The commissioner should also issue best practice guidance to the public bodies and public services in Wales, to help to promote and safeguard the interests of older people. It is for those reasons that I am pleased to support the Bill, which represents a significant step forward in implementing our manifesto commitment to security and dignity for all in old age.

1.30 pm

Mr. Roger Williams (Brecon and Radnorshire) (LD): Welsh Liberal Democrats also welcome the Bill and

will not oppose its Second Reading. However, we shall raise a number of points in Committee because we believe that the Bill could be strengthened to protect older people in Wales.

I would like to acknowledge the long hours and hard work that the noble Lords have put in on the Bill in the other place. I particularly want to pay tribute to the dedication and tenacity of Lord Roberts, Lord Livsey and Lord Thomas, who performed their duties with great energy and enthusiasm.

When the Government revealed their White Paper last year, the Secretary of State described it in his usual understated way as a "trailblazing" Bill for Wales, and I think that he used the term again this afternoon. I wish that we could share his excitement. However, we must question exactly what kind of a trail the Bill is blazing for Wales. The Prime Minister has famously said that his greatest political regret was not going far enough with his policies on reform. In my opinion, the Bill comes close to falling into that trap. Like the Government of Wales Bill, it moves us in the right direction but falls well short of where it should be. This is progress by pigeon step rather than a great leap forward. I think that it was the Prime Minister who also said that the Labour Government were at their best when they were at their boldest. The Bill does not show the Government being bold; it shows them at their most timid.

Wales has a large and growing population of older people. More than 20 per cent. of the population in Wales is over 60, with that population likely to rise in the next 20 years. By 2021, nearly 500,000 households in Wales will contain at least one person over the age of 65. Policies directed at helping to improve the lives of this large sector of Welsh society are very welcome, not least because many older people in Wales are vulnerable, financially and socially. We applaud the Government's intentions with this policy, but we have some serious reservations about the Bill.

For the commissioner to be effective, he must have a sufficiently broad remit and sufficiently tough powers, and he must be given a voice in the relevant corridors of power. The most pressing failure of the Bill is the commissioner's relatively weak powers in relation to non-devolved matters. At present, the commissioner's input on issues such as pensions, benefits and employment is significantly compromised. Let us imagine that the commissioner had been in place last November, and had seen the Turner report, the Government's response and the new pensions White Paper all come and go. According to the Bill, the commissioner would have had no right to communicate directly with the Ministers responsible for an enormously influential step change in pensions policy. His voice would have been limited on an issue of seismic importance for the people he was paid to represent. I still find it incredible that a pensioner in Wales will be able to write to the Chancellor of the Exchequer or the Secretary of State for Work and Pensions, yet the commissioner will not be allowed make any such input to them directly.

Mrs. Gillan *rose—*

Mr. Hain *rose—*

Mr. Williams: I give way to the Secretary of State.

Mr. Hain: I thank the hon. Gentleman for giving way, and I apologise to the hon. Lady for butting across her, as it were.

I should like to help the hon. Gentleman, and possibly the hon. Lady, by saying that I made it clear earlier that the commissioner would be able to write to me or to the Under-Secretary of State for Wales, my hon. Friend the Member for Carmarthen, West and South Pembrokeshire (Nick Ainger). That is our job; as Secretary of State for Wales and Minister in the Wales Office, we are the gateway to the rest of Whitehall. That has long been an established practice, and it has been widely used by many independent bodies and individuals across Wales.

Mr. Williams: We understand what the Secretary of State is saying, but we wish that the Bill were able to improve and increase the devolved settlement, and to enable it to become more mature. We wish that it would allow the commissioner, who will necessarily be an independent officer, to have more powers.

Mrs. Gillan: Perhaps the hon. Gentleman will agree that a reply often comes from the Secretary of State for Wales saying, "This is not my responsibility." In response to a question on prisons, for example, he would say that it was a matter for the Home Secretary. There will be issues over access to the commissioner. The Safeguarding Vulnerable Groups Bill, which started in the House of Lords, is coming to this House on Monday. I wonder how the commissioner will relate to the independent barring board that that Bill introduces. This will be of great concern, because the measure involves people being barred from working with vulnerable adults. There is such complexity to these issues, but I am sure that the hon. Gentleman will agree that they are not addressed by this Bill.

Mr. Williams: I agree with the hon. Lady, and I am sure that we will raise these points in Committee. Our constituents in Wales want the commissioner to have direct access to the person who is likely to be able to achieve a result, either for themselves on a personal basis or for a group of people involved in a particular issue. The hon. Lady has pointed out one of the issues involved, namely the barring of people from working with vulnerable persons.

Figures obtained by the Welsh Liberal Democrats suggest that, of all the complaints made by older people to citizen's advice bureaux, 80 per cent. are concerned with pensions and tax credits. Needless to say, neither of these subjects is devolved. As well as being unable to meet directly with Ministers on these issues, the commissioner will be unable to take up individual cases on non-devolved matters. On the basis of those figures, and of the information from the citizen's advice bureaux, the commissioner would be able to help with only one in five of the cases brought to him.

Giving the commissioner the power to make direct representations to UK Ministers would give greater support to elderly people in Wales. Because of that, we would like the commissioner to have the ability to make direct representations to Westminster Ministers. He will be paid and employed by the Assembly and have the right to comment on the implications for older

[Mr. Roger Williams]

people of actions taken by a whole range of bodies, including the Assembly, the Environment Agency, and local health boards and trusts. Why should he not have the right to give direct feedback to the one body that will arguably have a greater effect on the lives of pensioners in Wales than any other: the UK Government?

We are slightly concerned to note the number of amendments tabled by the Government in the other place, and the fact that the Assembly plenary debate on this issue took place on the day after the Bill's Second Reading in the House of Lords. That could lead people to suppose that the Government were rushing the Bill through, or that they had got their procedure mixed up. Confusion will arise, because people in Wales will not know what the commissioner's role is in relation to devolved and non-devolved matters. It needs to be absolutely clear, not only to us and to the Lords, but to the older people in Wales who will be using this service, what the commissioner can and cannot do. We in this place usually know the difference between what is devolved and what is not, although I sometimes have difficulty when constituents ask me a question about a particular issue. I do not have the Government of Wales Act 1998 ingrained on my soul at the moment.

People will assume that an older people's commissioner will deal with all issues affecting older people. I imagine that there will be a great deal of surprise in Llandrindod when they learn that the commissioner for older people will not be able to speak to the Government about pensions, for example. The issue of clarity is paramount, and I would grateful if the Minister expanded on how he envisages the older persons' commissioner working alongside similar posts, such as the public services ombudsman and the parliamentary ombudsman. The Secretary of State touched on that issue, which is a significant one. We are all aware of the dangers of excessive bureaucracy and service duplication, and it is important that the Bill should not create further confusion and complication for service users.

There are other limitations in the Bill that could seriously affect the commissioner's ability to do his job successfully. As has been mentioned, today is world elder abuse awareness day, and I am sure the whole House will join me in congratulating its organisers on their great work in highlighting what is a very serious problem. The Action on Elder Abuse helpline tells us that, in 2003-04, 22,000 people in Wales aged over 65 resided in care homes. Some 45 per cent. of those care homes were independently funded, 34 per cent. were run by local authorities and provided nursing care, and 21 per cent. were run by local authorities with no nursing care provided.

In 2004, the Action on Elder Abuse helpline received 280 calls reporting 428 instances of alleged abuse, 37 per cent. of which related to psychological abuse, 21 per cent. to financial abuse, 16 per cent. to physical abuse, 12 per cent. to neglect and 2 per cent. to sexual abuse. Some 20 per cent. of such abuse occurred in care homes, and 36 per cent. of those suffering abuse in care homes who complained of such abuse identified paid workers as their abusers. Help the Aged has noted that residents in any care home funded or owned by a local authority can exercise their human rights. However, those in privately run care homes, or those who are placed in local authority-run care homes but who pay for their care, are not legally protected by the Human Rights Act 1998. As many as nine out of 10 care homes in the UK are operated by private organisations. Two thirds of people living in those homes are paid for by local councils. This is an issue for the 1998 Act, but it also raises the question of where the commissioner will fit in with dealing with it. He needs to contribute to a change in the law; if he does not, he will be nothing but a toothless tiger.

Julie Morgan: Does the hon. Gentleman welcome the clause allowing the commissioner to enter homes such as those that he describes?

Mr. Williams: Help the Aged has expressed concern about the question of the commissioner having power to enter such homes. We will get back to Help the Aged on this issue, because it is still voicing some concerns. We will have to examine the relevant clause in Committee.

Is this Bill the right way forward for the Government to improve the lives of older people in Wales? There is much that the Government should be doing to aid older people. Scrapping council tax would be a start, as that regressive and unfair tax hits Welsh pensioners harder than anyone else. When the Lyons report concludes later this year, I hope that the Government will review their reactionary approach and radically reform that punitive Tory tax policy.

I shall now make mention of a constituency issue relating to the elderly. People who live in park homes—most Members have park homes in their constituencies—are often very vulnerable. The council tax revaluation hit park home owners hard. A number of sites where there were no park homes in any band other than band A now have homes in bands A, B, C and D, which has led to huge increases in the council tax paid. Many people move into park homes later in life to get some capital out of their bricks-and-mortar homes and to have a cheaper lifestyle. The legislation that sets out how council tax valuation should be done covers England and Wales, yet it seems to be implemented differently in Wales from how it is in England. If the commissioner looks into that issue, that will be of great benefit to elderly people living in park homes.

On pensions, many of the Government's new proposals are welcome and in line with Liberal Democrat policy. But those new proposals will still lean heavily on the broken crutch of means testing, which is failing Welsh pensioners. Currently, as many as 150,000 Welsh pensioners are not getting the pensions that they need and are entitled to because of failures in means-testing. My hon. Friend the Member for Cardiff, Central (Jenny Willott) has highlighted how many pensioners in Wales are not applying for the pension credit. As a body, Welsh pensioners are probably losing almost £200 million a year.

Labour's Government in the Welsh Assembly promised free personal care for the disabled, but they have reneged on that manifesto pledge, refusing to help many of those who are unable to help themselves. In Scotland, where the Liberal Democrats are in power

with the Labour party, all older people get free personal care, thus easing the burden on hospital services and granting to some of the most vulnerable people in our society quality care in their own homes, and removing the threat of having to sell their homes to fund their care.

I make those points because they raise further questions about the role of the commissioner for older people. We know, by and large, what problems older people in Wales face. They face disproportionate tax burdens, an inefficient tax credits system and an unhelpful health system. The commissioner can help to raise the profile of these issues, but his appointment cannot be a substitute for direct and progressive policy changes on pensions, benefits, housing and welfare. An old people's commissioner who cannot give direct feedback to Ministers on a matter as important as pensions is like a transport commissioner who cannot speak directly to the Secretary of State for Transport. Unless the commissioner can pass direct judgment on the primary issues affecting older people, his ability to represent older people in Wales will be compromised.

The Bill has potential. A commissioner with teeth, and with a broad mandate and an expanded field of vision, could play an important role in representing the one in five people in Wales who are over 60 years old. We will support the Bill today and we will table amendments in Committee to enhance the scope of the commissioner's role. If implemented in the right way, the new role could have a genuinely beneficial impact on older people in Wales; if it is not, the commissioner is in danger of being a classic new Labour project—one of surface over substance, publicity over reform, and symbolism over action. Unless we lend due clarity and muscle to the commissioner's role, we risk making him a toothless tiger who is unable to exert any significant influence on devolved issues such as pensions, benefits and employment, all of which are vital to pensioners in Wales.

1.47 pm

Mrs. Madeleine Moon (Bridgend) (Lab): I welcome the opportunity to speak in this debate. I promise that I shall be brief, so that Members can get to their television sets and so that the hon. Member for Chesham and Amersham (Mrs. Gillan) can catch her train. She clearly knows very little about Wales if she thinks that First Great Western runs an excellent train service there; it is one of the worst operating in the UK. However, let us move on.

I want to begin by referring to the work of my hon. Friend the Member for North-West Leicestershire (David Taylor), whose private Member's Bill of three years ago set the scene for today's debate. I want also to acknowledge the role that John Griffiths, AM, who has recently been appointed carers' champion in the Assembly, has played in bringing this Bill before the House today.

Before entering this House, I spent 30 years working with vulnerable people alongside my colleagues in social services and the Care Standards Inspectorate for Wales, providing services and seeking to drive up standards, and spending far too much time investigating abuse—the hon. Member for Brecon and Radnorshire (Mr. Williams) referred to this issue—specifically abuse of older people.

I, too, want to acknowledge that today is world elder abuse awareness day. Unlike the hon. Member for Brecon and Radnorshire, I think that the role of commissioner for older people will provide critical extra value for Wales in protecting vulnerable individuals. It will not weaken one iota the Safeguarding Vulnerable Groups Bill that we will consider on Monday—I hope to be called to speak on that Bill, too—if anything, it will strengthen it.

I have considered the Bill as someone with a background of work in raising standards and awareness of the problems people face. We need people with tenacity and a willingness to look for problems and find solutions. It is a sad fact that too many people, especially on issues of abuse, do not want to accept what happens. They would prefer to find a way not to look for or find such problems. That is why I welcome the general functions outlined in clause 2(1)(a) to (d), which are wide ranging. The review arrangements outlined in clause 5 are also comprehensive.

Advocacy is a much underrated function and when I was an inspector care home owners had not really begun to appreciate how vital it is. I welcome the commissioner's role in tackling the issue and the fact that he or she will be able to consider the availability of advocacy and the training for those working as advocates. The job requires specific training and the capacity to undertake the role. The competency of those working as advocates must be examined and the commissioner will have the opportunity to do so. The functioning of advocacy services and their general availability across Wales will also come under the purview of the commissioner, and we should all welcome that.

The commissioner will also be able to consider complaints. When I was an inspector I used to tell care home owners, who do not like receiving complaints, that they were their best friend. A complaint tells them what they can improve, what should be changed and what is not working. Unfortunately, too many people see a complaint as a threat.

Complaints can also be a way of discovering underlying abuse. For example, I inspected a care home and the complaints book said that a service user had complained that her bath water was cold. Alongside was the handwritten report of the investigation of the complaint by the staff at the care home, which said, "Add more hot water." That seems a simple solution, but I asked the owner of the home to bring me her monitoring records for the water temperatures in the home. The records revealed that water temperatures were incredibly low—little above tepid. I pointed out to the owner that it would not have mattered for how many hours the hot tap had been run, the bath water would still have been cold. The handyman for the home said that he thought that as long as water temperatures were below the required maximum temperature they were all right. The staff had not checked and a doubly incontinent service user, who needed frequent bathing, had been forced to suffer the indignity of cold baths. That is the sort of abusive and neglectful treatment that can be picked up through casual examination of complaints. I am glad that the commissioner will also

[Mrs. Madeleine Moon]

have the ability to examine complaints, because that will help to raise standards and support service users.

Whistleblowing will also come under the commissioner's purview, and it is, all too often, the way abuse is revealed. It is often the capacity to retain anonymity that allows someone to come forward with information on something about which they are not happy, so that something can be done. I agree with the hon. Member for Brecon and Radnorshire that the commissioner will have a vital role in considering how best to assess people to determine who should be excluded from working in care settings, so that Wales has the most robust system possible. I have had experience of whistleblowing on hours worked by staff, some of whom worked for more than 90 hours a week caring for vulnerable people, including those who were aggressive and difficult to manage. When staff are that tired, they do not provide the best quality of care.

Why do we need a commissioner? After all, we already have care standards inspectors, protection of vulnerable adults procedures, an ombudsman and complaints procedures. The question can best be answered by giving an example of why we needed the children's commissioner. It is a case that I deal with personally and shows how the necessary change would not have been made without the involvement of the children's commissioner. I was leaving the House one Thursday to travel back to my constituency when I received a telephone call from a constituent, asking me to call back as a matter of urgency. I was in a taxi, which was not the right place for the call, so I asked my office to deal with it. The caller was a gentleman whose father-in-law had died more than a year previously and who, six years before his death, had worked as a support worker taking vulnerable young children to school. When clearing the deceased man's house, the family discovered that, only a few days earlier, he had been sent a full report of every child with a disability and who needed to attend school in my constituency and that of my hon. Friend the Member for Ogmore (Huw Irranca-Davies). The list included the children's names, addresses, dates of birth, schools attended, details of their disabilities and the times of collection from home and return from school. Imagine if such information had got into the hands of someone who wanted to abuse children.

I went to the local authority's chief executive, but he did nothing and passed it on to the department responsible for sending out the tender. It said that it was merely following standard industry practice. I went to the local authority's leader—who is, I have to say, a Liberal Democrat—who was initially very concerned, but then discovered that it had happened under the Labour administration and so was less concerned because she could not be held accountable for it. No action was taken. The director of personal services was unable to carry out an investigation because it was August and people were on holiday. I went to the information commissioner, who was also unable to do anything.

Then I wrote to the children's commissioner. In fairness, he initially thought that it could not be happening. He could not believe that such information was being sent to taxi companies, some of which had gone out of business or changed address. In the example of my constituent's father-in-law, he had been dead for more than a year and had not been not involved in school transport work for six years before that. The information was lying around in the public realm. Once the children's commissioner appreciated the risk, it took him two minutes to make the commitment to change the situation. He was the only person who did and that is reason enough to have an older people's commissioner in Wales to perform a similar function on their behalf. That is the sort of person we need as commissioner—someone who wants to take the bull by the horns, grapple with problems and insist on change taking place. Incidentally, the children's commissioner found that Bridgend was not the only local authority in Wales operating that policy. It was happening in other local authorities and the commissioner was able to ensure that children in other areas were protected.

Clause 16 provides for the commissioner for older people to work with the public services ombudsman for Wales. Some might claim that that is duplication and that I could have gone to the public services ombudsman.

I also welcome clause 8 on assistance and clause 10 on the examination of cases. It will be necessary to examine closely the regulations on those functions, but I welcome the provision of assistance to older people in making complaints, because that will make a big difference. Those clauses also mean that the commissioner will assist older people and that they will not be required to find their way through a difficult and complex process on their own. The local government ombudsman focuses on maladministration and personal injustice, but is passive rather than proactive.

I shall illustrate that with another constituency case of mine. I sent a complaint to a highly respected voluntary organisation about the way in which my local authority had dealt with a particular matter. The local government ombudsman had been sent a number of papers and appropriate information, but the only proactive step that he took before he decided that he needed to do nothing was to ring up a local authority officer. The officer said that the authority had been worried about the matter for ages and that everything was fine—and that was it. One telephone call was made, and no further action was taken. I spoke to the ombudsman on the telephone, and got the impression that he did not think that it was vital that he got a letter of confirmation from the local authority officer about the actions that the authority had taken.

In contrast, the commissioner will be proactive rather than passive. He will support people who make complaints, and help them to put the evidence together. He will seek information and mount challenges on older people's behalf. That is the big strength of the role, and it is something that we have been missing.

However, I have some concerns about schedules 2 and 3, which list those persons whose functions are subject to review under clause 3, and to review and monitoring under clause 5. Neither schedule mentions the Care Standards Inspectorate for Wales. Other bodies that have recently been absorbed into the Assembly's functions—such as the Wales Tourist Board and the Welsh Development Agency—are

included in schedule 3, so why is the CSIW missing? I hope that the Government accept that it should be included.

I raise that point for two reasons. First, clause 3(1)(c) refers to

"the discharge or proposed discharge in relation to Wales of a relevant function of a person mentioned in schedule 2".

I am worried that that would exclude the CSIW, as it is not mentioned there. Secondly, clause 3 (2)(c) defines a relevant function as

"any other person mentioned in schedule 2".

Again, the CSIW is not mentioned in schedule 2. I recognise that clause 4 will allow the Assembly to add it at a later date, but it would be better to include it before the Bill leaves this House.

The reason why I want the CSIW to be included in schedule 2 is best explained by reference to an Adjournment debate held in June last year, just after I came to the House. I shall not mention the specific case involved, as it is still under consideration, but I want to refer to the general concept highlighted in that debate.

The Registered Homes Act 1984 set out the procedure when a registration authority wanted to remove a care home's registration. It said that, at tribunal, the decision would be based on the situation in the home at the time that the authority made its decision to withdraw registration. Under the Care Standards Act 2000, however, the care standards tribunal must make a decision based on the situation at the time of the tribunal hearing itself.

That would appear to mean that care homes are able to do nothing and make no changes until the tribunal hearing. When the tribunal sits, they can make a few changes and demonstrate that they will make improvements, with the result that they can no longer be deregistered.

We must find ways to change that requirement. Some homes play the game and do not protect vulnerable people—they do not meet required care standards or they use legal niceties to avoid their responsibilities to older people. Such homes must be challenged. I hope that the older people's commissioner will use clause 2(1)(d)—which requires him to

"keep under review the adequacy and effectiveness of law affecting the interests of older people"—

to tackle the problems posed by the Care Standards Act 2000 and make the changes needed to protect those who live in old people's homes in Wales.

The older people's commissioner will have 30 staff. Start-up costs are estimated at £0.5 million, and running costs in the first full year of operation at £1.5 million. I assume that the funding will come from the Assembly, and Opposition Members have asked about the services that will have to be cut to meet the cost. That is an appalling question, given that £1.5 million is a drop in the ocean when compared with the need to protect older people. The commissioner and his 30 staff members will proactively fight for older people and represent their needs. They will make sure that the necessary services provided to older people are of the requisite standard.

With this Bill, the Government are recognising that Wales is a small country with a high percentage of older people. They are giving those people priority, and making it clear that they are valued members of the Welsh community. We must insist that older people—in this generation and in times to come—get the best quality services. Establishing a commissioner for older people is the way to ensure that that happens.

2.6 pm

Adam Price (Carmarthen, East and Dinefwr) (PC): In the interests of Anglo-Welsh relations—and of any Wrexham supporters who might be in our midst—I too shall try to keep my comments fairly brief.

I and my party support the principle behind this important Bill, and the model of the commissioner that is emerging is worth celebrating. Indeed, my party is calling for a language commissioner as well.

There is a difference between an ombudsman and a commissioner. The ombudsman model was developed in Scandinavia around the beginning of the 20th century, and was designed to provide a complaints procedure in cases of maladministration. The commissioner will not be a quango; the post has no role in delivery and is therefore entirely independent of the Executive, whose policies are to be investigated. The commissioner model includes elements of the traditional ombudsman role, but it has a much wider remit to investigate general matters of public policy, and I am sure that the Assembly will apply the commissioner model to other policy areas in the future.

It is great to see Wales engaging in such an important form of social innovation, and on a global scale. There are ombudsmen for older people in other jurisdictions, but the commissioner for older people in Wales will be the first post of its kind to be created in the world, and that is a credit to the Assembly Government.

The proposal to establish a commissioner for older people has all-party support. It was a Labour party manifesto commitment—one of the few that the Labour Government in Cardiff Bay are on course to deliver.

I want to echo the comments made by the hon. Member for Brecon and Radnorshire (Mr. Williams). By and large, my party supports the principle behind the Bill, although we have some concerns about the responsibility for non-devolved areas. Moreover, I bristled a little when the hon. Gentleman called for the commissioner to have teeth. In this context, that is slightly insensitive and might fall foul of anti-discrimination measures—[*Laughter.*]—but I think we got the point.

We are revisiting a problem that arose in our debates on the children's commissioner: in these post-devolutionary times, how do we ensure accountability when there is some blurring of the lines of responsibility? Given the still complex nature of the devolution settlement in Wales, we—let alone our constituents—often struggle to get our minds around such issues. The children's commissioner does not have full powers to investigate where a child is placed in care through the courts, but has such powers in relation to a sibling who is in care voluntarily. That is the type of problem that will arise if the Bill's provisions on non-devolved matters remain as they are.

Clause 2(2) states that the powers of the commissioner

"are exercisable only in relation to fields in which the Assembly has functions".

[Adam Price]

That is clear. The commissioner will not have those powers in relation to anything that is non-devolved. There will be no power to promote awareness or provision, to encourage best practice or to keep under review any non-devolved matter. On non-devolved matters, the commissioner will have the right only to make representations, under subsection (3); there will be no power to investigate. That is the key issue.

Indeed, clause 10(2) makes it clear that the commissioner will have no power to investigate individual complaints relating to non-devolved matters. Under clause 15(2) the commissioner will have no power to make reports on non-devolved matters. Another clause provides that the commissioner will have no power to initiate research in relation to non-devolved matters. Those are critical points. The commissioner will, of course, have the right—like the 3 million people of Wales—to make representations by writing a letter to the Secretary of State or the Minister, but the key issue is the basis for such representations. If the commissioner has no power to review a non-devolved policy area, no power to commission or conduct research on a non-devolved power relating to older people in Wales and no power to investigate individual complaints, on what basis will the representations be made?

The Government rightly support the principle of evidence-based policy making. Without those statutory powers the commissioner for older people in Wales will be open to legal challenge. The commissioner will be acting ultra vires if he or she initiates research or undertakes a review of non-devolved policy. If the commissioner merely writes to the Secretary of State, the Secretary of State will have the perfect right to say, "Well, what's your proof?" There will be no proof because the commissioner has no power to investigate. That is the key issue.

Of course, as the Secretary of State said, representations can be made informally. I am sure that the door of the Wales Office is always open, even to members of my party from time to time, when we behave ourselves. The key issue is not the right to write a letter or to go to see the Secretary of State; it is whether the commissioner has the right to investigate and the power to make a report, which will give a formal basis for a structured discussion with Westminster Ministers.

The commissioner will have the power to make representations to the Assembly, but there is no requirement for the Assembly to respond, nor for it to pass such representations to the Westminster Government and thus, at the end of that rather circumlocutory process, for the Westminster Government to respond at all. The key problem is that the Bill gives us no confidence about non-devolved matters, many of which have been mentioned. Some aspects of health and education have been devolved but others are non-devolved. Under the Bill, there is no clear process whereby the commissioner will be able to consider those matters comprehensively, which seriously weakens the Government's stated intent for the measure. It weakens the independence of the commissioner. If he or she has no right to communicate directly with the Government but has to go via the Assembly Government, not only will there be questions about the commissioner's independence from the Assembly Government, but the comprehensiveness of the commissioner's role as champion and advocate will be weakened.

Older people, like younger and middle-aged people in Wales, are not necessarily constitutional experts and might not understand the intricacies of the devolution settlement. They see services—whoever provides them—and they want the older people's commissioner to take up their problems, regardless of whether Westminster or Cardiff Bay is accountable according to the settlement. That is the problem facing the Government under the Bill as currently drafted. Indeed, it is line with what the people of Wales are saying.

One of the questions in the consultation exercise conducted by the National Assembly for Wales was:

> "Do you agree that the new powers establishing the Commission should include the power to make representations directly to the UK Government on issues of importance to older people in Wales?"

One hundred and thirty-nine respondents agreed that the commissioner should have the formal power to make direct representations; only two disagreed. It is absolutely clear that stakeholder and representative organisations, including Age Concern and Help the Aged, support the principle that the commissioner be given formal powers on non-devolved matters. That was the position of the Welsh Assembly's advisory group on setting up the older people's commissioner and it was also taken by a majority of the Assembly's Health and Social Services Committee, including its Labour members. There is wide consensus in Wales that the commissioner should have the power to initiate research and make reports on areas of non-devolved policy. That would be the basis for the fireside chats down the road at Gwydyr House.

Finally, I want to touch on the definition of age, on which the shadow Secretary of State for Wales expounded. It is an important issue. In the consultation, the majority of the consultees came out in favour of the principle of flexibility and supported giving the commissioner the right to look at issues involving people aged 50-plus, although accepting the general definition of 60, which has not changed since the Bill was in draft form. There should be some flexibility, especially in employment-related matters where age discrimination is as serious, if not more serious, in Wales, due to our demographics. It is likely that the commissioner for older people in Wales will be up and running before the UK commission for equality and human rights, so I urge the Minister to look again at flexibility, possibly through regulation, in terms of age-related issues that affect people at 50 plus. That is the age for the starting-point of the Welsh Assembly Government's welcome and innovative older people's strategy, so there should be some flexibility under the Bill, too. Clearly, as has been mentioned, there are also health issues for the 50-plus cohort, particularly in relation to Alzheimer's and other dementia-related diseases. I appeal to the Minister for flexibility in the definition of the age, if possible.

May we please give the older people's commissioner the power to investigate quite legitimately areas of

policy that traverse non-devolved and devolved matters? Clearly, they will be of concern to older people in Wales.

2.20 pm

Julie Morgan (Cardiff, North) (Lab): It is a pleasure to speak in this debate and to follow the hon. Member for Carmarthen, East and Dinefwr (Adam Price). I welcome the Bill and see it as part of the Labour Government in Wales and the Labour Government in Westminster delivering for older people in Wales. I welcome the fact that there is all-party support for the Bill. I was heavily involved in setting up the children's commissioner. I was on the Committee for the Care Standards Bill and then the Bill to set up the children's commissioner. I welcome the fact that the commissioner for older people has been modelled on the Children's Commissioner for Wales. As the previous speaker said, the role includes taking up complaints and fighting against injustice, but it also encompasses the power to advocate things in relation to wider issues.

In Wales, the children's commissioner has generally been regarded as a success. The commissioner has been independent and the body has succeeded in influencing the Assembly. It has been highly critical of the Assembly over certain issues and has had a response. Peter Clarke has been seen as a champion for children and I hope that the person who holds the post that we are discussing will be seen as a champion for older people. I hope that the appointment process will draw in older people in the way that the appointment process for the children's commissioner drew in children. Children played a vital role in the appointment of the commissioner.

We need a champion for older people in Wales because the elderly suffer from discrimination in many ways. A recent report by Age Concern said that 29 per cent. of people reported suffering age discrimination. That is more than any other type of discrimination. We are all living longer, which is a matter for rejoicing, but it does cause issues for society, particularly in relation to health and pensions. I am pleased that the Assembly's policies have emphasised keeping older people active and healthy. The free bus travel, which was pioneered by the Assembly Member for my seat, Sue Essex, has been a huge success. My constituents have told me that it has enabled many of them to travel around, be active and get out in a way that they have not been able to do before. In the same way, the free swimming for older people is a positive affirmation of how older people can keep active and play a valuable role in society. The appointment of a commissioner for older people will emphasise the positive, valued contribution that older people make to society, as well as looking at all the problems that can arise in the health care service and the points that my hon. Friend the Member for Bridgend (Mrs. Moon) mentioned.

I want to raise a few specific points about the Bill with the Minister. Some of them have been covered already by several speakers and by the Secretary of State in his introduction. One of the main concerns for elderly people is finance in old age. We know that Wales, on the whole, is a poor country and many elderly people live in poverty. I strongly support the Government's White Paper. It is a good basis on which to move forward for the future. It is important to recognise what a big step that White Paper is. If we look at the situation of women, we see that they have fared badly with pensions. We all know why that is: they have been looking after children or elderly people and have not been able to build up a pension contribution record.

It is difficult to separate the different strands in people's lives—finance, caring and health needs. As other speakers have said, some of those issues are devolved and some are not. It would be helpful if, when he responds, the Minister could again spell out the routes by which those different aspects of people's lives can be dealt with by the different people who are taking responsibility for them. We went through the debate about devolved and non-devolved issues when the children's commissioner was set up and I do not want to go on about it any more today. However, the reason these different problems have surfaced when setting up the children's commissioner, and now this commissioner, is linked to the devolution settlement. We have to find practical ways forward and the children's commissioner has done that, but I would be grateful if the Minister could go over what mechanisms are going to be used.

The other point that I wanted to raise was about how the commissioner will relate to similar posts, such as the ombudsman who is in post at the moment and, in particular, the new equality and human rights commission, which is not mentioned in the Bill because it has not been set up yet. Given that that commission will have a specific responsibility for age discrimination, it is important that clear links are established between the two bodies. I assume that thought has been given to how they will relate to each other.

There is also the issue of support for the commissioner. As other speakers have said, this is the first post of its kind in the UK and possibly in the world. I hope that the other countries in the UK will follow, as happened with the children's commissioner. However, when the children's commissioner took up his post, there was an established network of children's commissioners and ombudsmen throughout Europe and the world. Long before the children's commissioner was appointed, I can remember an inspirational meeting in Cardiff with the Danish children's ombudsman, at which the idea of a children's commissioner in Wales was raised. When the appointment was made, the children's commissioner had a network to relate to immediately and he was able to link in to the sort of issues that were being discussed on that network. He was able to get support from that organisation. He also relates to the children's commissioners who have been appointed in all the other devolved bodies in the UK and now in England. It is quite important to think about where the commissioner for older people will fit in. Who will he relate to, who will support him, who will raise the issues and what will there be agreement on?

It is important that the commissioner makes links with elderly people in the different ethnic communities in Wales. I know that, older people in many of those communities are isolated, particularly if they cannot

[Julie Morgan]

speak the language. It is important that the commissioner is for everybody in Wales, including the ethnic communities.

I hope that the commissioner will campaign on general issues, as well as dealing with problems in care homes and things that have to be put right. I hope that he will be able to campaign for a general improvement in the community and society. I know that one of the main issues that came up when Peter Clarke was going round talking to children about what was most important to them was the state of school toilets. He has campaigned about toilets and, in my area, there has been a considerable improvement in the toilets for children. I hope that the same thing will happen with elderly people.

One of the issues that elderly people bring up a lot with me is the lack of local facilities. As do many other people in the community, they bemoan the loss of small corner shops and the demise of small local shopping centres. I attended a packed meeting in the week before last in Birchgrove, which is in the Heath area of my constituency. Many of the people at the meeting were elderly, and they were protesting about another Tesco Extra coming to a street in the Heath outside the main shopping area. They fear that the local corner shops that they can get to easily will disappear because those shops will not be able to compete. They thus worry that they will lose the personal service that they receive. A lot of the worry about post offices came from elderly people who depended on being able to get to their local facilities.

I hope that the commissioner for older people will take up such issues because they affect the quality of life of many elderly people. Many such people have a good pattern to their lives. They go down to the local shop to get a newspaper and groceries, but that pattern of life has been disrupted in our area by the demise of some of the local shopping centres.

The Bill is good. We need to discuss aspects of it further, but they really relate to the fact that devolution has happened and we have an Assembly in Wales. We need to try to work out a way of dealing with devolved and non-devolved matters. I support the Bill.

2.31 pm

Mr. David Jones (Clwyd, West) (Con): As the father of two extremely avid Wrexham supporters, I assure the Secretary of State and everyone else in the Chamber that I will not detain the House any longer than is absolutely necessary.

We have had an interesting debate. It is clear that the Bill has received a broad welcome from hon. Members on both sides of the House. Indeed, it would be strange if that was not the case. The problems faced by older people in Wales and, indeed, the whole of the United Kingdom are well known and have been touched on by many hon. Members. Poor housing, poor nutrition, inadequate transport services and employment discrimination are but a few of the problems faced by older people, yet older people can—and do—play an important role in our national life. Indeed, as the hon. Member for Llanelli (Nia Griffith) pointed out, many of them are extremely active and run businesses well beyond what would otherwise be their retirement age.

If the commissioner can make a difference that will improve the lives of older people, the role will be greatly welcomed in Wales. The proposal of appointing a champion for older people is thus broadly welcomed among Conservative Members, but I have to echo the note of caution and concerns expressed by my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan). Such caution was also expressed in the other place by my noble Friend Lord Roberts of Conwy and by the hon. Member for Carmarthen, East and Dinefwr (Adam Price) in the Chamber today. The note of caution is that we must not expect the commissioner to be able to achieve too much.

As the hon. Member for Carmarthen, East and Dinefwr eloquently pointed out, the commissioner's functions will be confined to devolved matters. That is the significant weakness of the Bill because the commissioner will effectively be able to do nothing whatever to intervene formally in respect of many aspects of life that are of specific concern to older people, two prime examples of which are crime and pensions. Indeed, the hon. Member for Brecon and Radnorshire (Mr. Williams) pointed out that under the Bill as drafted, it would not be possible for the commissioner to make any meaningful response to the recommendations of the Turner commission.

Although pensioner poverty is a blight on the life of our nation, the commissioner will be virtually helpless to address concerns such as the consequences of the collapse of the Allied Steel and Wire pension fund, which the Secretary of State mentioned in his speech. I understand that informal channels will be opened up whereby the commissioner will be able to express concerns and advance the cases of pensioners such as those affected in that case, but it is perhaps surprising that the Government did not consider appointing a UK-wide commissioner, or at least, as the hon. Member for Carmarthen, East and Dinefwr suggested, formalising the route by which the commissioner could approach UK Ministers. In the light of that, we should not be too ambitious. We must not expect the commissioner to be the ultimate answer to the ultimate question for older people in Wales. We must be realistic about the benefits that his appointment will bring.

The commissioner will, however, be able to inquire into the effect on pensioners in Wales of the rising levels of council tax, so I hope that he will do that at the earliest possible moment. That matter was mentioned by the hon. Member for Brecon and Radnorshire. We must not forget that Wales, uniquely, has experienced rebanding and the revaluation of dwelling houses, although pensioners in England have been spared that.

Julie Morgan: Is the hon. Gentleman aware that the average council tax in my area of Cardiff is lower post-revaluation than the council tax in Bristol?

Mr. Jones: That might well be the case, but it is absolutely clear that if there had been no revaluation or rebanding, the hon. Lady's constituents would be paying even less.

Chris Ruane: Explain yourself.

Mr. Jones: They would be paying less than is the case after rebanding or revaluation.

Chris Ruane: That is ups and downs.

Mr. Jones: Well, from a sedentary position—

Mr. Deputy Speaker (Sir Michael Lord): Order. We cannot have such general, casual conversation. I think that the House has taken the point.

Mr. Jones: We could to and fro on the point ad nauseam, but in my part of Wales, certainly, pensioners are paying significantly more as a result of revaluation and rebanding than would otherwise have been the case.

I echo the concerns of my hon. Friend the Member for Chesham and Amersham by querying the powers that the commissioner will have. Clause 10 of the Bill sets up sweeping inquisitorial and quasi-judicial powers that will be backed up by a panoply of legal weapons, including the reference of individual cases to the High Court with the possible ultimate sanction of committing individuals to prison for contempt. Such weapons are very powerful and should not—and will not, I am sure—be used capriciously or lightly. We will thus probe in Committee how the powers will be used and in what circumstances that will happen. Indeed, those powers are not possessed by Ministers. Although it might be appropriate for the commissioner to have them, we will want reassurances from the Government about the manner and circumstances in which they may be deployed.

My hon. Friend has already referred to the powers of entry in clause 13. Again, we will want clarification on how the powers may be used. There is specific worry about how the powers will interface with those that are currently vested in the Care Standards Inspectorate for Wales. That was mentioned by the hon. Member for Bridgend (Mrs. Moon), who has some experience of these matters.

We can envisage circumstances in which both the commissioner and the inspectorate might be concerned about what was going on in a particular care home. It would be extraordinary and, indeed, ridiculous if both the commissioner and the inspectorate decided to exercise their comparable powers at the same time. We shall want to explore the matter further in Committee, but the Government may wish to consider whether, in cases in which the inspector is concerned about the activities of a care home, he should have power to call for an investigation by the care standards inspectorate. I see that the Minister is nodding. Presumably that is why the CSI is not among the organisations mentioned in schedule 1.

We also have concerns about the staffing and funding of the commissioner's office. The Bill, when enacted, will establish a fairly sizeable bureaucracy. We will wish to know whether the size of that bureaucracy is justified. For example, paragraph 4 of schedule 1 provides that the commissioner must appoint a deputy commissioner. Why is that provision mandatory rather than permissive? Why does the commissioner need a deputy? Will he not already be adequately supported by the remaining, no doubt sizeable, staff who will be provided from his £1.5 million per annum budget? Does he really need a deputy who will no doubt be furnished with a sizeable support staff of his own? What added value will the deputy provide?

Similarly, the commissioner is to be paid from ministerial budgets. Given that one of the commissioner's primary duties will be to scrutinise the actions and activities of Welsh Assembly Ministers, is it right that Ministers should be responsible for paying his salary and those of the members of his team? What safeguards does the Government propose to ensure that the suspicion does not arise that he who pays the piper calls the tune?

Questions also arise over the commissioner's period of tenure. Paragraph 2 of schedule 1 states that that will be a matter for regulations that will be made at some time in the future. The use of secondary legislation is something of an addiction of the Government's. One must ask why the period of tenure could not and should not be stated in the Bill. There seems to be no good reason for that, and we shall invite the Government's observations.

There are other matters that concern us. For example, clause 19 establishes statutory defences of absolute and qualified privilege to actions for defamation in respect of many of the commissioner's activities. We will need to know why the commissioner should have such protection in every such case. He may, for example, make damaging criticisms of the activities of care home proprietors and staff while exercising his duties. Why should he have a defence of privilege if, as a result of his making allegations that subsequently turn out to be false, the lives and livelihoods of those people are blighted? With power comes responsibility, and, given the sweeping powers that are to be conferred on the commissioner—I must beg to differ from the hon. Member for Brecon and Radnorshire: this is not a toothless tiger, but a tiger with very sharp teeth—it is only right that he should be called to account if he causes damage in exercising those powers. Indeed, I see no reason why he should not be subject to an action for defamation.

We share the broad welcome given to the Bill by Members, but we do not do so uncritically. We fear that from the "bonfire of the quangos" of which we have heard so much there has risen a new bureaucratic phoenix in the form of commissioners. Once the accusation was that Wales was quangoland; now it may fairly be suggested that it is rapidly becoming the fiefdom of commissioners. The more cynical might suggest that an important role of the commissioners would be to shoulder responsibilities that would otherwise fall on Ministers. We do not believe that that should happen. While it is welcome that Wales should have a commissioner who will champion the interests of older people, we would expect Ministers to act as champions for older people as well. If Ministers, whether here or in the Welsh Assembly, see that the interests of older people are being compromised, they should intervene and not simply leave it to the commissioner to take action. We, and the people of Wales, expect Ministers to be proactive and not just to await the criticism that may emanate from the commissioner.

[Mr. David Jones]

As I have said, we broadly support the Bill, but we do not do so uncritically. In Committee we will seek answers to the questions that I have asked and, no doubt, to others.

2.44 pm

The Parliamentary Under-Secretary of State for Wales (Nick Ainger): I am grateful for all the contributions that have been made. I appreciated both their content and their brevity, bearing in mind what may be happening from 5 pm onwards. I am grateful to the House for its general support for the Bill. A number of important issues have been raised, and I am sure that they will be discussed in Committee. I shall respond to some of the larger themes aired in the debate, particularly those related to non-devolved matters.

The hon. Member for Chesham and Amersham (Mrs. Gillan) asked what role the commissioner would have in relation to NICE reports—for example, its report on drugs used to treat Alzheimer's disease. The commissioner would not be able to make direct representations to NICE, but would certainly be able to take up such matters if a Welsh health board either allowed or, more likely, did not allow drugs on which NICE had made recommendations to be prescribed. The commissioner would be able to raise matters relating to a NICE decision via that channel.

The hon. Lady and others, including the hon. Member for Clwyd, West (Mr. Jones), whom I welcome to the Front Bench—I apologise for not having done so earlier—questioned the independence of the commissioner, given that the funding for the post would come directly from the Assembly, but in many cases the commissioner would be examining the policies and actions of the Assembly. The basic argument was that he who pays the piper calls the tune. However, the same arrangement applies to the children's commissioner and, as my hon. Friends the Members for Cardiff, North (Julie Morgan) and for Bridgend (Mrs. Moon) pointed out, where necessary the children's commissioner has acted in a forthright way when dealing directly with Assembly actions and policies. I therefore do not think that the independence of the new commissioner will be fettered by the way in which his office is funded.

Mr. David Jones: I hear what the Minister says, but there will be a difference. At present, the Assembly is a body corporate and is responsible for paying the children's commissioner, but if the Government of Wales Bill is enacted that will cease to be the case. The Welsh Assembly Government will have their own budgets and the new commissioner will be paid from those ministerial budgets.

Nick Ainger: The hon. Gentleman is correct, but it would be an unwise Minister who cut the budget of a commissioner because he or she did not like a report that that commissioner had produced. I am sure that the commissioner will make that perfectly clear and that the Assembly would call a Minister who acted in that way to account. I believe that there are sufficient checks and balances to guarantee the independence of the commissioner.

The hon. Member for Chesham and Amersham asked whether the commissioner's role would be similar to Ofwat's. The answer is no, it would not. Ofwat exists directly to protect the interests of water customers, whereas the role of the commissioner is to help and safeguard vulnerable older people and to improve the quality of life of all older people in Wales. That very different remit is clearly set out in the Bill.

Another question raised by the hon. Lady, which was taken up by the hon. Member for Carmarthen, East and Dinefwr (Adam Price), was why the Bill set the age threshold at 60. Both hon. Members spoke about age discrimination in work and said that, for many people, such discrimination starts before 60. The House should be aware that regulations on age discrimination in employment and training are being introduced, with effect from October 2006. Those regulations will be enforced by the new commission for equality and human rights. That is already being addressed. A limit must be set somewhere. If not, the number of people whom the commissioner would be covering would involve not only old or older people but younger people as well. I understand the idea of having flexibility, for example, but the real issue of age discrimination at work will be addressed by the commission for equality and human rights in terms of the regulations that it will be enforcing.

The main issue raised by the hon. Members for Brecon and Radnorshire (Mr. Williams) and for Carmarthen, East and Dinefwr, my hon. Friend for Cardiff, North and the Member for Clwyd, West was that of the role of the commission in relation to non-devolved matters, which clearly affect older people in Wales, whether these issues involve pensions or even the Care Standards Act 2000, whatever it may be. There are issues in which older people will clearly be interested.

The hon. Member for Brecon and Radnorshire asked about the pensions White Paper and other matters. He went on to ask about the role that the commissioner would play in that context. He will be able to give his view on the proposals set out in the White Paper. Given who he is, and under clause 9, it would be possible to carry out research. That would lead to an authoritative contribution to the White Paper. He, like anyone else in the United Kingdom, will be able to make a direct and authoritative response to the White Paper. His position would clearly carry weight.

Clause 9 would allow, as I have said, research to be carried out, even in areas where the issue was non-devolved. A report would be made to the Assembly, which it could take up directly with the relevant UK Department. Alternatively, as we have said in relation to the Children's Commissioner for Wales, if he wanted to report to my right hon. Friend or myself, we could take up the matter. The important thing is that he is not fettered from carrying out research if there is a real issue affecting pensioners in Wales because of the actions or legislation that are currently reserved. Representations could still be made, and those representations would carry a great deal of weight. I am sure that this is an issue to which we will return in Committee.

My hon. Friend the Member for Bridgend made an extremely well-informed speech, given her long professional involvement in these matters. She cited some excellent examples of how the Children's Commissioner for Wales had been effective, and far more effective than the local authority or the ombudsman, for example, because he is seen as an advocate and someone genuinely representing children with particular problems.

I am confident that when the older persons commissioner is appointed, he will be in exactly that position and will be seen as a great advocate for issues relating to older people.

My hon. Friend the Member for Bridgend asked some specific questions, particularly in relation to the Care Standards Inspectorate for Wales. That name does not appear in the Bill and my hon. Friend is concerned that, therefore, the commissioner would not be able to investigate the actions of the CSIW. May I reassure her that, in fact, he can do so, because the Care Standards Inspectorate for Wales is accountable to the Assembly, which is covered by clause 3. If the commissioner is concerned about the actions of the CSIW, he can carry out investigations or make direct representations to the Assembly on behalf of any older person. I cannot comment directly on the Holly House case that my hon. Friend raised because, as she said, an appeal has been lodged with the tribunal. The commissioner could look at such issues, and if he found that the workings of the regulations under the Care Standards Act 2000 affected the welfare of individual residents, he could make representations to the Assembly. If the regulations were not working he could ask the Assembly to change them, or he could make representations to the relevant Department through the Assembly, my right hon. Friend the Secretary of State or myself, so there are several channels to address those issues. I hope that my hon. Friend is happy with that explanation, but we can explore the matter in greater detail in Committee.

My hon. Friend the Member for Cardiff, North and the hon. Member for Brecon and Radnorshire raised the issue of joint working, and they were concerned about the working relationship between the public services ombudsman for Wales and the new equality and human rights commission. Those bodies must work together, because the new commission will have responsibility for tackling age discrimination and so on. The children's commissioner has a good relationship with other commissioners and the public services ombudsman, so I expect those bodies to develop links to avoid duplication and ensure that the new commission and the commission for older people are effective in exercising the powers given to them by the Government.

May I assure my hon. Friend the Member for Cardiff, North that although the post of commissioner for older people is a new one, the commissioner will learn from the experience of the children's commissioner, whose work has received great support? No one has made any serious criticisms of the work that he has done, and the post is regarded as a huge step forward. As my right hon. Friend the Secretary of State said, it has been copied in England.

Mr. Roger Williams: The Minister will accept that we have done nothing other than try to maximise the effect of the work of the new commissioner and, indeed, the children's commissioner. If the commissioner for older people receives a complaint about pensions, will he pass it on to the parliamentary ombudsman? How will he act in such cases?

Nick Ainger: It depends on the nature of the complaint, of course. Clearly, if it is about the payment of a pension and something is wrong, that would be an issue for the Department for Work and Pensions, and ultimately, if there was no satisfaction, the parliamentary ombudsman. However, if the complaint is about more general issues, perhaps affecting more than one individual, although the commissioner would need to receive a complaint initially from at least one pensioner or their representative, as I explained to the hon. Member for Carmarthen, East and Dinefwr, the commissioner could carry out whatever research he feels is reasonable and then make representations either through my right hon. Friend the Secretary of State or me to the relevant Department or directly to the Assembly for it to make direct representation to the relevant body. That is the route that has come about.

The hon. Members for Carmarthen, East and Dinefwr and for Brecon and Radnorshire referred to council tax. Again, on the effect of the revaluation that has taken place, if the commissioner had been in place then, he could have made direct representations to the Assembly.

The Bill to establish a commissioner for older people represents a landmark development in promoting policies for older people and is another example of how Wales is able to set an example, not only to the United Kingdom, but to the rest of Europe and possibly the wider world. The commissioner, as an ambassador and authority on older people's issues, is part of an overall strategy to ensure that the interests of older people are fully integrated into the mainstream policies of the Welsh Assembly Government. I look forward to the House's continuing support for this groundbreaking proposal, and I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

COMMISSIONER FOR OLDER PEOPLE (WALES) BILL *[LORDS]* (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Commissioner for Older People (Wales) Bill *[Lords]*:

Committal

1. The Bill shall be committed to a Standing Committee.

2. The proviso in paragraph (2)(ii) of Standing Order No. 86 (nomination of Standing Committee where a Bill relates exclusively to Wales) shall not apply to the Bill.

Proceedings in Standing Committee

3. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on 29th June 2006.

4. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

5. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

6. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

7. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

8. Any other proceedings on the Bill (including any proceedings on consideration of any Message from the Lords) may be programmed.—*[Mr. Roy.]*

Question agreed to.

COMMISSIONER FOR OLDER PEOPLE (WALES) BILL *[LORDS]* [MONEY]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Commissioner for Older People (Wales) Bill *[Lords]*, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable out of money so provided under any other Act.—*[Mr. Roy.]*

Question agreed to.

UK Hydrographic Office

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Roy.]*

3.2 pm

Mr. Jeremy Browne (Taunton) (LD): On a day when the nation holds its breath and hopes to become a world beater, it is particularly appropriate that we have the opportunity over the next half hour or so to debate an aspect of Britain in which we are already world beaters. I refer to the Hydyrographic Office, which is based in Taunton.

It may be helpful to start by explaining what the Hydrographic Office is, as some people do not know. What it does—I put it in layman's terms, claiming no scientific expertise myself—is chart the oceans, seas and coastlines of the world. If we imagine an Ordnance Survey-style map with contours showing the relief and lie of the land, that is what the Hydrographic Office produces, but for underwater regions. It is a constantly evolving task, as significant movements constantly occur through sandbanks, pebbles and other underwater changes. A good topical example is the tsunami, which had a dramatic impact on the ocean floor in that part of the world. Some areas need to be mapped because the water is particularly shallow or there may be rocks just under the surface that pose a danger to shipping.

The Hydrographic Office was set up by George III in 1795. Britain was losing too many ships at sea, and the Hydrographic Office was seen as a necessary response. The first chart was produced in 1800 and the office has gone from strength to strength ever since. Anyone who visits the Hydrographic Office—I hope that you, Mr. Deputy Speaker, and the Minister will have that opportunity—will see some fascinating artefacts. For example, the first ever map of New Zealand, drawn by Captain Cook, can be seen there. It was drawn before satellite technology and other devices made it so much easier to produce maps to such a high standard. It is a remarkable historical document, which puts into perspective the long service of the Hydrographic Office—now a world beater.

In using the term "world beater", I do not exaggerate because few countries aspire to chart the world's oceans. Most countries with a coastline cover the miles close to their own coasts and particularly concentrate on areas with heavy shipping such as the entrances to ports. However, there are very few countries across the world that aspire to perform the task with excellence—the United States, Russia and France to some extent, and the United Kingdom. Most people in the United States, Russia and France would accept that the United Kingdom has the most eminent and professionally drawn charts. Commercial practices bear that out. Shipping companies throughout the world, many of which have no direct link with the UK, buy the charts for their shipping from the Hydrographic Office based in Taunton.

At the last general election, the Hydrographic Office loomed fairly large as an election issue in Taunton. The James review commissioned by the previous leader of the Conservative party recommended, as one of the proposals adopted and accepted by the leader of the

Conservative party at that time, that the Hydrographic Office should be privatised.

There are many compelling reasons why that would not be a wise course of action. I do not intend to dwell on them at length, but there are issues in relation to reciprocal arrangements with other countries, and possible problems with insurance liabilities which are potentially enormous for the Hydrographic Office. The service is so successful and so popular that it makes money, so the case for privatising it on efficiency grounds is less attractive than in other parts of the public sector. Others may wish to contribute their thoughts on the ownership issue, but I shall not dwell on it.

Instead, I shall focus on the possibility that the Hydrographic Office will be moved from Taunton to a proposed new site next to the Met Office in Exeter. I shall suggest three reasons why I hope that the Government and the Ministry of Defence will give much thought to that proposal and reject it. The first relates to jobs and the economy of Taunton. People often ask me who are the big employers in my constituency. We have some fairly large private sector employers—for example, Relyon, a bed making company in Wellington in my constituency, and Swallowfield, a company that makes aerosols, also located in Wellington, both of which employ hundreds of people. If either of those were to close or move, that would be extremely damaging to our local economy.

In Taunton, interestingly, there is no single big private sector employer. There are lots of smaller service-type jobs, but because it is the county town for Somerset, most of the jobs in Taunton reflect that status. The county council is a significant employer. Musgrove Park hospital, which serves most of Somerset and some parts of Devon as well, is a big employer, and the UK Hydrographic Office is a very large and significant employer. It employs around 1,000 people in the town and those jobs are extremely varied.

David Taylor (North-West Leicestershire) (Lab/Co-op): I visit Taunton frequently. My daughter lives there, is an accountant and works in the area. A member of my family circle works at the Hydrographic Office. Does the hon. Gentleman agree that one of the key characteristics that indicates that Taunton benefits significantly from the presence of the Hydrographic Office is not just the number of jobs, but the range of high skilled jobs that it provides? That lifts the otherwise middling levels of income available from many other employers in the area.

Mr. Browne: The hon. Gentleman's intervention is not only extremely helpful but extremely well informed. I was about to make that point. A large number of the jobs at the Hydrographic Office are highly skilled jobs. It is a problem in an area like Somerset to keep such skills and such levels of pay in our area. We have many jobs. Compared with other parts of the country, we do not have a particular problem with unemployment. We have a bigger problem offering the career levels that mean that educated people with good qualifications do not have to go and live in Bristol or London, but can stay in Taunton and bring up their families there because suitable jobs are available in the locality. There are hundreds of jobs of that type at the Hydrographic Office, which has a beneficial knock-on effect on shopping and other services in Taunton.

Mr. Kevan Jones (North Durham) (Lab): As a member of the Defence Committee, I am impressed by the work of the Hydrographic Office. However, if savings could be made by, for example, merging the Hydrographic Office with the Met Office and moving the Hydrographic Office from Taunton, why should my constituents in North Durham pay a premium for keeping employment in Taunton?

Mr. Browne: That is a good point. I am vigilant in trying to ensure that public spending is as efficient as possible. If the hon. Gentleman does not mind, I hope to cover that point later in my speech.

The Hydrographic Office provides not only hundreds of skilled jobs, but a wide variety of jobs. Most hon. Members would accept that those who hold the maintenance and cleaning positions will not want to relocate or to commute a long distance. Furthermore, the Hydrographic Office is based in east Taunton, where it is surrounded by estates such as Halcon, Lambrook and the Lane, which are some of the poorest parts of Somerset. For those jobs to be available within walking distance of those people's homes is an important stimulus to wealth creation in east Taunton.

It has been suggested that people who live in Taunton will be able to commute because Exeter is only 35 miles down the M5. I accept that a lot of the senior people would choose to commute in those circumstances, but a lot of the junior people would not. A lot of the people in the lower paid jobs at the Hydrographic Office would not think a 70-mile round trip each day either affordable or desirable, so those jobs would be filled by people who live in Exeter rather than by people who live in Taunton. Furthermore, the commuters would eventually retire and be replaced by people who would move not to Taunton, but to Exeter. Over time, those 1,000 jobs would be whittled away until Taunton derives no economic benefit from having previously had the Hydrographic Office.

We are hearing more from the Government about global warming and the need to reduce car use, which is sensible, so it seems perverse that one of the arguments for moving the service is that people will be able to drive considerable distances to get there.

David Taylor: I was happy to co-sponsor the hon. Gentleman's early-day motion 2328 last week, which is an admirable précis of the case that he is making. Will he say a word or two in the next three or four hours before the House rises on how the news broke? Were employees or the local MP given any early indication of the news, or did the news drop out of the blue sky and into the weekly paper?

Mr. Browne: The hon. Gentleman has touched a raw nerve. Nobody formally notified me of the process.

I have discussed how 1,000 people in Taunton are employed directly by the Hydrographic Office, which has a knock-on economic effect, but those are not any

[Mr. Jeremy Browne]

old 1,000 jobs. If 1,000 jobs were lost across the board, it would have a serious impact on the economy of our area, but its emotional effect on people in Taunton would be less profound than moving the Hydrographic Office, because the Hydrographic Office has been in Taunton for many years.

The Hydrographic Office was partly moved to Taunton during the second world war, and it was moved in its entirety in the 1960s. Some families have worked there for generations, and people have an attachment and affinity to it. They have a great sense of pride in the fact that in Taunton we have not only a national but an international institution—a centre of world renown and excellence. I should like to think—and I believe that most people in Taunton would accept this—that there is a real affinity and link between the town and the service. If one of us went out into a street in London and said, "What's the Hydrographic Office and what does it do?", I suspect that the person we chose to ask would not know the answer, but if we asked the same question of anybody in the street in Taunton, they would know because everyone has a very clear sense of connection to it.

When I was first shown round a few years ago, I asked what struck me as an obvious, if possibly slightly rude, question—"Why on earth is the Hydrographic Office based in Taunton?" The person who was showing me round said that one of the reasons why it was put there is that it is roughly equidistant between Plymouth and Portsmouth. I had never thought of it in those terms before. The other reason is that it has very good communication links. It is now on the M5 motorway and on an intercity train line. All those reasons apply just as much today, in fact even more so, as they did when the decision was taken to move the service from London to Taunton for security reasons during the second world war.

The last of my three points is a slightly wider economic one. The Government have decided that it is necessary for there to be a large expansion in the number of houses in the south-west, with about a million extra houses. We hear a lot, in this House and elsewhere, about population growth in the south-east, but the south-west is another region that is growing very quickly, much of it as a result of inward migration from other parts of the United Kingdom. I accept the Government's argument that it would probably not be desirable to have those 1 million houses scattered in a random fashion across what is predominantly a rural region, and that it makes sense, in terms of building communities and economically, for them to be concentrated in hubs. One of the places that has been identified as a hub for extra housing and development is Taunton, largely because of the excellent communication links and geographical positioning that I mentioned.

As a consequence, Taunton has been assigned more than 20,000 extra houses. Although there is a need for extra house building, many associated issues and problems may arise from that extra development in terms of traffic congestion and extra pressure on amenities such as schools and the hospital, which has a very limited site and might have difficulty expanding to cope with those extra numbers. Furthermore, the character of what is essentially a county town will be changed, some may think for the better, some may think for the worse, by being expanded to that extent. Some people are uncomfortable about it, but by and large they accept that it will happen. However, the quid pro quo for the extra congestion and extra pressure on public services should be that it will mean more jobs, more prosperity, and more opportunities for people living in the town. If we are to get all the downsides of expansion without the upsides, people in Taunton have a right to say, "Wait a second—this isn't treating us fairly or even-handedly."

If a private company was taking such a decision to relocate its jobs, I could have strong views about that, but my powers of influence, and those of the Government, would be limited. However, that is not so in this case. The Government are at risk of running two completely contrary policies in two Departments. One Department is earmarking Taunton for extra expansion, extra development and extra jobs, thereby making it an economic centre, while another Department, the Ministry of Defence, runs the risk of taking away precisely the sort of high-value jobs that it is envisaged that the people living in all these extra houses will be doing.

Mr. Kevan Jones: As the hon. Gentleman knows, the Defence Committee has been conducting an inquiry about the Met Office and I have attended the evidence sittings. Unless I have missed anything that he or my hon. Friend the Member for North-West Leicestershire (David Taylor) have picked up about an immediate plan to move the Hydrographic Office, the only evidence that we have taken so far about that and the only reference to it came from a former chief executive who left the Met Office under a bit of a cloud. Can the hon. Gentleman provide evidence that, for example, the Minister deliberately did not tell the Select Committee when he appeared before us a few weeks ago that an announcement had been made? Clearly, the Minister did not say anything about that when he appeared before us.

Mr. Browne: I fear that the hon. Gentleman is being, perhaps unintentionally, far more of a conspiracy theorist and more political about the matter than I am trying to be. All I know is that no one informed me, as Member of Parliament for Taunton, that moving the service was being considered.

Mr. Jones: I am not aware that any such consideration has taken place. At the Select Committee meeting a few weeks ago, only a former chief executive mentioned it. He referred to some plans that were made several years ago when the Met Office moved from Bracknell to Exeter. There were possible plans to move the Hydrographic Office. When the Minister and civil servants gave evidence to the Select Committee, there was no new announcement. The headlines may have been grabbed by a former chief executive who said that he believed that it was a good idea, but he clearly no longer speaks on behalf of the Ministry.

Mr. Browne: I am grateful for that intervention because no one would be happier than me if the Minister got to his feet in a few moments and said, "No

fuss is necessary and you should have no worries. This is a wild goose chase. It's not going to happen." We could then all go home and I would be happy. People have asked me, "Is this a done deal? Is the move to Exeter set in stone?" I have said no. However, I understand—and people at the Hydrographic Office have confirmed it—that the option is being considered.

If that is the case, it is important that the Minister and other hon. Members appreciate that, when one is sitting in Westminster or Whitehall, it may not appear to make much difference whether the jobs and the office are based in Taunton or Exeter. After all, they are both a long way west and people here probably go down there only when they are on holiday. On a map of Britain, there is only an inch or two between Taunton and Exeter, so why should it matter that much in Whitehall? The purpose of the debate is to explain that, in Taunton, it matters a great deal, for the economic reasons and the emotional link that I outlined and because of the importance of conducting the town's expansion coherently and in a way that does not mean conflict between one part of Government and another.

That brings me to the way forward and what I hope can be done. Representatives of the Met Office who are based in Exeter appear keen to make the case for locating the Hydrographic Office next to the Met Office, to which one could use the immortal political phrase, "They would say that, wouldn't they?" The instinct of most people, in business and the public sector, is to try to expand their domain. Having a bigger set-up in Exeter may feel more prestigious to the people who are based in the Met Office at the moment.

However, I would argue that not only is the effect of such a move on Taunton potentially devastating, but it is not necessary in an era of global communications when people can exchange information by e-mail rapidly. If there is ever any need for people to meet face to face, that opportunity exists because Taunton and Exeter are fairly close to each other. The evidence suggests that it is not necessary to move because an excellent service is being provided at a profit at the moment, drawing on a pool of labour and good will in Taunton that is not available anywhere else in the country.

I accept that most of the buildings where the Hydrographic Office is located are out of date. It has had one new building recently. The buildings are not dysfunctional but they are, in the current political phrase, not entirely fit for purpose. Doubtless the office could perform to an even higher standard if it were located in superior premises. I support that idea. Given that the Hydrographic Office is in not only a prestigious but an economically successful part of the Ministry of Defence, the case for investment in new buildings is compelling.

I am open minded about relocating the Hydrographic Office within Taunton and about it being the centrepiece of another development elsewhere in the town. However, I would prefer it to stay in its current location in the eastern part of Taunton, not least because, according to most indicators, that is the poorest part of the town. Having the service and magnet for job creation in that part of town is a valuable consideration for those who live in Taunton.

There is a need to invest in the service to improve in its physical facilities. There is not, however, a need to throw the baby out with the bathwater by relocating the service in its entirety. It has been in Taunton in its entirety for almost 40 years, and has had some presence there since the second world war. It has consistently performed to the highest standard; there are very few features of government that can be seen to have performed with such routine excellence over the years as the Hydrographic Office. The town has a huge emotional attachment to the office that goes back over the generations, and it has stood by the office, served it and been proud of it for many decades. The nation's interests, as well as those of Somerset and Taunton, would be well served by giving the town the opportunity to stand by, serve and have people working at the Hydrographic Office in Taunton for many more decades to come.

3.25 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): I congratulate the hon. Member for Taunton (Mr. Browne) on securing this Adjournment debate, and I welcome the opportunity to bring to the House's attention the splendid work done by the UK Hydrographic Office on behalf of the nation, and for the benefit of seafarers worldwide.

The hon. Gentleman's speech showed that he has made a great debut in the House. Although he sits on the Liberal Democrat Benches, he is a very old friend, and I know that he has developed a reputation for advocating the interests of his constituents with a powerful voice. I must say to him, however, that although he has made a great entrance into the Chamber, he has not yet learned all the ropes. Last week, when he applied for an Adjournment debate, he should have known that there was a possibility that he would be on his feet while England were playing in the World cup. However, older hands seem to have let him off the hook this afternoon. I thank our friends from Wales who concluded their business early so that the true-blooded Englishmen in the House can conclude their affairs as well as taking on the serious issues of the UK Hydrographic Office. I say to them, "Diolch i Gymru"— "Thank you, Wales".

Let me begin by agreeing wholeheartedly with the hon. Gentleman that the Hydrographic Office is a huge national asset. I did not expect, when I became Minister for Veterans, that I would find myself responsible for safety of life at sea as well. But, on a personal level, I am immensely proud to have responsibility for what is, by common international consent, the best hydrographic authority in the world, bar none. The hon. Gentleman paid tribute to the other countries that have noted that. Its reputation has been carefully built up over 200 years through the dedication and talent of its people.

The need for a national hydrographic office arose at the end of the 18th century, when the Royal Navy required more reliable charts, as the hon. Gentleman pointed out. He failed to mention, however, that in 1795, Alexander Dalrymple was appointed the first hydrographer of the Navy—[Hon. Members: "A fine man!"] He was indeed. He was tasked with collecting, sorting and cataloguing charts and surveys and with

[Mr. Tom Watson]

producing the charts needed by the fleet. Since then, the Hydrographic Office has carved out its role as a world authority and the provider of data essential to safe marine navigation.

The Hydrographic Office supplies most of the world's merchant fleet with charts and publications, and it is the UK's national hydrographic authority. Its mission is to meet national, defence and civil needs for charts and other hydrographic information in support of safe navigation. The Hydrographic Office also discharges the Government's responsibility under the UN convention on the safety of life at sea. This includes providing round-the-clock radio navigational warnings as part of an international network. Through all those endeavours, the Hydrographic Office is instrumental in keeping safe the lives of millions of mariners.

David Taylor: Would the Minister say, in his encomium to the Hydrographic Office, that it is indeed fit for purpose? Will he—a young, talented and aspiring Minister—resist the ministerial merger mania that seems to affect other people of his category when they get their hands of the levers of state? Will he lay to rest, at least for the time being, the rumours to which the hon. Member for Taunton (Mr. Browne) referred?

Mr. Watson: What a pleasant surprise it is to discover that, and how lucky I am that, my hon. Friend's daughter works for the UK Hydrographic Office.

David Taylor: No, she works near Taunton; it is a colleague of hers who works there.

Mr. Watson: My hon. Friend's daughter's friend works for the UK Hydrographic Office and has apprised him of the excellent work it does. If my hon. Friend allows me to develop my argument a little further, he might get the answer that he is looking for; then again, he might not.

With about 1,000 staff, including many highly skilled cartographers and geographic information specialists, the Hydrographic Office is one of the largest employers in Somerset, so the point that the hon. Member for Taunton makes about its importance to his constituency is well made; I understand that argument. The Hydrographic Office is an organisation with an international outlook, in keeping with the international nature of the world merchant fleet that it supports, yet it has still been working to raise its profile and become more involved in the local community. Judging by the response to speculation in the local press, that has obviously been very successful. *[Interruption.]* That story has even found its way to Leicestershire and brought Members to the Chamber from as far away as the north-east to discuss the UKHO's future.

By any standards, therefore, the UKHO has been a huge success, and I am determined that my Department build on that. However, for my Department to do so, the organisation needs to face new challenges, including stronger international competition and the growing market for digital, rather than paper, products. Given those challenges, we are thinking carefully about the future of the UKHO, and whether its status as a trading fund continues to be the best way of building a positive and successful future. It is right that we should think about such issues, especially at a time when the Government are carrying out the comprehensive spending review.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): I understand the emphasis on moving toward digital, but does my hon. Friend agree that paper charts and knowing how to read them remain essential, and that we should not go the whole way towards electronic methods, because there are dangers in doing so? I speak as someone who, during the parliamentary recess, navigated Loch Teacuis—one of the remotest lochs in the UK—using a 1934 paper chart. It is important that paper charts continue to play a significant part in the nation's seafaring ways.

Mr. Watson: As you know, Mr. Deputy Speaker, my hon. Friend has a reputation for being a salty sea dog; he is a great seafarer and mariner and I pay tribute to his skills. When I tested the argument for moving to digital technology with the chief executive of the UK Hydrographic Office, he told me that—unlike in the case of ordnance survey mapping, where there has been a transition to digital mapping—mariners still place a traditional value on maps, and that many still prefer them to digital ones. So my hon. Friend's point is a good one well made.

As I was saying, it is right that we think about these issues, especially at a time when the Government are carrying out the comprehensive spending review. For that reason, my Department is considering the future of all its trading funds as part of a wider examination of defence support functions, in order to maximise the resources that we can make available to the front line. The consideration that we are giving to the future of the UKHO is thus not only our duty to the organisation and its staff, but is part of a wider obligation to the taxpayer that I hope all hon. Members recognise.

In view of the points made by the hon. Member for Taunton, it might help if I disentangle some of the facts from the speculation. To begin with, in effect, we are carrying out some pre-thinking—*[Interruption.]* Bear with me. We are carrying out such thinking to determine whether it is worth instituting a formal review and, if so, what ground it should cover. As I have said, the basic issue is whether trading fund status is the best status to enable the UKHO to succeed as a provider of key Government services and as a successful commercial concern.

Mr. Jeremy Browne: Two issues arise from the Minister's remarks. How long will the pre-thinking—and, indeed, the post-thinking—take, and is he saying that what is at issue is the structure and that the location is not in question and will remain in Taunton regardless of the conclusions of the pre-thinking process?

Mr. Watson: Let me do some pre-thinking and answer his question in a little while.

The outcome of that work has not yet been presented to me, although I expect to see it in the next few weeks.

When I do, I will weigh the arguments presented and decide for myself what steps to take next.

Mr. Kevan Jones: I am grateful for the insight into my hon. Friend's pre-thinking, which is obviously lacking in other Departments. Will my hon. Friend also await the Defence Committee's report on the Met Office, which might want to comment on the issue? I would not want him to make decisions before the result of our deliberations over the past few months on this issue and the Met Office's future.

Mr. Watson: I can certainly give my hon. Friend that assurance. I am awaiting the report with some excitement.

David Taylor: My hon. Friend has introduced a fascinating new concept, but can he reassure us that pre-thinking and post-thinking are not substitute words for instinct and emotion? This decision has to be taken on rational grounds, and I am sure that with my hon. Friend at the helm and others charting the course, we will be able to find safe haven at the end of the day.

Mr. Watson: I can assure my hon. Friend that my pre-thinking will be rational. I will of course write to the hon. Member for Taunton to let him know my conclusion. He mentioned being kept informed and I will ensure that that happens at all stages. If he needs to come and speak to me or officials about it, I make him the offer to do so, because I would like him to be involved in the process.

Mr. Browne: I am grateful for that offer. I also have a meeting with the outgoing chief executive of UKHO tomorrow. His replacement starts in a month's time and I intend to keep in close touch with him as well. Through the Minister, may I make an offer to all the members of the Defence Committee to come down to Taunton, before they start making recommendations, and spend an induction day at UKHO so that they can see the expertise and the standards of service? Members of the Committee might also be able to speak to some of the people in Taunton who do not work at UKHO to gain an understanding of the affection for and affinity with the service that the town has.

Mr. Watson: The best way to answer that is to undertake to send a copy of *Hansard* to the Chairman of the Defence Committee.

Let me also take this opportunity to give a categorical assurance that no secret decisions are involved. There is no hidden agenda and I am clear that trading fund status has brought many benefits to UKHO, to the Ministry of Defence and to the taxpayer more widely. I would therefore need to be convinced by evidence and facts that there was a case to tinker with what historically has been a successful structure. Against that, however, I can see a potential argument that a status closer to the private sector might give greater assurance of commercial success in an increasingly competitive international marketplace. It is right therefore that we examine that idea a little further. That is what we are now doing. A compelling case for change would have to be made, and so far I have not seen the evidence to make that case.

The hon. Gentleman also raised the separate question of the possible relocation of the Hydrographic Office. The Hydrographic Office has indeed identified that its current premises are ageing and coming to the end of their useful life. It is, therefore, examining options for the future. In order to ensure the best overall outcome, it is rightly looking at a range of options, including both redevelopment of its current site—as the hon. Gentleman mentioned—and relocation. The work will take a few months to complete. Again, no conclusions have been reached. The final decision will be taken by me, as the ministerial "owner", but I hope that the hon. Member for Taunton will contribute to the consultation process. As the House would expect, my decision will be based on what will provide the most effective and efficient solution, and deliver best value for money to the taxpayer.

The hon. Member for Taunton highlighted the possibility of co-locating UKHO with the Met Office in Exeter. That is one of the possibilities being looked at, since it is obviously logical to explore relocation to an existing MOD site in the same broad geographic area. I take his point about motorway journeys, and I understand Taunton's geography, but colleagues would rightly be surprised if we were not considering the possibility as part of our overall examination of the current facilities. As I made clear to the Defence Committee, I shall reach a decision based on the evidence and the business case when they are complete and presented to me.

Mr. Jones: Will my hon. Friend the Minister confirm that neither he nor his officials have ever mentioned the co-location possibility in evidence to the Defence Committee? Does he agree that the only person who thought it a good idea was a previous chief executive, who gave evidence when neither my hon. Friend nor his officials were present?

Mr. Watson: I shall have to check the transcript, but I am sure that I said that I needed to see a compelling case for change in respect of the UKHO, and I reiterate that now.

I assure the hon. Member for Taunton that I will not be blind to his views or those of his constituents on the matter, and that I shall weigh very carefully the points that he has put to me so fully and forthrightly this afternoon. I give him an undertaking that I shall listen equally closely to any further representations that he or other hon. Members wish to make nearer the time of a decision.

Let me also clarify that the issue of possible relocation to Exeter is one matter, but that an organisational merger with the Met Office is quite another. Again, the Defence Committee has heard evidence in favour of that reorganisation from some quarters, and has urged that it be considered. As I confirmed to the Committee, we are looking at that option as part of our high-level consideration of the future of both the UKHO and the Met Office, but I repeat that no compelling case has been made to me in that respect either. Any decision in that regard will be based on the evidence provided by officials.

In conclusion, I hope that my remarks this evening have clarified matters, and given the hon. Member for

[Mr. Watson]

Taunton the assurances that he sought. For the longer term, we must await the outcome of the work that I have described, but I remain open to any further representations on the matter that he would like to make.

Mr. Browne: I am grateful to the Minister for his helpful response to the debate, but I seek one further clarification. He said that the pre-thinking phase would last only a few weeks, but my constituents might ask about the date by which a firm decision about the UKHO's location and exact ownership status will be made. What should I tell them? The most important matter is the office's location: will a firm decision be made in a month, two months, next year or the year after that, or will the process drag on for a very long time?

Mr. Watson: I cannot give the hon. Gentleman an exact time scale this afternoon, but when the recommendation arrives on my desk I will write to him about it.

We all share the same goals for the Hydrographic Office: continued vibrancy, continued vitality and, above all, continued success. By working together, I know that we can secure a prosperous future for the office for the next 200 years, as well as for the staff who will be working there.

Question put and agreed to.

Adjourned accordingly at sixteen minutes to Four o'clock.

House of Commons

Friday 16 June 2006

The House met at half-past Nine o'clock

PRAYERS

The Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the House do sit in private.

Question put forthwith, pursuant to Standing Order No. 163 (Motion to sit in private):—

The House divided: Ayes 0, Noes 85.

Division No. 261] **[9.34 am**

AYES

Tellers for the Ayes: **Mr. Andrew Dismore and Dan Norris**

NOES

Austin, John
Bailey, Mr. Adrian
Baldry, Tony
Balls, Ed
Barrett, John
Battle, rh John
Benn, rh Hilary
Bercow, John
Berry, Roger
Blunt, Mr. Crispin
Bottomley, Peter
Brown, Lyn
Brown, rh Mr. Nicholas
Campbell, Mr. Alan
Cash, Mr. William
Caton, Mr. Martin
Challen, Colin
Chope, Mr. Christopher
Clarke, rh Mr. Tom
Crabb, Mr. Stephen
Cunningham, Mr. Jim
Cunningham, Tony
Davies, Philip
Dean, Mrs. Janet
Donohoe, Mr. Brian H.
Eagle, Angela
Ellwood, Mr. Tobias
Evennett, Mr. David
Fitzpatrick, Jim
Flint, Caroline
Gardiner, Barry
Goldsworthy, Julia
Greenway, Mr. John
Hamilton, Mr. David
Henderson, Mr. Doug
Hollobone, Mr. Philip
Hopkins, Kelvin
Hurd, Mr. Nick
Jenkin, Mr. Bernard
Jones, Mr. Kevan
Joyce, Mr. Eric
Keen, Alan
Keen, Ann
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lazarowicz, Mark
Levitt, Tom
Love, Mr. Andrew
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Mallaber, Judy
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
Miliband, Edward
Miller, Andrew
Moffat, Anne
Mudie, Mr. George
Murphy, rh Mr. Paul
Olner, Mr. Bill
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Randall, Mr. John
Robathan, Mr. Andrew
Robertson, John
Roy, Mr. Frank
Ruddock, Joan
Sarwar, Mr. Mohammad
Sheridan, Jim
Simmonds, Mark
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Snelgrove, Anne
Strang, rh Dr. Gavin
Swinson, Jo
Thomas, Mr. Gareth
Thornberry, Emily
Waltho, Lynda

Mr. Jim Devine and Sir Peter Soulsby

Tellers for the Noes:

Question accordingly negatived.

PETITIONS

Immigration Rules

9.44 am

Mr. Andrew Dismore (Hendon) (Lab): I am grateful for the opportunity to present the petition of the British Chinese community, signed by more than 2,200 people.

The petitioners declare their opposition to the new immigration rules on indefinite leave to remain for work-related category visa holders, which increase the length of time required to obtain leave from four to five years, with retrospective effect.

The petition states:

The Petitioners therefore request the House of Commons to urge Her Majesty's Government to permit all existing work-related category visa holders who held a work-related visa before 3rd April 2006 to remain eligible to apply for ILR in the UK after 4 years under the previous rules.

To lie upon the Table.

Knife Crime

9.44 am

John Austin (Erith and Thamesmead) (Lab): I present a petition organised by the Terry Booker Foundation, founded by Lynne Booker in memory of her son who was fatally stabbed by a 16-year-old in Plumstead in 2000. The petition expresses grave concern about the growing incidence of the carrying of knives by young people and the increase in knife crime.

The petition states:

Wherefore your Petitioners pray that your honourable House will urge the Secretary of State for Home Affairs to review and strengthen the law concerning the possession and use of knives, including the introduction of heavier sentences for those convicted.

To lie upon the Table.

Orders of the Day

International Development (Reporting and Transparency) Bill

As amended in the Standing Committee, considered.

New Clause 5

SUITABILITY OF MILLENNIUM DEVELOPMENT GOALS

'Each annual report must include the Secretary of State's assessment of the suitability of the Millennium Development Goals and the indicators in respect of each in achieving an improvement in the quality of life of citizens of the recipient countries and whether goals, targets or indicators need to be amended.'.—*[Mr. Chope.]*

Brought up, and read the First time.

9.46 am

Mr. Christopher Chope (Christchurch) (Con): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following:

New clause 7—*Alternative measures*—

'(1) The Secretary of State shall include in each annual report observations on the overall appropriateness and value of aid to developing countries, and set out such barriers to development as appear to him to be relevant in the countries to which bilateral aid is provided, for which action might be taken or recommended.

(2) Such observations shall include the effects of third party regulations and controls, including those promulgated by the European Community, the World Trade Organisation and the United Nations, which have the effect, whether unintentionally or not, of distorting or hampering development, or of slowing it down.

(3) They shall also include observations on the civil and judicial structures in each country provided with bilateral aid, which either assist or hamper the development and enforcement of property rights and the resolution of disputes.'.

Amendment No. 2, in clause 1, page 1, line 13, leave out subsection (4).

Amendment No. 3, in page 2, line 1, leave out subsection (5).

Amendment No. 4, in clause 2, page 2, line 5, leave out 'must' and insert

'shall so far as reasonably practicable'.

Amendment No. 8, in clause 4, page 2, leave out line 18 and insert—

'(i) European Community aid to which the UK contributes, and

(ii) other multilateral aid to which the UK contributes,'.

Amendment No. 11, in page 2, line 19, leave out from 'effectiveness' to end of line 22 and insert

'of bilateral aid in respect of each country where such aid provided by the UK was in excess of £10 million during the period covered by the report,'.

Amendment No. 16, in page 2, line 20, leave out from 'than' to end of line 22 and insert

'those 20 countries which are the recipients of the greatest amount of United Kingdom bilateral aid'.

Amendment No. 9, in page 2, line 20, leave out '20' and insert '30'.

Amendment No. 10, in page 2, line 21, leave out from '20' to end of line 22 and insert

'of the largest recipients of the said bilateral aid'.

Amendment No. 13, in clause 5, page 3, line 2, leave out from 'report' to 'on' in line 3 and insert 'general or specific observations'.

Amendment No. 17, in page 3, line 4, after 'departments', insert

', Government agencies and non departmental public bodies'.

Amendment No. 19, in clause 6, page 3, line 21, after 'departments', insert

'Government agencies and non departmental public bodies'.

Amendment No. 15, in page 3, line 32, at end insert—

'(e) promoting the establishment of a link between the commitment of aid and the reduction of corruption in recipient countries.'.

Amendment No. 22, in clause 7, page 3, line 36, after 'departments', insert

'Government agencies and non departmental public bodies'.

Amendment No. 23, in page 3, line 41, at end insert 'corruption,'.

Amendment No. 24, in page 4, line 3, at end insert 'poverty'.

Amendment No. 25, in page 4, line 4, at end insert 'sustainable development'.

Amendment No. 5, in the schedule, page 5, line 3, leave out 'must' and insert

'shall so far as reasonably practicable'.

Amendment No. 29, in page 5, line 24, at end insert—

'(j) the best estimate of the amount of bilateral aid which has been misused, stolen or otherwise been diverted into fraudulent schemes,'.

Amendment No. 30, in page 5, line 24, at end insert—

'(k) the amount of bilateral aid which has been paid, directly or indirectly to nationals of any country, either directly or indirectly through their employment, who are not citizens of the countries to which the aid is nominally addressed,'.

Amendment No. 31, in page 5, line 24, at end insert—

'(l) the amount of bilateral aid which has been paid to companies, organisations or other enterprises which are not registered in the countries to which the aid is nominally addressed,'.

Amendment No. 26, in page 6, line 14, leave out paragraph 7.

Amendment No. 27, in page 6, line 20, at end insert—

'(9) If any of the information required to be included in the annual report is not available at the time the report is prepared, an explanation as to the reason for such information not being available shall be included in the report.'.

Mr. Chope: Since Second Reading on 20 January, the Bill has been considered in Committee for less than two hours, during the course of which it was substantially rewritten. Today, the House has its first opportunity to consider the effect of that rewriting and the extent to

which it meets concerns expressed on Second Reading and elsewhere. The late and much lamented Eric Forth, whose death has left such a gap in our lives and in this House, raised such concerns in one of his shortest Friday speeches, which lasted only four minutes. He said that

"it is insufficiently focused and in some respects requires strengthening."—[*Official Report*, 20 January 2006; Vol. 441, c. 1115.]

Tony Baldry (Banbury) (Con): Can my hon. Friend help me with a dilemma? Is it safe for people such as myself, who wish to remember Eric Forth, to go canvassing in Bromley this morning or—if they support the Bill, as I do—will they need to stay here for closure motions? I would be grateful for some advice.

Mr. Chope: My hon. Friend will need to decide that for himself. My own assessment is that the Bill will receive a Third Reading today, but after full consideration. Given that so many hon. Members are in their places, I hope that we will have a cross-party Back Benchers' rebellion that will strengthen the provisions of the Bill, perhaps against the wishes of the Executive. The Prime Minister's payroll is in a minority today, with the majority being on the Chancellor of the Exchequer's payroll. If the latter comes into the Lobby in support of some of the amendments, I hope that my hon. Friend will join them. I cannot predict what will happen. Indeed, it is the whole essence of proceedings on a Friday that there is an element of unpredictability about them.

Mr. William Cash (Stone) (Con): Does my hon. Friend accept that there are those of us who support improvements in transparency on international development issues, but are appalled by the failure to deal with the fundamental question that faces the international development community—that of corruption? I shall listen to him with great interest in the hope that I may get an opportunity to get a word in edgeways at some point. I do not really care which party deals with the matter, because corruption is a serious matter. I look straight at the Secretary of State for International Development, who is in his place. He knows where I am coming from and he also knows what my new clause would have amounted to. I simply say—

Mr. Deputy Speaker: Order. I will say something simply to the hon. Gentleman. First, he must not verge on discussion of an amendment that has not been selected and, secondly, if he hopes to make a contribution to the debate it would be a great pity if the length of his interventions caused that not to happen.

Mr. Chope: I hope that my hon. Friend will have a chance to participate in the debate. As he knows, the word "corruption" is included in at least one of the amendments in the group.

In Committee, the promoter of the Bill, the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), was chided for allowing the Bill to become a Government Bill. Of course, until it left Committee, the measure was vulnerable to Government dirty tricks, but now, collectively, we have the opportunity to strengthen it and I hope that nothing will stand in the way of our achieving that objective today. Why do not we have a collective Back-Bench rebellion against the Government, who have been reluctant to make the Bill as strong as it could and should be?

The promoter of the Bill is to be congratulated on having rescheduled Report from its original date of 12 May so that we have a full day for discussion. The essence of the Bill is to achieve public accountability and to encourage public discussion of important issues. Over the next few hours we have the chance to do just that and to demonstrate how concerned we are and how much importance we attach to greater transparency and accountability in the spending of taxpayers' money on overseas aid.

This group of amendments is, in effect, a shopping list. We shall not be able to vote on all of them, but I hope that in the course of our discussion we shall be able to agree collectively that some of them are worthy of support and inclusion in the Bill, which can then in that amended form achieve Third Reading. Before I discuss new clauses 5 and 7 in detail it may be more convenient for the House if I go through some of the more technical amendments seriatim, so that Members can begin to assess which ones should have the greatest priority for inclusion.

Amendment No. 2 would leave out subsection (4) of clause 1. Why should an annual report be able to revise "anything contained in a previous annual report"? That smacks of rewriting history, and for the Bill to include a provision to facilitate and achieve such an objective demonstrates just how unusual it is in legislative terms. Are we suggesting that companies should be able to rewrite their annual reports, or that all annual reports may be changed willy-nilly? If there is an error in an annual report, especially a report to Parliament, why cannot we have a system whereby it is corrected immediately and brought to the attention of the House rather than being held over until the next annual report? The current provision refers not even to correcting a report but to revising it, which is much wider; it provides for the revision of anything contained in a previous annual report.

Philip Davies (Shipley) (Con): Does my hon. Friend agree that an annual report is just that—annual? If circumstances have changed from the previous year, the facts would inevitably be included in the next annual report so there would be no need for revision of the earlier report.

Mr. Chope: My hon. Friend makes an excellent point. Most Members would assume that an annual report is just that. I certainly cannot understand why subsection (4) is necessary.

Amendment No. 3 would leave out subsection (5) of clause 1. The annual report is an important document and I agree with the promoter and supporters of the Bill that we need more transparency and accountability, so surely the best way to bring that about is to make sure that the annual report, with its specific requirements, stands alone. Why should not that happen? From what the Minister said in Committee, it seems that the Government have it in mind to combine the report required under the Bill with the annual report of the

[Mr. Chope]

Department for International Development. However, DFID's 2006 report, which has been published since Second Reading, is well over 300 pages, so the very specific requirements for the annual report for which the Bill provides would be lost in that great big departmental report. Surely, there should be a specific annual report, in readable form and accessible to as many people as possible. It would be much better if it were not combined with any other report, as subsection (5) would provide.

Philip Davies: Given the Government's track record on burying bad news, is not the danger of including subsection (5), and thus the strength of my hon. Friend's amendment, that it would prevent the Government from possibly burying bad news in an important field where we are all committed to bringing transparency?

Mr. Chope: My hon. Friend is right. One problem is that the more information is available, the more difficult it is for people to focus on what is important. It has been said that with open government and freedom of information, more information is being put in the public domain in the knowledge that the public will not be able to get access to it—there is so much information that they will not be able to find it. We should focus on the important requirements to be brought before Parliament and debated each year.

Amendment No. 4 would omit the word "must" from clause 2 and insert the more reasonable requirement that the Secretary of State shall

"so far as reasonably practicable"

include particular matters in the annual report. The amendment demonstrates the reasonableness of our position. It would also make it easier to add to the provisions of the schedule. One can anticipate arguments such as, "We can't add these provisions to the schedule because we won't be able to guarantee the production of the information." However, if we qualify the requirement to produce such information in the schedule by specifying that it should be produced only so far as is reasonably practicable, the list of things included in the schedule could be more extensive than it is at present.

Amendment No. 8 would require a specific report on the effectiveness of European Community aid to which the United Kingdom contributes. I know that that is a concern not just of my hon. Friend the Member for Stone (Mr. Cash), but of many other Members. We put vast sums of taxpayers' money into the European Community, but it difficult to get good information about whether we are getting value for money.

10 am

Mr. Cash: My hon. Friend will remember that the report of the European Court of Auditors comes out periodically. It has not been possible to sign off the accounts of the European Union for 12 years. I concur with his views on that subject, because if we do not sort that out, we will not be able to help the people who need help.

Mr. Chope: My hon. Friend is right. The failure of the European Court of Auditors to sign off the accounts means that there is growing public scepticism about the whole European Community project. Many people feel that, rather than giving taxpayers' money to the European Community to spend on overseas aid, it would be much better if our Government spent that money directly and were accountable to the House for the way in which it was spent. That would be preferable to the indirect processes that operate at the moment. However, recognising the realities of things as they are now, the amendment would at least create a requirement for a specific report on the effectiveness of our contribution to European Community aid. I hope that, for that reason, it will commend itself to other right hon. and hon. Members.

Amendment No. 11 is important, as well. It deals with effectiveness. Surely we should be concerned about the effectiveness of all bilateral aid in excess of £10 million per year. Why not require the Government to report on that? We are talking about taxpayers' money. If bilateral aid in excess of £10 million a year is going to individual countries, why should we not have a report on it? Why should there not be proper accountability? The Bill as currently drafted glosses over the need for that. Although pressure was put on the Government in Committee by my hon. Friends the Members for Boston and Skegness (Mark Simmonds) and for Bournemouth, East (Mr. Ellwood), we did not really get a satisfactory answer out of them.

Philip Davies: Does my hon. Friend agree that it is incredibly important that that aspect be included in the Bill? Some of the greatest white elephants in many countries in the third world are projects that were funded by the European Union, which a considerable amount of our taxpayers' money has been involved in generating. It is therefore incredibly important that those white elephants are highlighted to make sure that the problem does not recur.

Mr. Chope: Again, my hon. Friend is right. Information is power. If the information is available, it will ensure that political pressure can be put on to achieve more effective spending.

Amendment No. 16 is expressed in an alternative form to amendment No. 11. It is less far-reaching, but goes further than the existing wording of the Bill. It would require the Government to identify 20 countries that are recipients of the greatest amount of United Kingdom bilateral aid and then report on the effectiveness of that aid. The same principle applies to that as to amendment No. 11: if the Government do not have that information available already, surely they should have. We are talking about taxpayers' money going in large tranches to foreign countries. Surely we should require the Government to report to us on the effectiveness or otherwise of that public expenditure. We know that the Government talk a lot about delivery in public services and not just inputs. The Bill is an opportunity for the Government to impose requirements on themselves to deliver and to show the outputs from the investment, or expenditure, of taxpayers' money.

Amendment No. 9 is an alternative to amendment No. 16, which in turn is an alternative to amendment No. 11. It is a weaker alternative because it accepts the existing wording but increases the number of countries in respect of which the reports would have to be produced from 20 to 30. In Committee, the Minister

undertook to increase the number to 25, but the Government's approach in that respect is, in my submission, self-serving, because it is linked to the public service agreement targets—and who decides what those public service agreement targets are going to be, but the Government? Particular countries have been selected so that the Department can assess the effectiveness of expenditure, but, surprisingly, those targets are not concentrated on the countries where we have the largest expenditure of taxpayers' money but chosen according to some other set of criteria. The Bill gives us the chance to increase public accountability. We should require the Government to increase the number significantly from what is already contained in the Bill. I do not support amendment No. 9, because my earlier amendment is better. Amendment No. 10 is even weaker, but yet again, it is stronger than the provisions in the Bill.

On amendment No. 13, why should not the Secretary of State include everything in his assessment, rather than just what he thinks is appropriate? Why should it just be left to the Secretary of State to decide what he thinks is appropriate? Why should not some more objective standard apply?

Amendments Nos. 17 and 19 extend the requirements imposed on the Secretary of State to report on the programmes being pursued by Government agencies, as well as Departments and non-departmental public bodies. I will wait to hear what the Minister says in responding to those two amendments. However, the original clause 2 as it was passed on Second Reading contained the expression "across all departments". Many of us thought that that added to the coherence of what the provisions sought to achieve. The Minister has not really given a satisfactory explanation of why the expression "across all departments" has been dropped from the revised version of the Bill as it has emerged from Committee. I wonder whether "Government departments" is meant to include Government agencies and non-departmental public bodies. If it already includes them, I would welcome that assurance from the Minister. If it does not, surely it should.

Amendment No. 15 relates to the issue that my hon. Friend the Member for Stone is interested in: corruption. It would require corruption to be addressed specifically in the annual report. It is worth referring to the text of the amendment, if I can find the right page of my notes. My pages have turned over; obviously it is getting windy in this part of the Chamber.

Mr. Cash: Does my hon. Friend accept that including the notion of corruption as part of the observations to be made in the Secretary of State's report would take us forward very little and not do the job properly? The African Union itself estimates that $148 billion a year leaves the continent because of corruption. That amount of course dwarfs the aid and debt relief that Africa receives—a subject on which I have been campaigning for many years. Does he agree that it is pointless merely to report on something that the African Union has already condemned?

Mr. Chope: Absolutely, but my amendment would require the Secretary of State to make observations about progress on

"promoting the establishment of a link between the commitment of aid and the reduction of corruption in recipient countries."

Corruption is a really big problem. The fact that it is rife deters many individuals from making private contributions to overseas projects because they are worried about what will happen to their money. In my experience, the most effective help for overseas countries is often given through such means as direct involvement by individuals on the ground in villages in Africa. Those people thus know that the work that they do, or the money that they give, is going directly to the people who need it, rather than being siphoned off in large part through corrupt practices.

Mr. Cash: Does my hon. Friend also accept that the $148 billion a year that leaves Africa because of corruption represents a quarter of the continent's gross domestic product? I take those figures from the excellent report "The Other Side of the Coin", which was prepared under the chairmanship of the hon. Member for City of York (Hugh Bayley). Transparency International, which has campaigned vigorously for many years on corruption in Africa and elsewhere, gave significant help with the report.

Mr. Chope: My hon. Friend is a recognised expert in the field. He feels strongly about the matter, as do many hon. Members. I thus hope that we will be able to achieve a consensus that amendment No. 15 would address in some part concerns about the lack of progress on reducing corruption. There is a need to ensure that corruption is reduced and that money goes to the people for whom it was originally intended.

Amendment No. 22 would have a similar effect to amendments Nos. 17 and 19 because it addresses the question of whether the phrase "Government departments" in clause 7 includes Government agencies and non-departmental public bodies.

Amendments Nos. 23 to 25 would add to the specific terms that will require definition or explanation in the annual report. The Bill sets out a series of such terms: "bilateral aid"; "gross national income"; "humanitarian assistance"; "low income countries"; "multilateral aid"; "official development assistance"; and the word "sector". However, it would be in the public interest if the annual report included an explanation of what was meant by corruption, poverty and sustainable development. People bandy those phrases about, but it should be possible to define them precisely. The requirements of the Bill would be strengthened if each annual report had to include such specific definitions and explanations.

10.15 am

Mr. Cash: My hon. Friend is no doubt aware of the Commission for Africa's report entitled, "Our Common Interest". The report gives a detailed analysis of the problem of corruption. Of course, the report was promoted when the Prime Minister was taking an intense interest in the subject. As my hon. Friend says, there is no point in talking about a subject such as corruption—the same is true of the European Union—if it is not properly defined.

Mr. Chope: My hon. Friend is right. Let me expand on what he says with a specific example. It is suggested

[Mr. Chope]

that the son of the Secretary-General of the United Nations, no less, was able to obtain a car on behalf of his father, thereby avoiding tax in Nigeria. Tax revenue was thus denied to a country to which our taxpayers contribute large sums in aid. I do not know whether that would come under the definition of corruption, but it would certainly help us if we knew whether that was the case. That would be achieved if there was a proper definition in each annual report of what was meant by corruption.

Philip Davies: My hon. Friend the Member for Stone (Mr. Cash) talked about corruption, but will my hon. Friend the Member for Christchurch (Mr. Chope) comment more specifically on poverty and sustainable development? Does he agree that poverty—including absolute poverty and relative poverty—means different things to different people? It is thus crucial that the word is properly defined. Does he further agree that "sustainable development" is one of those warm phrases that are much loved by politicians because they use them so that they can make the right noises when speaking to certain people? However, few who use the phrase actually seem to make clear what they mean by it. People have learned to use the phrase when they want to say the right things to certain people, so it is essential that it is properly defined.

Mr. Chope: My hon. Friend is absolutely right. It is difficult to find anyone who is against reducing poverty, or, for that matter, who does not think that sustainable development is a good thing. However, such vague, ill-defined words cannot be a substitute for bringing intellectual rigour to bear on the situation, which is preferable to encouraging woolly thinking.

Mr. Cash: Would my hon. Friend care to note that the Corruption Bill, which is a private Member's Bill before the House, includes a definition of the meaning of corrupt conduct? Furthermore, the Bill's promoter is none other than the hon. Member for City of York, and its sponsors include my hon. Friend the Member for Banbury (Tony Baldry), who intervened earlier, and the promoter of this Bill, the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). I thus say with regret that, although there is an appreciation that the arguments that I want to advance could be advanced, the Bill that we are considering unfortunately does not do so.

Mr. Chope: I am grateful to my hon. Friend for drawing my attention to the provision in the Corruption Bill. In due course, I hope that he will be able to share with the House the definition of corruption and tell us whether he thinks that that would be a suitable definition to include in the annual report, if amendment No. 23 were agreed to.

Amendment No. 5 is consequential on amendment No. 4. Both amendments would replace "must" with "shall so far as reasonably practicable".

They would give the Government more flexibility in relation to the provisions of the report and provide scope to include more provisions, such as those set out in amendments Nos. 29, 30 and 31 to the schedule, which would require specific extra information to be included in the annual report.

In amendment No. 29 we are not asking for a definitive answer on how much bilateral aid has been misused, because the Government might not be able to provide such an answer, any more than they can tell us how many illegal immigrants are in the country—but surely we can ask for their best estimate. If the Government are not making estimates of how much taxpayers' money is going into fraudulent schemes, they should be. I hope that the Under-Secretary is happy to include that provision in the schedule. Amendments No. 30 and 31, by requiring the report to contain information on the individuals and organisations to which bilateral aid is paid, would be useful and significant improvements to the reporting requirements set out in the schedule. The information should already be available to the relevant Department, so I hope that the Under-Secretary is willing to accept the amendments.

Mr. Cash: I hope that my hon. Friend will address the question of why there appears to be a commitment to no more than a reporting and observation exercise, when in fact what we are dealing with is governance, both within the United Kingdom in respect of our taxpayers' money, and in continents such as Africa. As the report of the Prime Minister's own commission noted:

"Without progress in governance, all other reforms will have limited impact."

Mr. Chope: My hon. Friend is right to be concerned about governance and what happens to taxpayers' money when it goes to other countries, but I depart slightly from his position because I do not think that it is reasonable of us to impose on third-world countries higher standards of governance than we exercise in this country. In recent months it has become apparent that our own Government, in our sophisticated country with its developed economy, do not know what is going on in various areas of public life and policy, so it is not unreasonable that the Governments of some third-world countries do not know what is going on there.

Mr. Cash: I see that there is a serious divergence between us. We have a Public Accounts Committee and a National Audit Office that examine all those questions properly. It is inconceivable that corruption on the scale that we witness in other countries could be carried on in this country. I believe that our taxpayers are entitled to know that when the money arrives in other countries, it is properly disbursed according to proper principles of governance, public accountability and transparency.

Mr. Chope: I take my hon. Friend's point, which he makes well.

Amendment No. 26 would omit paragraph 7 to the schedule, which would be replaced by the tighter requirement in amendment No. 28. As drafted, the Bill does not require information for any relevant period to be included in the annual report

"if the figures for that period are not (or not yet) available when the report is prepared; but if they become available later they must be included in the first annual report which is prepared after they become available".

In my view, if we—Parliament—require that the Government provide information, that information should be made available, and if it cannot be made available for some reason, the annual report should set out the reasons why it is unavailable and, by implication, when it will become available. In effect, the clever, subtle drafting of paragraph 7 negates the requirement in paragraph 1 that the annual report "must" contain various pieces of information by allowing the publication of the information to be deferred or delayed.

Philip Davies: Does my hon. Friend agree that paragraph 7 would also allow some important information that the Bill is designed to make transparent not to come to light for 11 months or so after it becomes available? Surely that is unacceptable if our aim is transparency and accountability.

Mr. Chope: My hon. Friend is absolutely right. I might sometimes be regarded as being somewhat sceptical about the Government's motives. When I see provisions such as paragraph 7, I wonder why they want excuses for not doing what Parliament requires to be set out in legislation. Have the Government been dragged, kicking and screaming, into accepting the Bill, or are they enthusiastic promoters of improved transparency and accountability for the way in which we spend our money on overseas aid?

Mr. Cash: On that point, my hon. Friend may have gathered—I am sure that the Secretary of State and the Under-Secretary have done so—that I believe that the Government would rather have the Bill than have to deal with the real problems that arise from corruption. I await the Under-Secretary's comments with interest. Changing the long title in order to exclude my new clause and related matters was not a constructive way to go about things.

Mr. Chope: My hon. Friend has been thwarted on this occasion, but I am sure that he will come back on another and get his measure on to the statute book.

Having dealt with the amendments, I come to the new clauses in the group. New clause 5—the key provision, which leads the group—goes to the heart of the Bill. It is all about the millennium development goals and requires that each annual report should include the Secretary of State's assessment of the millennium development goals and the indicators used to measure achievement, and whether they need to be amended. The millennium development goals are, in some respects, already looking rather sick. The Chancellor of the Exchequer himself has said that, far from the goal of primary education for all being delivered by 2015, it will not be delivered until 2130. That is so far into the future. How meaningful is it to have a directive that must be achieved by the year 2030? Is this not bringing into ridicule the process of having millennium development goals? Is this not encouraging a lack of focus on our priorities for the third world?

10.30 am

Mr. Cash: Does my hon. Friend accept that there is something rather insidious, which is characteristic of the Government, in piling in a vast amount of time and attention to targets—for example, public services and so on—and yet to leave the issue on which the focus should be addressed in disarray? We end up by having an enormous amount of spin, huge reports, commissions and everything else. At the same time, there are people in Africa and other countries who are starving to death because the relevant issues are not being dealt with, and the money that is given by charitable organisations, for example, is being diverted.

Mr. Deputy Speaker: Order. It is a timely moment to remind the House that we are talking about public aid, and also a report relating to that. I think that the hon. Gentleman is pushing the boundaries further than they should properly be pushed on this occasion.

Mr. Chope: I revert to the issue of millennium goals and poverty, Mr. Deputy Speaker. One of the goals was to halve poverty by 2015. Who would disagree with that as an objective? Some may say that halving it would not be good enough and that it should be eliminated. It is impossible to eliminate poverty if it is defined in terms of relativities. However rich other people become, there will always be some people who are not as rich as others. If we accept that there is such a thing as absolute poverty, halving it by 2015 is fine. That is a reasonable objective. However, the Chancellor of the Exchequer has told us that poverty will not be halved until the year 2150. That will be 135 years too late for those who might be hoping that they will be removed from poverty. Again, we are presented with a meaningless concept. What is the point of having goals that are so far in the distance? It is rather like the football match last night, when people wondered when the goals were coming. At least they came in the end. However, we have millennium development goals that are unlikely to be met—in this case, of halving poverty—until 135 years have passed.

Even more distressing is that the goal of eliminating avoidable infant deaths—not unavoidable infant deaths—is 2015. When is it likely to be achieved? In the year 2165—in other words, 150 years later than the original target. It is only seven years since the millennium. In another six years, perhaps the target will be extended 150 years further into the distance, beyond the horizon. In this context, I think that new clause 5 would improve the Bill enormously. It would force the Government to address the millennium goals and lead to an open discussion on whether they are worth while, whether they should be amended and whether there should be a focus on fewer of them, and on achieving the most important ones.

My new clause also includes the indicators of the goals. Some of the indicators of whether the goals are being achieved, or are likely to be achieved, are unnecessarily controversial and undermine the main objectives of the goals. If goal 1 is to eradicate extreme poverty and hunger, why do we not concentrate on that goal and on goal 2, which relates to universal primary education, and on reducing child mortality, which is goal 4, rather than getting diverted into the issue of the 12th indicator in goal 3, which is the proportion of seats held by women in national Parliaments?

[Mr. Chope]

Surely there is no comparison between the gravity of the earlier issues to which I referred and increasing the proportion of seats held by women in national Parliaments. It is grossly distorting to think that seats held by women should even be considered in the same context as other, much more important, millennium goals. The new clause would give the Government the opportunity to engage the public in a debate about where the millennium goals are and where they are going.

At present, 50 countries are going backwards on at least one of the millennium goals. In sub-Saharan Africa, some countries are failing in every one of those goals. There should be much more focus on them and we should think about modifying them so that they are more realistic and attainable. Even if we increase the proportion of public expenditure in this country and of our GDP that goes in public contributions to the developing world, that will go nowhere near solving the problems that have been identified in the millennium development goals.

There are many who find it rather depressing and debilitating to think that things are getting worse rather than better. The facts give credence to those commentators who argue that the effect of aid is often to increase the poverty and the problems in other parts of the world, rather than to deal with them, and that too much of the discussion and posturing about third-world aid is to make us feel better, although we are not achieving very much on the ground in the countries to which we say we are directing our resources and help.

That brings me on to new clause 7, which is an important alternative proposal. It would provide that:

"The Secretary of State shall include in each annual report observations on the overall appropriateness and value of aid to developing countries, and set out such barriers to development as appear to him to be relevant in the countries to which bilateral aid is provided, for which action might be taken or recommended...Such observations shall include the effects of third party regulations and controls, including those promulgated by the European Community, the World Trade Organisation and the United Nations, which have the effect, whether unintentionally or not, of distorting or hampering development, or of slowing it down...They shall also include observations on the civil and judicial structures in each country provided with bilateral aid, which either assist or hamper the development and enforcement of property rights and the resolution of disputes."

Having spoken at some length, I shall not go into great detail about what might be the effect or the impact of being able to include new clause 7 within the Bill. The value of aid and the barriers to development are important issues. There are some who might argue that 40 years of aid have not helped to reduce the dependence of African countries on aid, but instead have made them more dependent on it.

Mr. Cash: I hope that my hon. Friend and I will not disagree over the necessity for countries to receive aid, but also to have debt reduction. I campaigned as chairman of the Jubilee campaign—with more than 300 Members of this place supporting me—on the subject of the reduction of third-world aid. If a reduction in debt relief results in an increase in the amount of money made available to other countries, they can help themselves, which is one of my main objectives.

Mr. Chope: I agree wholeheartedly, which is why aid should go to individual people, rather than to Governments. On 23 July 2005, *The Business* magazine said:

"A 1 per cent. increase in aid to Africa produces a 3.5 per cent. drop in real per capita growth."

That is a result of the way in which the money is made available, and it demonstrates the ineffectiveness of such aid. Under new clause 7, the Government are required to include in the report observations about the value of aid and about the effect of third-party regulation and controls. Bob Geldof said:

"The EU is the greatest protection racket ever invented. Al Capone would be desperately proud of the EU—we've just extended our fences to the east."

He declared, too, that Africa needed entrepreneurial spirit. Such observations capture the public's imagination, and it would be interesting to see whether the Government's observations in the annual report can do the same.

Mr. Cash: My hon. Friend may not know that Bob Geldof is a long-standing friend of mine. He deserves strong support because his status and his directness enable him to draw attention to things that those of us who are not always listened to in the House of Commons as carefully as we would like sometimes fail to convey to the public at large.

Mr. Chope: I agree with my hon. Friend, and I am sure that we are both delighted that Bob Geldof is playing a key role in Conservative policy development with a view to bringing about the early return of a Conservative Government.

We must consider, too, civil and judicial structures when addressing the lack of property rights, the need for a trusted judiciary, law enforcement and the rule of law. On 3 July 2005, *The Business* said that developing countries are

"usually locked out of the formal, legal economy".

People have houses, but not the titles to them crops but not deeds; businesses, but not statutes of incorporation. Too often, what passes for ownership is a system of informally evolved and acknowledged property rights. It would be useful to include Government observations on such issues in the annual report.

It has taken me longer than I hoped to develop my arguments, but I have provided a shopping list of requirements to improve the Bill. The Government must account to taxpayers for the large sums of money that have already been spent in the third world and the ever larger sums that the Chancellor has promised to spend on their behalf in future.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I am delighted to participate in our debate, and I congratulate the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), whose constituency I find it difficult to pronounce, on his Bill. I attended the reception last night with Midge Ure, who, with Bob Geldof, supports the Bill. The right hon. Gentleman, like others, has spoken eloquently about the measure, and urged us to keep our contributions short so that we can make progress.

I had the privilege of serving on the Standing Committee, and I am pleased that some of my proposals, particularly on humanitarian accountability, have been included in the Bill. It is the first time that that has happened to me, and it may be a while before it happens again.

10.45 pm

Mr. Cash: I congratulate my hon. Friend on his success in being able to add his proposals to the Bill in Committee. Can he explain why the long title was changed, thus ensuring that my proposals could not be considered?

Mr. Deputy Speaker: Order. I hope that the hon. Member for Bournemouth, East (Mr. Ellwood) will resist that invitation, however tempting it appears.

Mr. Ellwood: I am grateful for your assistance, Mr. Deputy Speaker, and for allowing me to press on. However, I thank my hon. Friend for his congratulations.

The introduction of the Bill was prompted by the millennium development goals of 2001, which called on Governments to increase the proportion of gross national income spent on aid to 0.7 per cent. In considering the annual report, I should like to focus on the requirement for all Governments to participate in that initiative. High profile areas that have received money include Sudan, and Phuket in Thailand, with which I was involved in the aftermath of the tsunami, and regions affected by the Indonesian earthquake. As a nation, we are very generous in providing money and resources, which combine with the generosity of other countries—some offer more, some less—as the millennium development goals are designed to involve everyone. Money and resources, however, must be used wisely in the country that receives them. We must be sure that our money is spent correctly, and to prevent overlaps and clashes in the deployment of funds, co-ordination is required.

Yesterday morning I returned from Afghanistan, where I spent a few days meeting military organisations and civilian ministries. I met President Karzai, whom I asked about security and international development, General Jones, the head of NATO, and General Richards, the head of the international security assistance force. All of them agreed that the security umbrella provided by NATO and ISAF could be improved, as more troops were needed. In general, the provision is working, but the level of security provided by NATO cannot last for ever, as funds will eventually run out. International development and reconstruction organisations must take advantage of a small window of opportunity to build the necessary infrastructure, win the trust of the local people and develop local economies to provide jobs and livelihoods that are not connected to the poppy trade.

I visited Helmand province, where I met a representative from the Department for International Development and the provincial reconstruction team. They are doing fantastic work—which, however, is taking place in isolation from work in neighbouring provinces and other parts of Afghanistan. It is a silo project, and there is no overall co-ordinator in Kabul to make sure that those vast sums are spent correctly. When visiting Kabul and Kandahar I was deluged with details of international organisations and operations spending. All of them spend vast sums but, I am afraid, they work separately and follow their own agenda. Myriad organisations and ministries are active in Afghanistan, including UN missions and departments across Kabul, EU missions and delegations, and embassies, which provide cash, but also issue caveats about the way in which that money is spent. DFID is present, as is the United States Agency for International Development, ISAF, the Christian Foundation for Children and Aging and the Afghan Counter Narcotics Trust Fund.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Gentleman, but he needs to satisfy the House as to the new clause or amendment in the group that we are debating to which his remarks are related.

Mr. Ellwood: I am grateful for your direction, Mr. Deputy Speaker. I am speaking to amendments Nos. 4 and 8. It is the focus of the report that interests me.

We are in urgent need of a Paddy Ashdown-type character to co-ordinate operations in Afghanistan, because money is being wasted. The Bill deals with accountability for the 0.7 per cent. that we are spending. I am saddened to say that unless the annual report focuses not just on what Britain is spending, but on how that money is linked to international efforts, money will be wasted and unaccounted for, as other hon. Members have pointed out.

Mr. Philip Hollobone (Kettering) (Con): I am enjoying my hon. Friend's contribution. He mentions amendments Nos. 4 and 8, but may I suggest that new clause 7 would also be an appropriate focus for his remarks, as it states that the report should

"set out such barriers to development as appear"—

to the Secretary of State—

"to be relevant in the countries to which bilateral aid is provided"?

In that context, the security issues that my hon. Friend is rightly highlighting would fit neatly.

Mr. Ellwood: I am grateful for my hon. Friend's intervention. He raises an important point about bilateral aid, and we must consider how our money fits into that. I am pleased that the Secretary of State has joined us. I hope that the annual report for which the Bill provides will contain an analysis of how our money, and other money, is being spent.

I shall cite two examples to show how money is being spent and, unfortunately, wasted. The first relates to a school that was built by a non-governmental organisation to the north of Kandahar—a commendable project to provide education in a small town where there has been no form of education for a couple of decades, because of the various wars. Unfortunately, once the school was built the poppy fields to the north of the town were scorched, taking away the livelihoods—illegal though they were—of all the people who lived in that town. They have abandoned the town, leaving behind a brand-new

[Mr. Ellwood]

school building. That is a good example of lack of co-ordination between the various international operations in Afghanistan.

The second example relates to bilateral aid, which was mentioned earlier. An embassy offered to build so many miles of road in Afghanistan. There are already many contractors building roads there and much work has been done in that respect. The condition that the donor country placed on the project required that that country provide the contractors. Limited funds were made available for the road building, and by the time the firm of contractors had flown out all its equipment, the time, and the funding, had almost run out. Had that money been allocated to a senior organisation in Afghanistan, it could have paid local contractors to continue the road building, rather than wasting time getting another company to come out and do the same work.

Mr. Cash: As the Secretary of State is in the Chamber, may I ask whether my hon. Friend is conscious, in the context of what should be included in the annual report under clause 2, that the Bill does not provide for it to include figures on corruption? There is a reference in the Bill to progress in

"the better management of aid, including the prevention of corruption",

but no figures that would enable us to identify where the problem lies.

Mr. Ellwood: As my hon. Friend observes, the Secretary of State is present and heard his comments. The schedule provides a framework for the annual report, but the content of the report is for the Department. I hope that the comments on corruption have been heard. Corruption is widespread in Afghanistan. People there are not used to democracy, and tribal loyalties are strong. That is how a great deal of money is lost. If the Secretary of State can include such an analysis, it would put in perspective the challenges posed by the country to which the aid is going.

Mr. Chope: During his visit to Afghanistan, was my hon. Friend able to assess the extent to which the money put in to help there is being wasted? For example, has the vast sum spent on subsidising people to give up farming poppies been well invested?

Mr. Ellwood: We are straying a little, but that is an important point. Unfortunately, last year's poppy crops were the largest ever recorded. About 4,000 tonnes of opium is being produced each year. We have spent £400 million on the poppy trade, and because last year's crop was the largest ever—that is an estimate, of course, because the trade is conducted on the black market—questions must be asked about how that money was spent. That is why I argue that there should be one person or one organisation in charge, with the authority to make decisions, co-ordinate and use the finances and resources that donor countries provide. At present, so many conditions are attached to such aid that progress is being held back and movement away from reliance on the poppy trade is being hindered. That is crucial for the success of Afghanistan and for determining whether the money spent there by DFID, the Foreign Office and NATO is well spent.

Mr. Chope: Does my hon. Friend believe, therefore, that the £400 million that he mentioned was spent on fertiliser for poppy growing?

Mr. Deputy Speaker: Order. We are getting too far into a report from the hon. Member for Bournemouth, East on his trip to Afghanistan, rather than on the group of amendments before the House. I hope the hon. Gentleman will follow my observation on that.

Mr. Ellwood: Once again, Mr. Deputy Speaker, I am grateful for your direction. I shall be delighted to reminisce about my visit to Afghanistan on another occasion. It was an eye-opening experience, and I look forward to taking up those points with the Secretary of State on a future occasion.

In conclusion, I strongly support the Bill, and congratulate the right hon. Member for Coatbridge, Chryston and Bellshill on bringing it this far. I hope that it does not encounter any further hurdles as we approach Third Reading. I strongly emphasise the need for co-ordination and accountability for British money spent on international aid.

Mr. Cash: I am grateful for the opportunity to contribute to the debate. I regard the Bill as significant. In the light of my earlier comments, I hope that the Secretary of State, who is still in his place, will recall that on a number of occasions I have paid particular tribute to him and also to the Prime Minister and the Chancellor of the Exchequer for their efforts, which I believe to be genuine, to deal with the problem of world poverty and the difficulties that arise in Africa, as well as in other countries in the developing world. It is often pointed out that international development is focused on only one continent. There are, of course, many difficulties elsewhere in the world.

However, the problem of corruption, the issue with which I am primarily concerned, will not be dealt with by the Bill. The Bill provides for an undeniably useful exercise—the production of an annual report and statistics showing progress towards the United Nations 0.7 per cent. expenditure target, aid effectiveness and millennium development goals 1 to 7, policy coherence and millennium development goal 8 and transparency. At that point, I would have to pause to ask myself whether the observations that the Secretary of State thinks it appropriate to make about

"the contribution by Government departments to the promotion of transparency in...the provision of aid, and...the use made of aid provided"

would be meaningful without dealing with the problem of corruption.

11 am

I recently spoke informally to a Minister in this Government; I will not disclose which one, or their sexual orientation—I am sorry, I mean that I will not disclose their sex. When I asked that person what they thought about what was going on in terms of corruption in such countries, they gave a clear indication that they were worried about it. I therefore assume that the Secretary of State himself is deeply worried about it. The observations that he thinks appropriate about the contribution made by Government Departments to the promotion of transparency should include observations about the

lack of sufficient control inherent in the procedures that are made available to deal with this problem.

Clause 6 says that there should be observations about

"progress in relation to...the prevention of corruption".

I would have expected that as part of those observations, recommendations would be made by the Secretary of State. The existing legislation on dealing with corruption and the audit arrangements that go with it is inadequate, and he could explain to the House exactly what could be done to improve the situation.

I take the good will of the Ministers concerned for granted, but what distinguishes good will from action is whether there is the political will to deal with the problem, the scale of which is clear from the African Union report showing that as much as $148 billion a year is going in the wrong direction. That represents a quarter of the gross domestic product of the continent of Africa. The schedule to the Bill should contain specific information on that subject. It states:

"An annual report must include the following information for the most recent relevant period".

It goes on to list bilateral aid, multilateral aid, the amount of multilateral official assistance and various other complicated formulae almost entirely dealing with aid.

That is all very useful. However, we should bear in mind the amount of aid cited in the report by the African Union, assisted by that renowned organisation, Transparency International, of which I am sure the Secretary of State is well aware. In March, the distinguished all-party group on Africa, which is chaired by the hon. Member for City of York (Hugh Bayley)—who I am afraid cannot be with us today for some reason—produced a report saying that the amount of money lost through corruption "dwarfs" the amount of money that goes into aid and debt reduction. We are talking about monumental sums. I have even seen a report suggesting that $220 billion has been wrongfully diverted in relation to Nigeria alone.

As for the observations of the Secretary of State on what a Government Department may think or do in relation to the systems in place to guarantee that the money is going to the right place, one would expect as a minimum that some reference to the statistics and figures relating to corruption should be included under the schedule. Without that information, it will be very difficult to calculate the balance of proportionality between aid on the one hand and debt reduction on the other, both of which are dwarfed by the amount of money lost through corruption.

There is a great need for that to be provided, as we are told that it is extremely important that we should relate what goes on in this House to what goes on in the minds of the public. We have often found that the best way to keep a secret is to make a speech in the House of Commons. I would be very surprised if anything that we say in this debate gets on to the BBC tomorrow morning, although there may be one or two references. The newspapers and the media in general pay little attention to parliamentary proceedings. That is deeply regrettable, undemocratic and counter-productive. The media give a great deal of attention to the question of world poverty, and there is a great deal of concern among the public at large, at whom the information in the annual report is intended to be directed. They should therefore have the information provided to Parliament about the extent of corruption, as analysed by the Government, the World Bank, the International Monetary Fund and other organisations.

Despite my enthusiasm for the Bill's general objectives, it will fall short if that information is not included in the annual report. I dare say that the people who are giving their £5, their 50p or their substantial charitable donations to emergency relief operations led by the likes of Bob Geldof and Bono, and others not of celebrity status in the Churches and non-governmental organisations, would be pretty horrified to discover that the accumulated money that they make available through their generous donations and their emotional commitment, which I share, to alleviating poverty in the rest of the world—

Mr. Deputy Speaker: Order. We are discussing public aid, not private aid given directly by the public to organisations. The subject of the debate is Government expenditure on overseas aid.

Mr. Greg Knight (East Yorkshire) (Con) *rose*—

Mr. Cash: I shall give way to my right hon. Friend.

Mr. Knight: Is not it the case that we do not need to go as far as the schedule to tackle corruption? The long title refers to reporting

"about the proportion of expenditure in low income countries and about the effectiveness of aid expenditure".

Surely the phrase,

"the effectiveness of aid expenditure"

could and should cover corruption.

Mr. Cash: My right hon. Friend makes a fair point, but I revert to my primary question about whether providing information will solve the problem. In respect of your point, Mr. Deputy Speaker, I simply mention that paragraph (3) of the schedule specifically mentions, for understandable reasons to do with calculating the amount of money that goes to the right place—the people for whom we should have passionate concern—"multilateral organisations" and humanitarian assistance. Government money is inextricably bound up with money that is made available through charitable organisations, which often act as agencies for the Government in delivering public aid. Money is delivered, with some criticism, by some non-governmental organisations and charitable organisations. I therefore understand your concern but I should also like to make the point—

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman is not challenging my ruling. It is clear that the Bill requires the Secretary of State to report annually on the total expenditure of his Department.

Mr. Cash: I accept that. I simply make the point that there is interweaving between the money made available by charitable organisations and Government

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money, simply because those organisations, through their administration, receive public funds from the Department.

I should like to consider corruption, with which amendment No. 23 deals, and its definition. My hon. Friend the Member for Christchurch (Mr. Chope) proposed the inclusion of "corruption" and its definition in the Bill. The Prime Minister's initiative, the Commission for Africa, reported in detail on corruption in "Our Common Interest". The matter was to be considered at the Gleneagles summit on that tragic day when the bombing in London happened. The Prime Minister had to come back at short notice to attend to his duties in Westminster and at No. 10. Governance and corruption were on the agenda for that day but were sidelined by other events.

What corruption would be reported under the Bill if the amendment were accepted? If corruption is covered by the annual report, it is clearly important, as my hon. Friend said, that we know exactly what it is. "Corruption" appears in some emanations from the European Union—for example, in relation to the European arrest warrant—but without a definition. There is a way in which to define corruption. Another private Member's Bill, which is about corruption, contains such a definition. I am glad that the promoter of the Bill that we are discussing is a signatory to the other measure, although it is a pity that he did not include more effective provisions for dealing with corruption in his Bill.

11.15 am

I wait with interest to hear from the Under-Secretary why the Government are so anxious to avoid my proposals for dealing with corruption. As amended, with the inclusion of "corruption", properly defined, the Bill would enable us at least to get information, thus allowing us to ascertain the relevance of corruption to dwarfing aid and debt-reduction moneys. The fact that the Bill does not deal with corruption, even in the schedule, raises serious concern. If the measure proceeds to the House of Lords, will the Government be prepared not only to tackle the definition of corruption but to include in the schedule arrangements to ensure that statistics on corruption are made available as a contribution to the transparency arrangements, for which clause 6 provides, and to do something about it?

It is not credible for the Government, who are doubtless grappling with corruption behind the scenes, to eliminate from discussion provisions for external audit, for which new clause 1 would have provided, when corruption is the kernel of the problems of people in developing countries, especially in Africa. It is therefore a moral question. However, there is also a practical question of why we are left with only information and reporting. Even that is insufficient on corruption. That would be true even if amendment No. 23 were accepted.

I have been a Member of Parliament long enough to understand that Bills are not perfect, and I do not suggest that we should expect them to be perfect. However, the object of our debates is to improve the quality of Bills and the intent, purpose and effect of our legislation. People would become disillusioned if they supposed that there was a deliberate attempt to exclude proposals to deal genuinely with corruption in such an important Bill. It is inconceivable that the Secretary of State, the Prime Minister or the Chancellor of the Exchequer, all of whom I have commended, would be party to excluding corruption from the Bill by rejecting amendment No. 23. If the Secretary of State intervened now to answer that point, I would be glad.

We all know that corruption exists, and we all know that the Bill does not address it. We know that my hon. Friend's amendment would provide some measure of improvement in terms of providing information. We also know that people outside the House are deeply concerned to know why all this poverty still exists despite the fact that huge sums of money—including their own—are being provided to the countries. If the amount of corruption dwarfs the amount of aid and debt reduction, that should be the No. 1 question that a Bill of this importance should answer for people.

Fortunately, it so happens that we have a House of Lords. However, I hope that the Secretary of State will be able to give me an assurance, either himself or through his Minister, that they will deal with this question. It is as big a question as any that faces the world today. We need to solve the problems that are reported on our television screens and our radios. Given the number of times that the Secretary of State appears to talk about such matter, it seems that it is not just information in an annual report that he will have to deal with. There is also the question of what he is going to do about it.

I do not say that in a critical fashion, although I am somewhat suspicious, given the time that I have devoted to trying to get the issue across, as to why it has been sidestepped. I am not suggesting that it has been sidestepped by the selection of amendments, Mr. Deputy Speaker. I understand the reasons; it was because the scope of the Bill was changed in Committee. However, that does not alter the fundamental question. We must not get hung up on the procedural questions when the real question is whether, in substance, the Bill deals with corruption. The amendment that my hon. Friend has tabled would certainly improve matters, but the Bill should deal with the issue in a more substantial manner.

The report of the Commission for Africa contains a number of important statements that should be part of the information on corruption and which would be included in the annual report under my hon. Friend's amendment. For example, page 14 of the Commission for Africa's report states:

> "Improving accountability is the job of African leaders. They can do that by broadening the participation of ordinary people...They can also help build accountable budgetary processes".

In that way, the people of Africa could see how money was being raised and where it was going. How are people to see how the money is raised and where it is going if they are not able to get to the bottom of the matter through the provisions in the Bill or through the amendments and new clauses?

My proposals are that there should be an external audit of the public accounts committees in each of the countries involved, and an assessment made by the Secretary of State of whether those countries are doing the job properly. That is not a form of colonialisation

of their public accounts committees. Our taxpayers have a direct interest in the issue, as do all those who make contributions. The world at large also has an interest in ensuring that those countries are governed in what the Commission for Africa and the African Union insist is the right way.

The Commission for Africa report goes on to state:

"That kind of transparency can help combat corruption, which African governments must root out. Developed nations can help in this too. Money and state assets stolen from the people of Africa by corrupt leaders must be repatriated. Foreign banks must be obliged by law to inform on suspicious accounts."

How will they be able to inform on suspicious accounts if the information is not made available in the annual report? The Bill's very title specifies a requirement for reporting and transparency. In other words, it cries out for further information and action.

The report goes on:

"Without progress in governance, all other reforms will have limited impact."

Chapter 4 of the report deals with the kind of information one would expect to find in the annual report under my hon. Friend's amendment. Its summary includes the question of

"Increasing transparency of revenues and budgets, especially in countries rich in natural resources; this also makes a powerful contribution to conflict prevention".

It goes on to refer to tackling corruption as a main item, including the repatriation of stolen assets. Accountability is part of the transparency referred to in clause 6, of the new clause that my hon. Friend has so ably described, and of his amendment on corruption.

Mr. Greg Knight: I agree with my hon. Friend about the need to measure the effectiveness of aid. Does he agree, however, that one of the least satisfactory ways of doing that would be to allow the Department to measure the success of its own gifts overseas? Would not it be better if another, independent body were to deal with that—perhaps the Public Accounts Committee?

Mr. Cash: I have discussed that very matter with the Chairman of the Public Accounts Committee. The PAC has responsibility for ensuring that money spent by the Department for International Development—which falls squarely into the transparency provisions in clause 6—is properly spent. I have also had discussions with the National Audit Office on the matters about which I am specifically concerned, and about the mechanics of dealing with corruption in the context of the Public Accounts Committee. This is directly related to clause 6—

Mr. Deputy Speaker: Order. The hon. Gentleman should remember that we are debating a report that is to be brought to Parliament by the Secretary of State. Any other arrangements are outwith this discussion.

Mr. Cash: The accountability that derives from the information made available in the annual report is part of the accountability process that the Bill purports to put forward. In relation to certain comments that have been made, the Secretary of State was himself a major participant in the Commission for Africa. I see from its report that it was chaired by the Prime Minister, and that the Secretary of State for International Development—who is here today—and the Chancellor of the Exchequer also participated, as did Sir Bob Geldof and many other distinguished people. The report states:

"In this section we discuss participation, then consider key mechanisms of accountability: constitutional structures, parliaments and political processes".

That is precisely what we are doing now. That is part and parcel of the information that is to be made available in the annual report, and with which my hon. Friend's amendment on corruption deals specifically. The amendment is specifically about providing information on corruption in order to assist the Government and the promoter of the Bill to achieve the objectives of transparency that are clearly set out in clause 6. I wait with interest—

Mr. Deputy Speaker: Order. I understand the point that the hon. Gentleman is trying to make, but he cannot go on repeating himself. When he reads the *Official Report* tomorrow, he will be horrified to see how much he has done so. I have been very tolerant with him, but he should now make his remarks more concise. The particular point that he is trying to address has now been very adequately dealt with.

Mr. Cash: I am grateful to you for that, Mr. Deputy Speaker.

As the report clearly states, corruption is a by-product of weak governance, and that is something that we would all want to resolve. The issue also arises in the context of procurement—

Mr. Deputy Speaker: Order. The hon. Gentleman must understand that this is not a debate about corruption, but about whether the report at the heart of the Bill should cover corruption. We cannot have a separate debate about the degree of corruption that may or may not exist.

Mr. Cash: I understand that full well, and my point is that it is not possible to deal with my hon. Friend's amendment about including corruption as a part of the information without explaining what that corruption is and its extent—

Mr. Deputy Speaker: Order. Accepting what the hon. Gentleman says, I am perhaps a better judge of that point than him. He has explained to the House more fully than is necessary, within the terms of the amendments, what corruption is.

11.30 am

Mr. Cash: I am grateful for that, Mr. Deputy Speaker. I have more than adequately prescribed how I believe that the Bill could deal with the serious questions that will arise from the public information that it would provide and the consequent action that would be necessary. No doubt there will be ample opportunity in future to discuss those matters in more detail.

In conclusion, I have made substantial and important observations about what is not in the Bill and how it could be improved. Will the Secretary of State and the Minister explain why the Bill is deficient in respect of the matters that I have addressed, which are of fundamental importance to the people of this

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country in understanding the nature of world poverty and the extent to which the amount of corruption dwarfs aid and debt relief?

Mr. Chope: Does my hon. Friend accept that it cannot be that difficult to get hard data on the extent of corruption when Franklin Cudjoe, the Ghanaian director of the Imani think tank, has asserted that £4,700 is stolen by African Governments from their people every second?

Mr. Cash: That is an astonishing statistic on which to finish my speech. That is the kind of thing that really concerns people. They are more interested in what is really going on than they are in the reporting process or the procedures, which would prevent us from having a proper discussion of the real issues.

Philip Davies: I support the Bill and I congratulate the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) on getting it so far. I am here not to delay or wreck the process but to support and strengthen the Bill, which has an awful lot of merit. My hon. Friend the Member for Bournemouth, East (Mr. Ellwood) urged us not to delay the Bill's passage unnecessarily, and I intend to take his advice. I am sure that he would also agree that it is crucial that all legislation is scrutinised properly in the House. On such an important issue, on which many of my constituents feel incredibly strongly, it is essential that we try to strengthen the Bill in every way possible, which the amendments tabled by my hon. Friend the Member for Christchurch (Mr. Chope) go a long way towards doing.

When I talk about the importance of scrutinising legislation, I do so in the full knowledge that this is the first day of debate on private Members' Bills since the tragic death of our former right hon. Friend the Member for Bromley and Chislehurst, who always made it clear to me how important proper scrutiny of legislation was. I am sure that everyone in the House feels that these debates on a Friday will be the weaker for not having Eric Forth's forthright, witty and important contributions.

Amendment No. 2, which deals with annual reports being able to revise anything contained in a previous annual report, is particularly important. As I said earlier, an annual report talks about what has happened in the previous year, and if something has happened that revises something in a previous annual report, surely it would be contained anyway. The subsection concerned is unnecessary.

The other main concern about an annual report revising anything contained in a previous annual report is that we may have to wait for up to 11 months for revisions to appear so that people are aware of them. Surely if anything needs revising, it should be done immediately and openly, not buried away in a later annual report under some obscure heading or subsection so that people do not realise that there has been a revision. The whole Bill is about reporting and transparency and my hon. Friend's amendment improves both the reporting and transparency of information. Should the amendment not be passed, will the Minister consider ensuring that any revisions are made in an appendix to a future annual report, so that they are perfectly clear, not buried away and difficult to find?

Amendment No. 3 deals with the subsection that states:

> "Nothing in this Act shall be read as preventing an annual report being combined with any other report which the Secretary of State lays before either House of Parliament."

I understand the many advantages of combining annual reports with other reports laid before Parliament. Obviously, the first advantage is the simple one that it might save considerable time and money, as printing is expensive. The reason why Opposition as well as Government Members feel that the Bill is important is that it is about transparency and proper reporting, which we want. My fear is that if the annual report is combined with other reports, it might get buried and undermined and not receive the focus that it deserves. As we have a Government who think that it is important to bury bad news, I would not like to think that bad news on this subject was being buried deliberately in other reports.

Mr. Cash: Does my hon. Friend agree that if the report does not include the right material in the first place, including matters such as corruption, it will not attract a great deal of attention anyway? Does he have any idea of the track record of reports that have emerged along the lines that he has described? How often do they get completely overlooked, gather dust and achieve next to nothing?

Philip Davies: My hon. Friend makes a good point. As I mentioned, an awful lot of what goes on in this place does not get properly scrutinised. The bigger and bulkier a report, the less chance it has of being properly scrutinised. It is therefore vital that the annual report stands alone so that it does not get buried in others that will not get scrutinised.

Mr. Cash: If the report focused specifically on the fact that corruption dwarfed aid and debt reduction, I suspect that that really would get a headline. Does my hon. Friend agree?

Philip Davies: I certainly agree. It is crucial for the right information, and clear information, to be provided. My hon. Friend's amendments go a long way towards ensuring that the information is clearer, and that people understand what is behind it.

It is also crucial for the reports to stand alone and to be given the scrutiny that they deserve and that the public demand. The reports will not be scrutinised just by Members of both Houses; many of my constituents will want to find out what is happening to international development aid. Many of them feel passionately about the subject and I would not want them to experience difficulties in finding the relevant part of a report because it was buried under something else.

The Secretary of State must be held accountable, and anything that makes the information clearer for that purpose must be welcome.

Mr. Greg Knight: The duty to report does not cover reporting on technical assistance, although significant

aid is often provided by way of assistance rather than cash. There is also no duty to report on projects carried out jointly with other donor Governments. Are those not further weaknesses in the Bill?

Philip Davies: My right hon. Friend is right. I shall deal later with why the report should include reference to taxpayers' money spent in different ways from the one covered by the Bill.

Mr. Cash: Will my hon. Friend consider the wording of the critical clauses, clauses 5 and 6? Clause 6 says

"The Secretary of State shall include in each annual report such observations as he thinks appropriate",

and the wording in clause 5 is similar. The words "as he thinks appropriate" are surely a let-out in law to enable the Secretary of State not to include observations that he does not want to include. That is a major defect in the Bill, because it prevents the Secretary of State from having to include material that we would regard as important.

Philip Davies: My hon. Friend is right. That point is made in one of the amendments tabled by my hon. Friend the Member for Christchurch, and I shall say more about it later.

It seems to me that the main purpose of allowing the Secretary of State to include the annual report with other reports is to save printing costs and to save time for those who prepare the reports and those who examine what has been produced. Surely the money that would be saved is a fraction of the amount that is spent on aid for developing countries. Given that so much taxpayers' money is rightly being spent on aid, it is far more important for the report to stand on its own so that we can see exactly how that money is being spent than for relatively small amounts to be saved on stationery and printing for the convenience of Departments. I hope very much that my hon. Friend's amendment is accepted.

I listened carefully to my hon. Friend's skilful explanation of amendments Nos. 4 and 5. There was a great deal in what he said, but on reflection I feel that those amendments may not be the strongest that have been tabled. Although I understand my hon. Friend's reasons for wishing to replace "must" with

"shall so far as reasonably practicable",

it may cause more problems than it solves by allowing the Secretary of State to avoid publishing some information that we would like to see. With respect, I hope that my hon. Friend decides not to press those amendments. In fact, they were probably intended to be probing amendments.

11.45 am

Amendment No. 8 is particularly important. It would insert the words

"European Community aid to which the UK contributes, and...other multilateral aid to which the UK contributes".

My right hon. Friend the Member for East Yorkshire (Mr. Knight) referred to that earlier. It is an essential part of what should be in the Bill, because it concerns taxpayers' money. It should be relatively immaterial whether that money is given directly or indirectly, or through one body or another. What is important is that the public can see how wisely it is being spent, in whatever guise it is spent.

Mr. Greg Knight: Would not the inclusion of those words also make the Government look better? The Government are obsessed with spin. If the report included reference to money given by Britain through its contributions to the EU budget, there would be a higher aid figure, on which the press would rightly focus.

Philip Davies: That is true. I too would have thought that it was in the Government's best interests to make the information available.

The money spent by British taxpayers through the EU is often spent on white elephant projects that are never completed. There are many examples of such projects throughout the world, and the Government themselves have been concerned about that. It is crucial for the public to have a fair idea of how all that taxpayers' money has been spent, not just a narrow proportion of it. A considerable amount of money is now spent on European Union and other multilateral aid. I hope that my hon. Friend will press amendment No. 8, because many members of the public would be very interested to know how the money is spent and where it is being wasted. They might also realise what a washed-up organisation the European Union is, and recognise that we should be spending much less on it generally, not just for international aid purposes.

Amendments Nos. 9 to 11 are some of the weaker amendments that my hon. Friend the Member for Christchurch has tabled, and to which I have added my name. I think that they too are probing amendments, intended to establish the extent to which we should report what is going on. Perhaps we should concentrate on the priorities. Increasing the number of countries covered might not be of great advantage, but at least it would produce more transparency. After all, the Bill is all about reporting and transparency, and extending the number of countries included in the report would provide the transparency that I am sure we all want. My hon. Friend made some important points in the amendments, but I am not sure that they are the most important amendments that he has tabled.

Mr. Cash: I am not sure how much further my hon. Friend intends to develop that point, but if he is going to discuss amendments Nos. 15 and 23, he may agree that they are important as well.

Philip Davies: Indeed, and I am about to come to those points. I listened with interest to the points that my hon. Friend the Member for Stone (Mr. Cash) made about corruption, and I will deal with that issue, if he will allow me to make a little more progress first.

I hope that my hon. Friend the Member for Christchurch will not press all these amendments to a Division, because some are not as important as others. We need to concentrate on the most important amendments that have been explored in this debate—those that would strengthen the Bill and deliver not only what we in this House want, but what members of the public in my constituency, and in many others, want.

I turn to amendment No. 15 and corruption, which my hon. Friend the Member for Stone mentioned. The link between corruption and how aid is spent, and

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achieving a reduction in corruption, are crucial to the whole nature of this Bill. The amendment would provide a valuable mechanism to enable the public properly to judge how effective such aid is. Using aid as a tool to reduce corruption is a vital step for long-term aid development and surely has to be a top priority for the Government. I do not see how an annual report on international aid, which is trying to encourage transparency, can stand without promoting a link between the commitment of aid and the reduction of corruption in recipient countries.

Mr. Cash: Given the significance of what my hon. Friend, my hon. Friend the Member for Christchurch (Mr. Chope) and I have said, would my hon. Friend be as astonished as I would be to discover that the Bill's promoter and sponsors would not support that amendment in a vote? To fail to do so would undermine the whole information and transparency system.

Philip Davies: I very much agree with my hon. Friend. This issue is so fundamental to what the Bill seeks to achieve that I cannot see how we can allow it to progress if it does not contain that important amendment. This issue goes to the heart of what the right hon. Member for Coatbridge, Chryston and Bellshill is rightly trying to achieve through his Bill. I commend it in many respects, but I hope that he will acknowledge that this amendment would strengthen his excellent Bill and provide much-needed information. To reduce corruption must surely be a top Government priority, but in the public's mind and in our minds, lots of aid gets wasted, in that what it is spent on proves to be corrupt. My hon. Friend the Member for Stone made it clear how much corruption actually exists.

In producing an annual report, it is crucial that the Secretary of State be held accountable for the money that is spent and where it goes, and that he ensures that it gets into the right hands. As the Government themselves have acknowledged, on too many occasions, far too much aid does not get through to the people who need it. In certain countries, much direct budgetary support for Governments is spent on palaces and building up arms, rather than on the purpose for which it was intended. I know that the Government are concerned about that, and it is surely a crucial part of the report; we cannot allow such issues to be overlooked. The purpose of the Bill is transparency. It would be perverse to allow such important information to be buried away somewhere—in other reports, for example—or not to be reported at all, given that these issues are of concern to many members of the public.

Amendment No. 22 is similar to amendments Nos. 17 and 19. The important point is that we are talking about taxpayers' money. If the amendment tabled by my hon. Friend the Member for Christchurch were agreed to, the report would detail how all taxpayers' money is spent, not only the money that happens to be channelled directly through the Department. I hope that the House will agree that what is important here is that all taxpayers' money be properly accounted for; which agency such money goes through should be irrelevant. I therefore urge Members to support amendment No. 22, so that there is greater transparency in respect of how taxpayers' money is spent.

Mr. Cash: Will my hon. Friend also note that the distinguished Chairman of the Public Accounts Committee has just come into the House? He is doubtless taking a very close interest in this Bill because, after all, the Department for International Development has to account to him for these matters.

Philip Davies: I agree wholeheartedly with my hon. Friend—that is indeed why my hon. Friend the Member for Gainsborough (Mr. Leigh) is taking such a close interest in this Bill. He, too, doubtless supports a Bill allowing for greater transparency of Government spending; indeed, his excellent Committee spends all its time ensuring that Government money is spent effectively. Making sure that this Government do that is a difficult challenge, but his Committee certainly plays a great role in ensuring that any instances when money is not spent properly are highlighted. He will be particularly interested in amendment No. 22, which would allow all taxpayers' money to be properly accounted for in these annual reports, rather than just that spent directly by the Department.

My hon. Friend the Member for Christchurch made a great job of explaining why amendments Nos. 23 to 25, which seek to define the terms "corruption", "poverty" and "sustainable development", are so important, and why those terms should be defined. It is clear that they all mean very different things to different people. My hon. Friend the Member for Stone made it clear how "corruption" is defined in the Corruption Bill. I hope that Members will look at that definition closely and perhaps seek to include it in the Bill before us.

As I said, "poverty" and "sustainable development" mean very different things to different people. Poverty can be judged in absolute or relative terms. As my hon. Friend the Member for Christchurch made clear, if we always refer to poverty in relative terms, we will never eradicate it. We should focus on ensuring that everyone gets wealthier and absolute poverty is eliminated. That should be our top priority and this report should make it clear what we are trying to achieve. Sustainable development is one of those warm phrases that politicians love to use in front of voters. It sounds very nice and as if we care about the same things as they do, but it is used without anyone having a particular idea what they mean by it. Surely in a Bill that focuses on transparency we should make it clear what we mean by words such as poverty, corruption and sustainable development, so that we can see whether the Government are achieving their goal of eliminating them.

Mr. Cash: Does my hon. Friend agree that it would not be difficult to assume and declare that sustainable development means keeping people alive who otherwise would die from starvation and poverty?

Philip Davies: I agree. One does not need the wisdom of Solomon to come up with an adequate definition of those terms. I am sure that my hon. Friend would offer his services to ensure that they were properly defined, should the Government and the House accept the amendments, as I hope they will.

Amendment No. 5 is similar to amendment No. 4, and—as I said earlier—on reflection I am not sure that it is one of the stronger amendments. Amendments Nos. 29 to 31 address the waste of money. My hon. Friend pointed out the amount of bilateral aid that has been misused, stolen or diverted into fraudulent schemes, and surely any report on international aid has to focus on how much of that aid has been diverted into fraudulent schemes or, as in amendment No. 30,

"has been paid, directly or indirectly to nationals of any country, either directly or indirectly through their employment, who are not citizens of the countries to which the aid is...addressed".

I do not understand why hon. Members do not want such information to be clearly stated in the report. Surely we all want to ensure that taxpayers' money is not wasted. The amendments would ensure that taxpayers' money was spent properly.

If amendments Nos. 26 and 27 are not accepted, we may have to wait 11 months or so for information. We want information to be collected and made available straight away. It is pointless to have a Bill that requires information on certain subjects if a provision is included that says that information does not have to be included in the report if it cannot be obtained in time, and paragraph 7 of schedule 2 would undermine everything that the Bill seeks to achieve. It would strengthen the Bill to remove that paragraph so that DFID would have to find the relevant information.

I was fascinated by what my hon. Friend the Member for Christchurch said about new clause 5 and the millennium development goals, some of which were so far in the future that they were essentially meaningless. Goals such as halving poverty by 2015 are important, and we may want to reassess whether the goals are still suitable. He mentioned the goal of increasing the number of women in parliament, and surely that cannot go hand in hand with the goal of halving poverty. Everybody can see that some of the goals are more important than others. The benefit of the Bill is that it would stimulate a public debate on how the Government are spending the money. Many of my constituents feel passionately about that. The Bill gives us the potential to stimulate public debate about how money is spent. After the public have made their views clear, we may want to reflect on amending some of the millennium development goals, such as the number of women in Parliaments, and focus on some of the more important aspects of international development.

12 pm

Mr. Cash: I notice that my hon. Friend tabled a question on that very subject for DFID questions the other day. Is he concerned that he did not receive an adequate response from the Secretary of State?

Philip Davies: My hon. Friend is right. My question was about how effectively direct Government grants are spent. We did not reach it at DFID questions but I would have liked to press the Secretary of State about the measures being taken to reduce corruption and the waste of money given directly to Governments. The beauty of the Bill is that such things will be made more transparent; it might mean that such questions would not need to be asked in Parliament because the information would be provided in the reports, which is why it is so important we ensure that they contain the correct information.

My hon. Friend the Member for Christchurch made the good point that many people may want to debate whether aid is working. So much aid has been poured into countries, yet they still rely on aid—in many cases, they rely even more on aid than they did in the past. New clause 7 touches on the fact that in many countries the promotion of trade may be more important than aid. The provision would require the Secretary of State to include in the report observations on things that affect the spending of the money and its impact on development in the country. That is crucial. It is no good the Government doing a cracking job making sure that their money is spent effectively if things such as the common agricultural policy and the dumping of products in third-world countries undermine everything that they are trying to achieve. New clause 7 is crucial not only to ensure that Government aid is spent effectively but also to monitor the effect that other people may have on the spending of that money. The European Union is a great menace to ensuring that aid and development contribute to progress in third-world countries.

Mr. Cash: Does my hon. Friend agree that it would be extremely useful if bodies such as the World Bank and the International Monetary Fund accepted the criteria that we are promoting in our arguments today? It is not just a question of what goes on in Government; it also involves the EU, the World Bank, the IMF and so on.

Philip Davies: My hon. Friend is right. All those institutions spend British taxpayers' money, which is why it is so crucial that any report contains information about how all that money is spent, not just a narrow part of it.

In relation to new clauses 5 and 7, I highlight the fact that many people in this country see the limitations of aid in helping third-world countries and realise that in many respects trade will bring wealth to those countries. India and China are prime examples; they have lifted hundreds of millions of people out of poverty through trade, not through aid. It is essential that we explore how trade, not just aid, can help countries. With its protection rackets and tariffs, the European Union does an awful lot of harm to third-world countries' ability to trade their way out of poverty.

In conclusion, I urge the House to consider many of the amendments proposed by my hon. Friend the Member for Christchurch. They will strengthen the excellent Bill promoted by the right hon. Member for Coatbridge, Chryston and Bellshill, as I hope he agrees. I hope that he acknowledges that they will increase the transparency that he wants to add to the reporting of international development aid.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I intend to be brief. The House will understand that private Members' Bills can be talked out by their friends and supporters as well, so I hope that I am giving a lead to the many who I believe support the Bill when I stick to the brevity to which I have committed myself. I do so with perhaps more confidence than might have been the case earlier today when I recall the intervention from the hon. Member for Banbury (Tony Baldry), which I welcomed. I related that to what he

[Mr. Tom Clarke]

said at the end of the Committee sitting. That sitting was comprehensive and did not involve a single Division. It has led to the Bill being presented to the House in the shape that it is today. He said then:

"We have had, on Second Reading and today, a most comprehensive debate. We have pretty well rewritten the Bill. There can be no excuse...for any hon. Member from any party to try further to amend this Bill, which has been examined exhaustively."

That remark comes from a former Chair of the International Development Committee. He went on to say:

"I hope that Opposition and Government Members and the Whips will make it clear to everyone that there will be no patience with any Member of Parliament who seeks to filibuster on Report and Third Reading."—[*Official Report, Standing Committee B*, 15 February 2006; c. 33.]

I intend to take the hon. Gentleman's advice. I will, however, respond briefly to the debate that we have had so far. You very rightly pointed out that there was more than a degree of repetition in at least one of speeches, Mr. Deputy Speaker. What worried me a little more was the repetition of point after point that was made on Second Reading and dealt with in detail in Committee. In response to the hon. Member for Christchurch (Mr. Chope), who talked about this being a Government Bill, I have to say that, whereas I welcome the clarification and the assistance that my hon. Friend the Minister offered comprehensively in Committee, in my view it would be the most dreadful slur on the hon. Member for Boston and Skegness (Mark Simmonds) to imply that he was not acting as the principal spokesman for the Opposition and doing his job in scrutinising the Bill. I believe that he did his job very well.

Mr. Cash *rose—*

Mr. Clarke: No, I will not give way. The hon. Gentleman had plenty of time. I will come to the main points that he made.

I can give examples not just of repetition, but of points that are being made in support of amendments and new clauses that do nothing whatsoever to strengthen the Bill. Indeed, they weaken it. For example, amendment No. 3 to clause 1—I will go through this quickly—seeks to prevent combination with other reports. We were told on Second Reading that we were seeking to do too much, and now when we recommend that, for example, the departmental report should become part of the report to Parliament, somehow or other that is seen as unacceptable. What we seek to do avoids duplication, saves money and leaves scope for more detailed reporting if necessary. In joining in the tributes to the late Eric Forth, may I say that on Second Reading, he expressed the strong view that he found repetition unacceptable, as well? He did not oppose the Bill.

I turn briefly to country numbers and criteria. I welcomed the excellent speech from the hon. Member for Bournemouth, East (Mr. Ellwood), which was made all the more relevant by the fact that he sat through the whole of the Second Reading debate and the Committee sitting. Many of his proposals were taken on board—not least in terms of the countries that will be covered. The number was 10 on Second Reading. It is 20 now. The Minister told the Committee that the Government would report on 25. That is appropriate, given that that is based on public service agreements, which have the importance of providing a specific focus on pursuing the millennium development goals, which, incidentally, were not even mentioned in amendment No. 11. We have made considerable progress in that respect and I am glad that the hon. Gentleman acknowledged that.

I now come to the contribution of the hon. Member for Stone (Mr. Cash). Although it would not be expected that the Bill would deal exclusively with corruption—nor should it—it simply is not true that we have not taken that matter seriously. Clause 6(2)(c) reflects many of the points that he made. The hon. Gentleman has made many relevant points about corruption both today and on other occasions. However, the Department is pursuing corruption; there is not a shred of evidence to suggest that it takes corruption lightly. When we have the opportunity to debate the hon. Gentleman's International Development (Anti-corruption Audit) Bill, as I hope we will, many will say that it is the correct vehicle to deal with his arguments. However, given what clause 6 will do on corruption, the British people would be absolutely astounded by any attempt to delay my Bill with such arguments, and I am sure that that would not be the wish of the House.

Mark Simmonds (Boston and Skegness) (Con): I congratulate the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) on not only introducing the Bill, but piloting it successfully through the Second Reading debate and Committee. His passionate and articulate speech on Report means that his fundamental belief in the right of the Bill comes over strongly. I hope that he will acknowledge the support that he has received from me, Her Majesty's Opposition and my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), who sadly cannot be with us today because he is in New York at the United Nations. We have supported the objectives of the Bill, and I thank the right hon. Member for Coatbridge, Chryston and Bellshill for his comments about the process of scrutiny both on Second Reading and in Committee.

12.15 pm

It is fair to say that the right hon. Gentleman, Ministers and the Department should be congratulated on the way in which they listened to constructive contributions that hon. Members on both sides of the House made about possible ways of improving the Bill. I am sure that the right hon. Gentleman will acknowledge that the Bill that we considered on Second Reading has been totally reconstructed and redrafted to become the Bill before us today. The amended Bill is significantly better because it will create greater simplicity and clarity than the original Bill would have done.

Having said all that, I do not necessarily share the right hon. Gentleman's implied criticism of my hon. Friends. They raised significant issues in their contributions on the new clauses and amendments. My hon. Friend the Member for Christchurch (Mr. Chope) was absolutely right to highlight the problems of

meeting the millennium development goals—problems that are becoming clear, especially in sub-Saharan Africa. However, I must correct my hon. Friend because I do not think that the Chancellor has pushed out one of the goals—the aim of all children being in primary education by 2130. That was a prediction of what would happen if we continued at the present rate. We need greater focus and we must all work together to ensure that we achieve the target of spending 0.7 per cent. of gross national income by 2030, and thus get as close as possible to meeting the millennium development goals by their target dates. When considering new clause 5, which deals with the millennium development goals, it needs to be said that those goals were set up by the United Nations, not the British Government, even though, quite correctly, the Government were a signatory to them.

The House will be delighted to hear that I will not talk about every new clause and amendment, but I want to speak to several key measures. My hon. Friend the Member for Christchurch was absolutely right to highlight in new clause 7(3) the importance of enforcing property rights. I would go further and suggest that the relevant point in many countries is not just the enforcement of property rights, but the setting up of property rights. That is a fundamental necessity if we are to have not just property rights, but the rule of law, which helps to generate the inward investment and the creation of capital that we have seen in Asia. Such mechanisms lead to economic growth and the creation of jobs, and thus the alleviation of poverty, as has happened in south-east Asia. My hon. Friend the Member for Shipley (Philip Davies) made exactly that point in his speech.

Amendment No. 4 takes us back to our debate in Committee about the phraseology of clause 2, although I will not repeat the points that were made at that time. What the Opposition want is to see quality statistics that facilitate an informed and enlightened debate on the way in which DFID and other Departments spend British taxpayers' money. We want statistics that measure both outputs and inputs—a theme to which I shall return on other amendments.

We are concerned that the changes to the Bill have removed the provision of the independent monitoring and evaluation of the effectiveness of policy and expenditure, which appeared in clause 8(2)(a)(iii) of the Bill as originally published. The removal of that provision weakens the Bill somewhat. Independent assessment of the aid budget could well be beneficial; it can be done and it has been done. For example, DFID's 2004 to 2007 Latin America regional assistance plan states that there will be

"an independent evaluation of the effectiveness of DFiD work in the region."

The International Development Association, which is a branch of the World Bank, has also committed to monitoring outputs through

"a results based management system"

and it has full disclosure of countries' performance ratings. If that monitoring is possible for one part of DFID's work in one part of its departmental structure, why can it not be done across the Department? DFID has stated that the IDA is an effective instrument with a 25 per cent. efficiency gain, so clearly detailed analysis of performance is taking place within the Department in relation to some areas and a conclusion has been reached, so comparisons must have been made with other funding channels. The Bill would be more comprehensive if that detailed analysis were included so that both outputs and inputs could be effectively monitored and measured.

There are other important issues, which I shall not explore in detail, but I shall give an example. DFID does not keep sufficient records of how and where money that goes through other bilateral channels, such as USAID, is spent. In our view, that should be addressed.

Clause 4 and amendment No. 8 deal with which multilateral institutions should come within the Bill. The amendment proposes that the European Community should do so, and my hon. Friends have rightly spoken about that. The Secretary of State and the Under-Secretary know—I am sure that, privately, they agree—that many people think that the British taxpayers' money that goes to the European Union is not necessarily spent as effectively as we would like, or in the places that we want it to be spent. I know that Members are lobbying European Ministers hard to persuade them to our way of thinking. The Opposition want the most detailed possible assessment of aid spending, so we welcome the division of a general clause into its constituent parts, which is an improvement on the original drafting. However, if multilateral aid is to be broken down into separate funding streams, the Bill should make provision to examine and compare aid given by the EU, the UN, the Bretton Woods institutions and the development banks, as well as bilateral aid, in order to determine which aid channels are the most effective.

Amendments Nos. 11, 16, 9 and 10 relate to the effectiveness of aid. The amendments are designed to include more countries in the Bill, for example, by proposing that those in receipt of UK bilateral aid exceeding £10 million be included. The right hon. Member for Coatbridge, Chryston and Bellshill rightly made the point that the original Bill covered 10 countries, whereas the amended Bill covers 20, and the Minister said in Committee that for the duration of this Parliament a minimum of 25 countries would be considered. In Committee, I expressed concern about how the countries would be selected—the Minister obfuscated, so I shall return now to the point on which I did not get an answer then. The 25 DFID PSA—public service agreement—countries on which the Minister proposes to carry out analysis and report are the same 25 countries that receive the maximum amount of British bilateral aid, with one exception.

I wonder whether any hon. Member on either side of the House can guess what the exception is? It is, of course, Iraq. In 2003-04, Iraq was the greatest recipient of British bilateral aid. During the past financial year, it has been the 10th biggest recipient of UK bilateral aid. It is my understanding of the Bill that there is no necessity for bilateral aid—that is British taxpayers' money going to Iraq—to be reported on. There are two pages of text in DFID's annual report summarising the contribution to Iraq. It is not clear from those two pages how much money is going to Iraq and what it is being used for. When the Minister replies, I would like him to assure the House that the continuing contribution that the British taxpayer is making

[Mark Simmonds]

through DFID and other Departments will be reported upon in the annual report, and will therefore be debated and scrutinised by the House.

Amendment No. 17 relates to the work of other Departments and how they will fit in with the DFID annual report. It is essential—especially with regard to the Foreign Office, the Department of Trade and Industry and, we hope, with the progress that will be made with the World Trade Organisation reorganisations and the economic partnership arrangements that the Minister and I were discussing at the back end of last week—to facilitate enhanced trading to generate economic growth and, therefore, job formation and the alleviation of poverty. There must be important co-ordination between Departments. My hon. Friend the Member for Shipley was right to highlight the importance of trade.

The other issue of Government co-ordination that needs to be highlighted is the well-known problem and tension between DFID, the Foreign Office and the Ministry of Defence. We need to ensure that where British taxpayers' money is used, particularly when military action has taken place, everyone is working in harmony for the benefit of people on the ground.

I do not want to delay the House. I hope that the Minister has many constructive comments to make when he replies. However, I would not be doing my job properly if I did not address the correct and powerful points that my hon. Friend the Member for Stone (Mr. Cash) made about corruption. It is right to highlight the necessity for the international community as well as the British Government, irrespective of the colour of that Government, to tackle corruption throughout the world. It has a severely negative impact in hindering aid distribution, economic growth and the alleviation of poverty.

There are various ways in which the problem needs to be tackled, not just by creating conditions and criteria for any aid that is given through DFID and with British taxpayers' money, but by building transparent and honest police and judicial systems and by strengthening auditor-general powers within specific countries rather than having external auditors.

Corruption is not just about people taking funds for personal gain; it can be the misallocation of funds, which means that money does not end up with the social projects for which it was originally intended, such as health and education. Sometimes, the recipient Government move money from the health and education budgets to the defence budget or other budgets about which we would not necessarily feel comfortable.

Amendment No. 15 relates to direct budgetary support. I hope that the Minister will acknowledge that there is growing concern about such support, not only from within his Department but from within the international development community, whether it be the global fund or the various United Nations organisations. I do not know whether Members are aware that since 2000, £1.5 billion of British taxpayers' money has gone into direct budgetary support for 20 countries.

We support the Bill, the principles behind it and the overarching architecture, but as the Bill stands, just 42.6 per cent.—or £35 million—of the total bilateral aid going to Uganda will be covered by the measure. It is also a fact that 67 per cent—or £66 million—of the aid going to Tanzania will not be covered by the Bill. Indeed, 73 per cent. of the aid going to Mozambique will not be covered by the Bill. I hope that the Minister will be able to say that the appropriate use of taxpayers' money is being provided through direct budgetary reform, and that that will form a fundamental part of the annual review. That provision is not set out in the Bill, nor is the way in which the selection of the 20 to 25 countries will be reported upon.

I have set out the general problems with specific regard to the amendments. I welcome the fact that the Bill has been brought to the House and I congratulate the right hon. Member for Coatbridge, Chryston and Bellshill on bringing it. He will find us extremely supportive during the rest of its passage through the House. We wish there to be an expeditious enactment.

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): First, I join the hon. Member for Christchurch (Mr. Chope) and other hon. Members in paying tribute to the late Eric Forth. When we last discussed the Bill and the money resolution on the Floor of the House, he made clear his intention to continue to scrutinise the Bill. I am sure that I speak for the whole House in saying that his absence makes the House feel emptier today.

Once again, I pay tribute to my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), who rightly drew the attention of the House to the fact that while the Bill has been significantly amended, its substance remains the same. As he said, the Government have sought to take on board concerns expressed on Second Reading, including anxiety about the absence of the millennium development goals from the Bill. I encourage hon. Members to resist new clause 5, because those internationally agreed goals, which chart the steps that must be taken to combat poverty, deserve to be included in the Bill and provide a rallying point for all donors, including the Government.

New clause 7 deals with aid effectiveness and policy coherence. It is right that they should be included in the annual report, but the need for such measures has already been addressed by the Bill. The hon. Member for Bournemouth, East (Mr. Ellwood), reflecting on his visit to Afghanistan, usefully pointed out the need for much better co-ordination of work by non-governmental organisations and others throughout the international community. He will be reassured to learn that the Government accept that argument, and we have sought to implement the international agreement that was reached in Paris in March 2005 on the better harmonisation of aid. We wish to make progress in harmonising and aligning our aid with aid from other international donors, and we shall encourage them to do the same.

Amendments Nos. 2, 3, 4, 5, 26 and 27 deal with the way in which the annual report is produced, the information that it includes and the question of further information on development assistance that may become available after it is published. It is sensible to include a review provision in the Bill to enable my right hon. Friend the Secretary of State to update the House if further information becomes available, so I urge hon. Members to resist amendment No. 2. It is clearly sensible on the grounds of economy, efficiency and

effectiveness, which all hon. Members wish to encourage, to allow the Secretary of State flexibility in the way in which he seeks to align the Bill's requirement for an annual report with other information published by the Department. I encourage the House to resist amendments Nos. 4 and 5, as paragraph 7 of the schedule makes provision for occasions when figures are not available for an annual report, specifying that they must be included in a subsequent report.

A number of hon. Members dwelt on amendment No. 8, which deals with European Community aid to which the UK contributes. I accept that we should report on such aid, and I am surprised that hon. Members did not acknowledge the fact that a provision requiring such a report is included in the Bill. I draw hon. Members' attention to paragraph 3 (a) and (d) of the schedule, which refer to the need to report on European Community and other multilateral aid.

12.30 pm

Amendments Nos. 11, 16, 9 and 10 relate to the number of countries on which we report and how the choice of those countries is made. We had a long discussion on that in Committee. As hon. Members have acknowledged, I made it clear that it is our intention to report for the duration of this Parliament on 25 countries currently covered by our public service agreement with the Treasury. I did, however, accept the representations made by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill and other hon. Members on Second Reading that we should increase in the Bill the number of countries on which all future Governments will be required to report. That figure increased from 10 to 20.

The hon. Member for Boston and Skegness (Mark Simmonds) asked me whether we would continue to report on our work in Iraq. I assure him that we will continue to do so in the reports that are published as a result of the Bill.

Amendments Nos. 17, 19 and 22 are similar in purpose and relate to whether Government agencies and non-departmental public bodies are covered by the Bill. I can assure hon. Members that under the terms of the existing text, Government agencies and non-departmental public bodies are potentially covered. If they provide aid, we will report in the way set out.

On amendment No. 13, the clause as it stands sets out much more clearly the requirements on the Secretary of State. Again, I urge hon. Members to desist from pressing the amendment.

The amendments that were subjected to particular scrutiny were those dealing with corruption, especially amendment No. 15. I assure the hon. Members for Stone (Mr. Cash), for Christchurch and for Shipley (Philip Davies) that the Government take extremely seriously the need to deal with corruption. The hon. Member for Stone paid tribute to the work of Transparency International. I am sure it will not have escaped his attention that the Department funds much of that work. He rightly paid tribute to the work of the all-party group chaired by my hon. Friend the Member for City of York (Hugh Bayley). We welcome that report on corruption and the Government will respond to it in due course.

The need for more work by the Department to address the issues of governance and corruption surfaced a number of times in the consultation on the White Paper. I hope that the forthcoming White Paper will give the hon. Member for Stone further confidence that we continue to address those issues. If he wants even more detail about the considerable amount of work that we are doing to fight corruption, I would be more than happy to meet him to get through that at greater length.

Amendments Nos. 23, 24 and 25 relate to the need for definitions of "poverty", "sustainable development" and "corruption". Those terms are in common parlance and we do not need to write definitions into the Bill. Lastly, on amendment No. 29, which related to the loss of moneys through fraud, let me reassure the House that we already have robust approval, procurement, risk management and reporting arrangements to ensure that aid is spent for the purposes intended. All our aid is subject to independent audit and the National Audit Office has consistently given an unqualified opinion on DFID's accounts. We have recently gone further by establishing a fraud response unit so that we can drill down even further on the matter.

I hope that with those remarks I have addressed the concerns of Opposition Members and that they will refrain from pressing any of their amendments to a Division.

Mr. Chope: I am grateful to the Minister for that full response. I am grateful to the promoter of the Bill for his contribution, and to my hon. Friend the Member for Boston and Skegness (Mark Simmonds) for his remarks. Eric Forth would indeed be proud of the detailed scrutiny that we have given to the amendments today.

Amendment No. 15 was the principal subject of discussion. I said earlier that the amendments and new clauses were effectively a shopping list and that at the end of the discussion we would choose which to put to the vote. In responding to amendment No. 15, the Minister said that the Government take the issues of corruption seriously. If so, why cannot they accept the amendment? It would merely require, in the interests of transparency, that the Government should produce and include in the annual report observations about progress in relation to

"promoting the establishment of a link between the commitment of aid and the reduction of corruption in recipient countries."

I think that it is a no-brainer that that should be included in the Bill, and I propose that amendment No. 15 should be put to the vote.

I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 6

ANNUAL REPORTS: PARLIAMENTARY APPROVAL

'(1) It shall be a duty of the Secretary of State to make a motion for a resolution approving each annual report in the House of Commons, within three months of the report being laid.

(2) It shall be a duty of a Minister of the Crown to make a motion for a resolution approving each annual report in the House of Lords, within three months of the report being laid.'. —*[Mr. Leigh.]*

Brought up, and read the First time.

Mr. Edward Leigh (Gainsborough) (Con): I beg to move, That the clause be read a Second time.

It gives me great pleasure to move new clause 6 in this important debate. I hope, Mr. Deputy Speaker, that you will give me a chance to say a few words, because it is the first time that I have spoken on a Friday since the death of my dear friend, the late Eric Forth. I hope that you will forgive me if I join hon. Friends and other hon. Members who have paid tribute to him. They say that imitation is the best form of flattery, but I am conscious that I could never imitate the way in which my late right hon. Friend scrutinised Bills so effectively on a Friday.

Hon. Members will be relieved to hear that I do not intend to speak at length, because we have already had a very useful debate. I will not repeat what my late friend used to do so superbly, speaking for about an hour and then saying, "And I now come to the end of my preliminary remarks." I thought that as he was such a dear friend, I would do this almost as an Eric Forth memorial day, and wondered what sort of amendment I could table that would pay tribute to his memory—a sensible amendment that could possibly be accepted by the promoter of the Bill.

That is why I came up with new clause 6, which is supported by my right hon. and hon. Friends. It says:

"It shall be a duty of the Secretary of State to make a motion for a resolution approving each annual report in the House of Commons, within three months of the report being laid."

That would merely ensure that when the Bill is passed, as I am sure it will be, and we have the annual report, it is debated on the Floor of the House. If the sponsors of the Bill feel able to accept the new clause, what greater tribute could there be to my late right hon. Friend than that we have not only achieved an annual report on a very important subject, but achieved more debate and greater scrutiny on the Floor of the House, which is what his whole life was dedicated to?

I hope that I am pushing on an open door, because the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) himself said on Second Reading:

"As the International Development Committee has pointed out repeatedly, parliamentary scrutiny and a coherent policy across Government are of the utmost importance. An annual report to Parliament carries more status than a departmental report or information posted online, and invites debate on the Floor of the House."

If my amendment were passed, that is, presumably, precisely what would happen. It would not simply invite debate, it would ensure debate. Later in the debate, my hon. Friend the Member for Tiverton and Honiton (Angela Browning) said that

"the Bill would ensure that the House has an opportunity to hold a similarly robust and informed scrutiny debate."—[*Official Report*, 20 January 2006; Vol. 441, c. 1072, 1082.]

I am not sure that the Bill as presently drafted does necessarily ensure that there will be an informed debate, but my new clause, which is tabled in a very positive spirit, would achieve that. I very much hope that the Bill will be passed with the new clause as part of it.

The right hon. Member for Coatbridge, Chryston and Bellshill said in Committee:

"The Minister's views reflect my own. He has said as much as we would expect him to say in the debate. However, it might be helpful if I say that I would certainly look forward to the report being debated annually in both Houses."—[*Official Report, Standing Committee B*, 15 February 2006; c. 5.]

What would a debate achieve? It would allow better scrutiny of the report and the progress that had been made in the past year in international development. That is a vital issue, yet we devote far less time to it in Select Committees, Standing Committees and debates and Question Time on the Floor of the House than to discussing, for example, the Foreign Office. In its public expenditure and its importance to the national interest, international development is, arguably, as important as the Foreign Office. Some of us often wonder what the Foreign Office does, but we all know what international development achieves. Why does our parliamentary system ensure that the Department for International Development gets so much less scrutiny than the affairs of the Foreign Office?

Philip Davies: Many of my constituents make the same point. They would like many more opportunities to debate international development, which is increasingly important to the public. Does my hon. Friend get the same feedback from his constituents, and does he agree that the new clause would guarantee much more regular debate of international development issues, which the public would love to happen?

Mr. Leigh: Like my colleagues, I get as many letters and cards about international development as on any other issue. That is good. There is a well-organised lobby, and I sometimes believe that, in our work in Parliament and in the prominence that we give different matters, issues such as international development do not receive as much scrutiny as they should.

The Secretary of State, a gentleman for whom I have the greatest respect, is in his place. I also have the greatest respect for his permanent secretary, who has appeared before the Public Accounts Committee on two or three occasions. The Department is one of the few that has a good record of public scrutiny before the PAC, and of ensuring that money is well spent. The accounts are not qualified. Again, the PAC has few sittings on international development, partly because the Department is so effective in bilateral aid. We have not held hearings in which enormous criticism has been made of lack of value for money, waste and so on. However, if we have less scrutiny by the National Audit Office, which reports to Parliament, and less scrutiny by the PAC, it is all the more important to accept an amendment such as the new clause, which, as my hon. Friend the Member for Shipley (Philip Davies) said, reflects the public interest in such issues.

If the new clause were accepted we could debate the finer points, which one can never get from an annual report. Many organisations produce annual reports. The promoter does not believe the Bill to be part of gesture politics. He believes that it will make a difference; he wants to make a difference and have a real debate. He does not simply want another annual report, to be put in a pigeonhole. How many annual reports do we receive every day in our post—from great British public companies and this and that agency? How many hon. Members can put their hands on their hearts and say that they read them?

However, debates here make a difference. Members of Parliament are present for this debate, which is well attended. How many people are watching it, not only in the Public Gallery but on television? I doubt whether there will be great reportage about it in the papers tomorrow, but it is our opportunity to put the Secretary of State on the spot, which we cannot do with an annual report alone. However, we can do that if he is brought to the House on the back of a detailed annual report, and made to answer for what he has achieved.

An annual debate would raise awareness of the extreme poverty in many countries. I hope that it would promote greater interest and perhaps encourage the public to make greater donations. It would also lead to more detailed and better understanding of the report. It is necessary.

Let us be honest: there is a tendency in annual reports to gloss over things and do the bare minimum. The Bill is specific about what it wants in the annual report, but we all know about statistics, lies and damned lies. When writing something that is not scrutinised publicly, it is easy to gloss over embarrassing things. So this is our opportunity to hold the Department to account. That is what Parliament is about.

12.45 pm

Parliament is very weak in its scrutiny role, although it is good as a kind of general debating society for issues of massive public importance. It is also very weak in scrutinising the estimates of Government Departments and what they actually spend. I recently visited the United States Congress, whose role is far more developed in relation to line-by-line scrutiny of Government Departments. We might not achieve that in this debate, but at least we will start to make progress towards what we want, which is that a Department should be able to be specifically ordered by Parliament to set out its goals, priorities and targets, and to reveal whether it has achieved them. That should be written down in an annual report, and the Secretary of State should be brought back to Parliament and held to account.

Mr. Cash: In his excellent remarks, my hon. Friend might care to note that the report by the hon. Member for City of York (Hugh Bayley), "The Other Side of the Coin", deals specifically with the role of DFID in this context. Under my hon. Friend's proposal, a resolution could be approved by Parliament; it could also be disapproved. That is where the problem lies. The report states:

> "DFID must not turn a blind eye to corruption".

I have no doubt that we shall continue this discussion, but that is what is stated in this report, which was produced by a Labour Member of Parliament, the Chairman of a very distinguished group whose importance the Minister has acknowledged.

Mr. Leigh: I was going to deal with corruption, but I do not think that I need to do so now, because it is a matter that we want to bring out in the debates that we are proposing.

I want to ask why, despite increases in the overall amount of aid and debt relief given by the international community, aid is allocated inconsistently and not always to the countries most in need. For example, in 2002, less than half the EU's aid budget was directed towards low-income countries, according to the House of Commons Select Committee. We also know that, for political reasons—and for reasons of promoting commerce rather than eradicating poverty—too much aid, particularly from the EU, goes to middle-income countries that should have a lower priority than the least developed ones.

The former Secretary of State for International Development, the right hon. Member for Birmingham, Ladywood (Clare Short), once said:

> "Anyone who knows anything about development knows that the EU is the worst agency in the world, the most inefficient, the least poverty-focused, the slowest, flinging money around for political gestures rather than promoting real development."

So, as part of the debate that takes place on the back of the annual report, let us have more discussion about the effectiveness of UK bilateral aid, compared with the ineffectiveness of so much multilateral aid.

Let us also have a discussion about how aid is used. For instance, Zimbabwe receives food parcels from the United Nations, yet Mugabe has repeatedly used food aid as a weapon by withholding it from those who do not support his Government. Let us also have a debate on the fact that India, Russia and China all get UK bilateral aid for "assistance in developing infrastructure". Those countries might be developing, but they are hardly suffering extreme hardship. All those issues could be debated under the provisions in new clause 6, and the Secretary of State could be held to account on the Floor of the House.

Let us also consider sanctions, and what should happen after the report has been published. If we had a debate on the report, and we determined that mistakes had been made—as undoubtedly they would have been; this happens even in the best-run Departments—what sanctions should be imposed on the Department? That is what this House is all about: scrutiny and criticism. For instance, we could scrutinise in detail all the methods used by the Department and discuss what new methods or actions could be introduced to improve the situation. All those things could form part of the annual debate.

We could also discuss which countries receive the most aid, and why. After all, the annual report will deal with only 20 countries. Are they the right countries? Should we be focusing our attention on them? We could discuss how, and in what form, aid is given, and whether it is used effectively by the country receiving it. We could also ask whether a particular millennium goal should be prioritised, and, if so, why, and what might be the best way to tackle corruption—a point raised by my hon. Friend the Member for Stone (Mr. Cash).

The other reason why we need an annual debate is that things change and are driven by events—tsunamis, hurricanes and so on. We need to examine how the Department responded in terms not just of a dry academic exercise or of meeting bureaucratic targets, but of what it did on the ground. One of the Public Accounts Committee's most interesting recent reports was on the effectiveness of DFID and the Foreign Office in dealing with the after-effects of the Asian tsunami.

Let us also debate, on the back of the report, how the Department has performed in the past year. Such a debate would allow us to examine how the Secretary of

[Mr. Leigh]

State and Ministers have performed. Have they performed badly? Have they made errors? Should they be held to account, and how? How Ministers perform in the House is a key element. Ministers rise and fall not just according to how they pass pieces of paper around their Department or how efficiently they run their Department—the permanent secretary can do that—but according to how they perform in this House. As part of our scrutiny, we want to know how our Ministers, on whose work we place great importance, respond to criticism on the Floor of the House, in an annual debate on their annual report.

Such a debate would allow the Chamber to assess whether the original key goals concerning international development and eradicating extreme poverty are being met. If they are not, a change of approach might be needed. We could examine whether progress has been poor in certain areas. Surely such a debate would be an opportunity not just to scrutinise a Secretary of State but for us to put forward our views, which might be different from his, about our priorities and how his Department could perform better.

I think that I have summarised the key points. For the life of me, I cannot see why anyone who loves Parliament should want to oppose the new clause. I am proud to put it forward, and I say sincerely to the promoter of the Bill that were he able to accept the new clause, it would be a fitting memorial to a much-loved former colleague.

Mark Simmonds: It is a pleasure to follow my hon. Friend the Member for Gainsborough (Mr. Leigh) who is a fellow Lincolnshire Member of Parliament and a highly distinguished Chairman of the Public Accounts Committee.

This matter was debated in Committee, and the additional point was made that because of the—correctly—increasing budget of DFID, half an hour was perhaps not long enough for DFID questions, especially given that Foreign Office questions are allocated one hour. I also note that there has been a subtle change in the Bill since the Committee stage—initially, it stated that the report would go to "either House", which was questioned, but it has now been changed to "each House". That is welcome.

The point also needs to be made that debates in Westminster Hall on Select Committee reports seem to be subject to significant delay, and we need to ensure that when this report comes to the House, that is not the case.

My final point is that other Departments have annual debates. A Welsh debate takes place, on St. David's day, I think—perhaps the Minister will clarify that—and there are also annual fisheries and defence debates. In relation to this important report, the Opposition see no reason why there should not be an annual DFID debate on the Floor of the House.

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I pay tribute to the hon. Member for Gainsborough (Mr. Leigh) for his work on the Public Accounts Committee. I therefore hesitate to tell him that I will urge the House to reject new clause 6. He was generous about the officials who work in the Department. I thank him for that; I agree that our staff do an excellent job.

Having given the hon. Gentleman the news—not, I suspect, unexpected—that the Government will not support new clause 6, let me make it clear to him that that is not because we fear scrutiny. My right hon. Friend the Secretary of State and I welcome the considerable scrutiny of the Department's work that already exists. A number of Select Committees as well as the departmental Committee and the hon. Gentleman's Committee have been scrutinising other aspects of our work. Many other Departments contribute to the international development effectiveness effort, and they are all open to scrutiny through questions sessions.

The hon. Gentleman's purpose was clearly to secure some form of annual debate. He will understand that I am not in a position to comment on that request, but the many representations made on Second Reading and subsequently, repeated today by the hon. Gentleman and the hon. Member for Boston and Skegness (Mark Simmonds), will have been heard by other Members, who reflect on these matters.

Let me gently say to the hon. Member for Gainsborough that no other departmental annual reports are required to undergo the process suggested in new clause 6. On that basis, and given the considerable scrutiny that already takes place, I urge the House to resist the new clause.

Mr. Leigh: I am very disappointed by what the Minister has said, but it is not entirely unexpected. I hesitate to say this, but I think that unless the report is dealt with on the Floor of the House it could prove to be an empty vessel. I am surprised that those who support the Bill—and apparently everyone in the House does—are not more enthusiastic about what I have suggested.

I worded the new clause carefully. The debate would have to be held here, rather than in Westminster Hall or a Committee, which is another tribute to my late right hon. Friend Eric Forth. This is where the people hold the Government to account. The Minister says that all Departments produce annual reports, but I suspect that the real reason for his opposition to my new clause is his belief that it would open the floodgates to others who want debates on annual reports. Presumably there were discussions through the usual channels. There was probably a degree of nervousness about the possibility of more scrutiny and more debate on the Floor of the House.

Mr. Cash: I agree with my hon. Friend. Given that we are dealing with the question of helping people in the third world, about which many of us are passionately concerned, the apparent reluctance to be put to the test strikes me as extraordinary. Perhaps, if the Government are determined not to support the new clause, we shall end up using an Opposition day to ensure that the annual report is debated.

Mr. Leigh: I am sure that we could do that, but how much better it would be if the debate took place automatically. Of course I appreciate that other Departments produce annual reports, but this is a specific annual report. The Bill specifies key goals and targets.

Let us not just have the Government's version; let us bring the Minister to the Dispatch Box and hold him to account. I am very disappointed by the Minister's response, and I am afraid that I will press the new clause to a vote.

Question put, That the clause be read a Second time:—

The House divided: Ayes 8, Noes 93.

Division No. 262] **[12.59 pm**

AYES

Cash, Mr. William
Davey, Mr. Edward
Davies, Philip
Hollobone, Mr. Philip
Howarth, David
Knight, rh Mr. Greg
Lilley, rh Mr. Peter
Main, Anne

Tellers for the Ayes:
Mr. Edward Leigh and
Mr. Christopher Chope

NOES

Anderson, Janet
Austin, John
Bailey, Mr. Adrian
Baldry, Tony
Balls, Ed
Barrett, John
Battle, rh John
Bayley, Hugh
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Bottomley, Peter
Brown, Lyn
Brown, rh Mr. Nicholas
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Clark, Ms Katy
Clarke, rh Mr. Tom
Connarty, Michael
Corbyn, Jeremy
Cunningham, Mr. Jim
Cunningham, Tony
Dean, Mrs. Janet
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Eagle, Angela
Field, rh Mr. Frank
Flint, Caroline
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Goldsworthy, Julia
Hamilton, Mr. David
Henderson, Mr. Doug
Heppell, Mr. John
Hopkins, Kelvin
Jackson, Glenda
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keen, Ann
Khabra, Mr. Piara S.
Kramer, Susan
Kumar, Dr. Ashok
Lazarowicz, Mark
Levitt, Tom
Linton, Martin
Love, Mr. Andrew
Mackinlay, Andrew
Mallaber, Judy
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy-Fry, Sarah
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Miliband, Edward
Miller, Andrew
Moffat, Anne
Mole, Chris
Mountford, Kali
Murphy, rh Mr. Paul
Olner, Mr. Bill
Pound, Stephen
Primarolo, rh Dawn
Prosser, Gwyn
Robertson, John
Roy, Mr. Frank
Ruddock, Joan
Sarwar, Mr. Mohammad
Sheridan, Jim
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Snelgrove, Anne
Soulsby, Sir Peter
Strang, rh Dr. Gavin
Sutcliffe, Mr. Gerry
Swinson, Jo
Thomas, Mr. Gareth
Thurso, John
Turner, Dr. Desmond
Waltho, Lynda
Wicks, Malcolm

Tellers for the Noes:
Dan Norris and
Mr. George Mudie

Question accordingly negatived.

Clause 6

TRANSPARENCY

Amendment proposed: No. 15, in page 3, line 32, at end insert—

'(e) promoting the establishment of a link between the commitment of aid and the reduction of corruption in recipient countries.'.—*[Mr. Chope.]*

Question put, That the amendment be made:—

The House divided: Ayes 4, Noes 96.

Division No. 263] **[1.11 pm**

AYES

Cash, Mr. William
Hollobone, Mr. Philip
Howarth, David
Leigh, Mr. Edward

Tellers for the Ayes:
Philip Davies and
Mr. Christopher Chope

NOES

Anderson, Janet
Austin, John
Bailey, Mr. Adrian
Baldry, Tony
Balls, Ed
Barrett, John
Battle, rh John
Bayley, Hugh
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Bottomley, Peter
Brown, Lyn
Brown, rh Mr. Nicholas
Campbell, Mr. Alan
Caton, Mr. Martin
Challen, Colin
Clark, Ms Katy
Clarke, rh Mr. Tom
Connarty, Michael
Corbyn, Jeremy
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
Dean, Mrs. Janet
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Eagle, Angela
Flint, Caroline
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Goldsworthy, Julia
Hamilton, Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hoey, Kate
Hopkins, Kelvin
Hughes, Simon
Ingram, rh Mr. Adam
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keen, Ann
Khabra, Mr. Piara S.
Kramer, Susan
Kumar, Dr. Ashok
Lazarowicz, Mark
Levitt, Tom
Linton, Martin
Love, Mr. Andrew
Mackinlay, Andrew
Mallaber, Judy
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy-Fry, Sarah
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Miliband, Edward
Miller, Andrew
Moffat, Anne
Mole, Chris
Mountford, Kali
Murphy, rh Mr. Paul
Olner, Mr. Bill
Pound, Stephen
Primarolo, rh Dawn
Prosser, Gwyn
Robertson, John
Roy, Mr. Frank
Ruddock, Joan
Sarwar, Mr. Mohammad
Sheridan, Jim
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Snelgrove, Anne
Soulsby, Sir Peter
Strang, rh Dr. Gavin
Sutcliffe, Mr. Gerry
Swinson, Jo
Thomas, Mr. Gareth
Thurso, John

Turner, Dr. Desmond	**Tellers for the Noes:**
Waltho, Lynda	Dan Norris and
Wicks, Malcolm	Mr. George Mudie

Question accordingly negatived.

Order for Third Reading read.

1.25 pm

Mr. Tom Clarke: I beg to move, That the Bill be now read the Third time.

I am delighted to be able to propose the Third Reading of this important Bill. I begin by thanking so many people who have done so much in order that the Bill could get this far and, we hope, further. I thank right hon. and hon. Members on both sides of the House, spokespersons for all the political parties, and many others. We have been encouraged by the public support shown by, for example, the aid agencies—there was an excellent letter in *The Guardian* yesterday, accompanied by a welcome leader—and the Churches, including the Church of Scotland and the Catholic Justice and Peace Commission. This week, Edinburgh's Cardinal Keith O'Brien paid a visit to Westminster; I welcome his support, also.

Perhaps it is appropriate that someone from Edinburgh should have made that appeal, because in many ways the idea of the Bill originated at the time of that great march in Edinburgh last year ahead of the G8 summit . We were responding to public support and to people who have been mentioned in our debate—Bob Geldof, Midge Ure and many others. Above all, we were responding to those ordinary people—my constituents and people from all over the United Kingdom—who wrote to me offering their support for the Bill and pleading that other hon. Members would do as I think they will and ensure that the Bill goes to the other place and is there approved.

I also thank the Department for International Development, my right hon. Friend the Secretary of State and my hon. Friend the Under-Secretary of State, whose contributions have been outstanding—typical of an outstanding Department. That is what the Bill will allow the House to discuss, year by year.

To me, the principal message, which the House will endorse today if it gives the Bill a Third Reading, is that Parliament has the right to hold the Executive to account and, likewise, people have the right to hold parliamentarians to account. The Bill deals with many issues, which, if I may say so, are being splendidly addressed by DFID and other Departments, but there are many more issues that have led millions of people in Britain and throughout the rest of the world for a long time to ask the question: when? I believe that when we have an annual report and the present Government and future Governments are accountable, not only will we in the United Kingdom have made great progress, but we may hope that, as the UN co-ordinator on the millennium development goals has recommended, other Parliaments in developing and developed countries will follow the lead that we offer.

How long have we waited for the achievement of 0.7 per cent. of gross national income? The answer is 36 years. It is reasonable, given movements up and down over those years, that as part of the annual report the Government of the day should tell the House and Parliament what progress is being made. That is an extremely important first.

There is something else that is important as a first. We have discussed the millennium development goals, but if the Bill is given a Third Reading we will be endorsing those goals from 1 to 8, and particularly goal 8, for the first time in legislation. That should surely be welcome. It is a goal that says to those millions of people who are suffering from poverty and deprivation in Africa, Asia, the Americas and elsewhere, "Yes, we see your need for improved education. We endorse that goal that says that we should take on board the challenges of aid, trade and debt. Despite all of our efforts, these challenges have not been settled to the satisfaction of those who are so very much in need." Health care is extremely important. Infant mortality and maternal mortality must be addressed. That must be recognised in the need for progress on millennium development goals. We welcome the fact that those goals are at the heart of the Bill.

The Bill does something else that is crucial to everything that we have debated, and is common to everything that we debated in Committee and on Second Reading. Committed as we are to development assistance, we all passionately believe in aid effectiveness. The schedule is full of opportunities for reports to the House so that the House will know, Parliament will know and the British people will know of the commitment of this Government, and one hopes of future Governments, to aid and international development, which is one that we continue to endorse. That is based on accountability and transparency, which I hope will be seen as profound, given the outlook of this important Bill.

If the Bill is passed, as I hope it will be, and if another place decides to endorse it, I believe that Parliament will be supporting progressive legislation. I believe also in something else. Across many areas over the years, we in Britain have given a lead in challenging poverty and in seeing the need to focus on poverty reduction. That is much reflected in the policies of the Department for International Development. We want to do more. We want to ensure that there is participation at every level in every nation.

I heard my right hon. Friend the Secretary of State say in answer to a question at one of the fringe meetings at our last party conference that it was not our Government's policy to export colonialism to developing countries. I thought that that was a wonderful thing to say. The Bill goes along those lines in encouraging, inspiring and helping developing countries. That is something that the Brandt report made clear all those years ago, which led to the biggest lobby of the House and remains true today.

For those reasons, I invite the House to give the Bill a Third Reading. That is right for Britain, right for our Government and right for Parliament. I passionately believe that, whatever progress we might have made this afternoon, many people will welcome a further step forward—one that will give inspiration in a practical sense to an increasingly disenchanted world.

1.35 pm

Mark Simmonds: May I begin by putting on record our congratulations to the right hon. Member for

Coatbridge, Chryston and Bellshill (Mr. Clarke) on introducing this important Bill, and on the way in which he has held together a multifarious group of individuals who support, in different ways, what he is attempting to achieve? Once the Bill is enacted, it will make a significant contribution by improving the transparency of the reporting structures of the Department for International Development to the House, thus maximising the effectiveness of British taxpayers' money in alleviating poverty. Inevitably, such resources are limited, even though we have accepted the need to increase them.

As we have said, the Opposition support the Bill, which demonstrates greater clarity and simplicity than it did when it was introduced, particularly as it includes a commitment to meet the millennium development goals. Opposition Members genuinely wished to make constructive suggestions to improve the Bill, and the right hon. Gentleman, Ministers and DFID officials deserve to be congratulated on listening and including some of those suggestions in the legislation. The right hon. Gentleman's most significant achievement is ensuring that, as he rightly pointed out, the United Nations target of spending 0.7 per cent. of gross national income on international development appears in statute for the first time. That aspiration, as he said, was first expressed by the UN 36 years ago, and it is supported by the Opposition and Members from all parts of the House. The right hon. Gentleman deserves to be congratulated on that major achievement.

The right hon. Gentleman highlighted millennium development goal 8, which is difficult to measure. I draw the attention of the House to the first part of that goal, which aims to

"develop further an open trading and financial system that is rule-based, predictable and non-discriminatory, includes a commitment to good governance, development and poverty reduction—nationally and internationally."

Sadly, it appears that the latest World Trade Organisation round will not meet that requirement, so we must all be vigilant in ensuring that the WTO makes progress in improving trading rules to benefit developing nations. We must ensure, too, that regional trading agreements are made to help developing nations improve their economies, as well as bilateral trading agreements and pan-African trading agreements. To improve trade within specific countries, we must focus on infrastructure as well as the larger WTO discussions.

As I have said, the Opposition agree with the Bill's overarching objective of bringing accountability and transparency to international development spending. It rightly encourages DFID to report on the effectiveness of its aid spending to meet the millennium development goals and to alleviate poverty. Opposition Members, particularly my hon. Friend the Member for Bournemouth, East (Mr. Ellwood), have expressed concerns about the Bill, and we are pleased that the right hon. Gentleman was happy to include in the Bill a requirement for DFID to report every year on humanitarian assistance, as significant sums are involved. In 2004-05, DFID spent £437 million on humanitarian assistance, £344 million of which was spent on bilateral aid and £93 million on multilateral aid. The amendment to monitor the spending of that money is therefore a welcome addition to the Bill.

I am encouraged that the link between the millennium development goals and the monitoring of aid has been strengthened. The annual report that will be produced as a result of the Bill will have an explicit function in monitoring progress towards those strategic goals and should contribute significantly to ensuring that development assistance is used specifically to alleviate poverty.

The redrafting of the Bill increased the number of countries that will be assessed for aid effectiveness to "no fewer than 20". We agree with that change, and I accept that the Minister said in Committee that for the duration of this Parliament the figure would be no fewer than 25. The change was the result of an informed discussion on Second Reading, and I am pleased to acknowledge that in Committee the Minister gave the assurance that for the lifetime of this Parliament aid effectiveness will be monitored in 25 countries. Hopefully, that will continue beyond this Parliament, whichever political party is in power after the next election. I certainly hope it will be my party.

We remain concerned, and we have pointed out at every stage of the discussion, that the Bill is still too focused on inputs rather than outputs. That was acknowledged by the Minister in Committee. We recognise that much of the information in the proposed annual report will already be in the public domain as a matter of course. As acknowledged by DFID in its own report entitled "How effective is DFID?" and by an increasing number of outside organisations, the Department is struggling to deliver a regular, systematic and comprehensive assessment of the effectiveness of British aid spending. The Bill, which we hope will be enacted expeditiously, should be the foundation for a major shift towards the assessment of the outputs of aid, so that British taxpayers can transparently evaluate and assess whether their money is being spent effectively to alleviate poverty.

I draw the attention of the House to what I consider to be an oversight in the Bill. It does not allow for easy comparison between the effectiveness of different funding streams. We support a policy in which there are several different appropriate aid streams—bilateral, multilateral via NGOs, regional development banks, the UN and the Bretton Woods institutions—so that the most effective method can be used. However, the Bill makes no provision for comparison between the effectiveness of different funding streams, so as to establish which are the most effective and, more importantly, the least effective. On implementation of the Bill, DFID needs to give that aspect further consideration.

In conclusion, DFID is still too focused on inputs, not outputs—on money spent rather than its effectiveness. Our long-term goal must be to assist the developing world in graduating from dependence on aid to strong democracies with vibrant economies that can create jobs and alleviate poverty, generating revenues to invest in their public services while maintaining environmental sustainability. That can be achieved only by reducing global poverty, creating freer and fairer trade, making wider and deeper debt reduction, enhancing civil society, implementing the rule of law, strengthening private property rights and

[Mark Simmonds]

assisting developing nations to build their capacity and trading infrastructure internally, regionally and internationally.

We therefore welcome the Bill, as it will introduce monitoring and reporting structures to ensure that development aid is as effective as possible for recipient nations and provides the greatest possible value for money for British taxpayers. The Bill is not the whole answer, but it is a positive step and builds on the work of the Department, just as the Government have built on the work of previous Conservative Administrations, and just as we will build on the Government's work when we are returned to power.

1.43 pm

Mr. Thomas: I join the hon. Member for Boston and Skegness (Mark Simmonds) in paying tribute to my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) for the way in which he has articulated the case for the Bill. It is admirably crafted and has been skilfully steered through all its stages thus far in the House as a result of the remarkable coalition of support that he has established. Aid agencies, celebrities, and Members on both sides of the House back his Bill. Not every hon. Member has the opportunity to introduce a private Member's Bill, and not every hon. Member who does so is lucky enough to steer it through all its stages in the House. My right hon. Friend has already succeeded in that once, and I hope that the way in which he has made his case to the House, not only today but in Committee and on Second Reading, will serve to encourage the other place to allow him a second great success.

As my right hon. Friend made clear, the Bill will enhance parliamentary and, importantly, public scrutiny of how aid is spent. In particular, it provides scrutiny of whether the UK is playing its part in increasing our aid in line with the commitments that were made last year. Labour Members, and the Government in particular, welcome the additional scrutiny required by the Bill of progress towards achieving the 0.7 per cent. goal. That is particularly important when one bears in mind the record of Governments in the past on aid as a proportion of national income.

The hon. Member for Boston and Skegness drew the House's attention to a number of changes that have been made as a result of our discussions in Committee and the representations that were made on Second Reading. We have rectified the absence of any reference to humanitarian assistance. We have added the need to make progress on the millennium development goals. We have increased the number of countries on which we will specifically report. As the hon. Gentleman said, I gave an additional commitment that for the life of this Parliament we will go even further, reporting on 25 countries in particular.

The hon. Member for Stone (Mr. Cash) has been particularly assiduous—on Second Reading, through his 10-minute Bill, and on Report—in raising the need to do more to tackle corruption. As I said in response to the first group of amendments, the Government have strongly picked up the message that the public and aid agencies want even more work to be done alongside the considerable work that we are already doing. The forthcoming White Paper will signal our intent to do even more. I do not accept the view expressed throughout the debate that further amendments are necessary. Clause 6(2)(c) specifically alludes to the Government reporting on our progress in tackling corruption.

We know that aid works. Over the past three years, I have had the privilege of seeing in action a variety of the methods that we are using to provide aid, including the support that we are giving to non-governmental organisations. One particularly powerful example is Christian Aid, which, through our funding, is able to provide support to those who, sadly, are dying of AIDS, orphaned by AIDS or at risk of becoming HIV-infected, in a township just outside Johannesburg. The work that it is doing using our resources is remarkable.

However, we have to recognise that support for NGOs does not always enable us to do as much as we would like in a country. In such circumstances, and where the conditions are right, budget and sector support has an important role to play in increasing access to education and improving health outcomes. Last year, when I visited Malawi and Zambia with the Minister of State, Department of Health, my hon. Friend the Member for Doncaster, Central (Ms Winterton), I was able to see the benefits of budget and sector support through the extra nurses who are being recruited, and the effectiveness of our financial support in that regard. I also had the chance to visit Sri Lanka and Indonesia to see the effectiveness of our spending through multilateral organisations such as the United Nations in helping those two countries deal with the terrible devastation that the tsunami brought in its wake.

I have also had the privilege of witnessing the increasing effectiveness of European Community aid. I reject some of the wilder comments that we heard in the debate about its effectiveness. I draw hon. Members' attention to a report that the House of Lords European Union Committee published in April 2004. It specifically stated that there had been

> "significant improvements in aid management and organisational effectiveness"

by the European Union. It went on to make the case for further reforms, which we accept. However, European Community aid is making a huge difference throughout the developing world. For example, in Afghanistan and India, EC aid contributes to more children being in school and to building more roads. The old adage, to which the hon. Member for Gainsborough (Mr. Leigh) referred, about the EC being the worst aid agency in the world, no longer applies. The EC is getting better, but it needs to go further.

We must examine the circumstances in each country before we determine the funding mechanism that has to be used. It would be inappropriate to use budget and sector support in countries such as Zimbabwe, and we do not do that. We work through the United Nations and NGOs. Budget and sector support is more appropriate in countries that are committed to reform, tackling corruption and good financial management. We need to consider the circumstances in each country.

The debate has been excellent and I pay tribute to the spirit in which it has been approached. In moving Third Reading, my right hon. Friend the Member for Coatbridge, Chryston and Bellshill demonstrated the

Bill's importance not only in allowing the British public to be aware of how British money is spent and whether we are fulfilling the commitments that we made last year, but in serving as a template for other countries in the developing world and throughout the developed world to ensure that others follow up on the commitments that have been made.

I have been advised that, in summing up on the first group of amendments, I may have inadvertently suggested that non-departmental public bodies are covered by the existing text of the Bill. As hon. Members know, that is not the case, but the Secretary of State can already report on such bodies. Given the interest that hon. Members clearly have in them, I am sure that my right hon. Friend will do so.

Again, I pay tribute to the superb way in which my right hon. Friend the Member for Coatbridge, Chryston and Bellshill introduced the Bill and the way in which he kept the coalition of support together. I commend the Bill to the House.

1.52 pm

John Barrett (Edinburgh, West) (LD): I place on record my support and that of my Liberal Democrat colleagues for the Bill. It feels like the end of a long journey and, as the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) said, it started in Edinburgh during the Make Poverty History march. I was delighted to have met the late Robin Cook, who was then Member of Parliament for Livingston, at that march. We chatted about the way in which the Make Poverty History event had captured the imagination of the people. Several hon. Members mentioned the late right hon. Member for Bromley and Chislehurst, Eric Forth, and I wanted to place Robin Cook's name on record. He was a great supporter and, had he been here today, he would have been delighted to lend his weight to the Bill.

Mr. Kevan Jones (North Durham) (Lab): Does the hon. Gentleman agree that the campaigning work of not only NGOs but Church groups throughout the country has led to pressure to get the Bill through, and that tribute should also be paid to individuals who work tirelessly to promote third-world issues?

John Barrett: I could not agree more. I hope to mention some of those people and groups in my speech. However, I shall not manage to mention them all. Their omission is not by design but because there are so many, whether they are NGOs such as Oxfam and Save the Children, Church groups or individuals.

Back at the start of this journey, an awful lot of people were asking where the political parties stood on the Bill, and on the entire issue. However, many of the most inspiring people have not been aligned to any party or group; they have been individuals. As Midge Ure said at the reception last night, according to the right hon. Member for Coatbridge, Chryston and Bellshill, this is about a lot of ordinary people out there with their kids supporting the Bill. I want to pay tribute to the right hon. Gentleman for gathering an interesting group of supporters. In my five years in the House, I cannot remember having encountered such people as Midge Ure, Bob Geldof, Jemima Khan and many others, all of whom have encouraged people to get behind the Bill and to push in the same direction.

I have been equally delighted to see support for the Bill from both sides of the House. The hon. Member for Boston and Skegness (Mark Simmonds) and a number of his colleagues, as well as other hon. Members from all parties, have been happy to support it. The Bill might not be perfect—it has received some criticism—but this is not a perfect world, and the people whom the Bill hopes to support do not live in a perfect world. However, we have heard support today from members of all political parties. When people from outside the House consider this debate, they will see that there is all-party support for what is basically a good idea.

Members have asked why people do not follow our debates in Parliament more. I have to say that we did not see the best example of our debates today. We heard a lot of repetition, and that is not the best aspect of this House. However, the spirit of the Bill is crucial because it captures the imagination of the people. It has cross-party support and the support of those who belong to no party. Ordinary members of the public are behind what we are doing, and we have an opportunity today to see the Bill through its present stage and send it on to the Lords, where I hope it will have a successful passage as well.

Some people have said that the Bill is not perfect, and Members asked this morning why the Government responded to the amendment on corruption in the way that they did. However, I am perfectly aware that the Department for International Development is not only funding good work in the fight against corruption but taking action in a number of other areas to deal with the problem. Other issues were raised, but the Bill is not necessarily the best way to deal with them.

The provision in the Bill for reaching our long-overdue aid target of 0.7 per cent. of gross domestic product is the jewel in its crown. However, this is not the end of our journey; it is a stop along the route. Hon. Members were talking about corruption earlier. They said that enormous sums were being spent on the eradication of poverty and asked why we had not dealt with the problem. The answer is simple. Enormous sums of money are spent on the problem because it is an enormous problem. The number of people throughout the world who live on less than a dollar a day, who are being treated for HIV/AIDS, tuberculosis or polio, or who are suffering on the bare minimum, trying to get by and get enough food for themselves and their children is just staggering.

Stephen Pound (Ealing, North) (Lab): At the risk of contributing to the end of party political divisions as we know them, may I tell the hon. Gentleman and the hon. Member for Richmond Park (Susan Kramer) that their demeanour throughout the debate today and on earlier occasions has been not only exemplary but admirable? I very much hope that the hon. Gentleman's last words will bring together everyone in the House on a subject on which we can surely all agree.

John Barrett: I thank the hon. Gentleman for his remarks.

People often say that politicians live in a bubble and that we are out of touch with the real world. I have now been in this place for five years, which is admittedly a lot less time than many others. During that time, however, I have served on the International

[John Barrett]

Development Committee, and I have seen at first hand the work of the Secretary of State and his predecessor, and of the Minister and the Department. I have also seen at first hand what is happening in countries as diverse as Ethiopia, India, Malawi and Mozambique, among others. I spent 20 years working in industry before I came here, and I do not live in a bubble. I have seen the extremes that people have to live through, and I know what kind of legislation we need to pass to make an difference to people. No matter how many problems we might have here, we are the lucky ones. We can pass this legislation and make an impact on hundreds of millions of people in developing countries who are in need. Although they will not know our names, we can be sure that when the Bill is passed it will make a difference to them.

2 pm

Mr. Cash: I was glad to hear the Minister's comments about the White Paper. I am grateful to him for offering a meeting to talk about corruption. It was a pity that the Government and the promoter of the Bill, the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), could not agree to the amendment that established the link between aid and corruption. I understand that he was getting edgy at one point in the debate. I think that he thought that the Bill would run out of steam. I happened to know otherwise, and I support the Bill. I pay tribute to him for his work on the Bill. It is a step forward.

I am passionate about the third world. Some people think that those from my end of the political spectrum are somehow to be categorised as right-wing and anti-development in the third world and all that goes with it. Nothing could be further from the truth. I think that I can say, without undue self-aggrandisement, that I took an active part in the Jubilee campaign. Some 320 MPs backed my motion to support that campaign. Those of my Conservative colleagues who have taken a strong position on these matters include my hon. Friend the Member for Banbury (Tony Baldry), Baroness Chalker and Lord Patten. There are many others. I do not want anyone to take away the impression that such concern is somehow exclusive to any one side of the House.

I pay tribute to the right hon. Member for Coatbridge, Chryston and Bellshill, however, and I was not averse to his getting edgy earlier about my references to corruption, which is an issue that needs to be addressed more specifically in the Bill and otherwise. I also understand the sensitivities that it raises in the international development context. There is that sneaking feeling that those who go on about corruption might somehow be trying to colonialise the public accounts of other nations. That is not the objective, but there is a serious problem, which is recognised, for example, by the all-party Africa group in its report, "The Other Side of the Coin", which I have mentioned, by Transparency International and by Front-Bench spokesmen on both sides of the House. I am certain that the Secretary of State and the Minister are well aware that it is an issue. The figures that I gave show the dwarfing of aid and debt reduction in that context. I have fought as hard as anyone in the House to have that debt cancelled completely, because that could release resources to help people who live on a pittance every day, which is a disgrace and a moral outrage.

In the idea that the problem of corruption will somehow be dealt with by the Secretary of State including in the annual report

"such observations as he thinks appropriate",

the Bill does not go far enough. I acknowledge that the words are there to promote better management of aid, including the prevention of corruption in relation to it, but I do not think that that in itself will solve the problem.

If we are talking about proportionality—not about the mechanics of the House, about procedures or about who scores off whom, but about the intrinsic question of how we help people in the third world—there needs to be an even greater determination to deal with the problem. It is not easy, but as is noted on pages 59, 60 and 61 of the report of the all-party group on Africa, there are ways in which the Department could improve its internal arrangements. The Chairman of the Public Accounts Committee has a special role in that. It is true that the Department's accounts have not been qualified, which is a great thing in itself, but that does not mean that there have not been omissions which could be corrected.

The report of the all-party group on Africa states:

"Despite the interest in increasing the amount of aid delivered by budget support and its apparent progressive advantages DFID must not turn a blind eye to corruption, major governance, electoral, constitutional and human rights abuses."

That speaks for itself, and I think it is recognised throughout the House that the question of corruption is important. As the right hon. Member for Coatbridge, Chryston and Bellshill is aware, my Bill will not be able to make progress because of the time constraints, but I congratulate him on his Bill and continue to support its main objectives.

2.6 pm

Mr. Tom Clarke: With the leave of the House, Mr. Deputy Speaker.

I am very pleased to follow the hon. Member for Stone (Mr. Cash), and I agree with much of what he said. Along with the hon. Member for Boston and Skegness (Mark Simmonds), my hon. Friend the Minister and the hon. Member for Edinburgh, West (John Barrett), he acknowledged the input of various all-party parliamentary groups such as the Africa and the Great Lakes Region and Genocide Prevention groups, and the group that deals with important issues of debt. It was right to acknowledge their helpful contribution to the development of policies and to the Bill.

I want to return briefly to corruption. Let me gently remind the hon. Member for Stone, in the spirit of peace that appears to have broken out, that this is not the only legislation that deals with corruption. I served on the Standing Committee of what was intended to be the International Development Act 2001, but was delayed by an election and became the International Development Act 2002. One of its main sections deals with corruption, and the issue continues to be addressed In terms of the report to Parliament, which is what my Bill is about, I

think that the House has sensed that the important issue of corruption has not been ignored.

Mr. Chope: On the subject of corruption, has the right hon. Gentleman any figures that might enlighten us on the exact amount of taxpayers' money for overseas development aid that ends up being wasted through corruption?

Mr. Clarke: That is a wonderful theme, and the hon. Gentleman will be able to pursue it, along with the other points that he made, when we have the annual report.

I am particularly grateful to people outside the House who have been supportive. Children are very much in our minds when we deal with the issues in the Bill, and Jemima Khan, speaking for UNICEF, was extremely supportive.

Many issues will be dealt with if we have an annual report. By developing the focus on, for example, the millennium development goals, the Bill gives the House the opportunity to deal with an issue that has often been the subject of debates, if not in this Chamber, then certainly in Westminster Hall: HIV/AIDS. It is relevant to the MDGs, affects millions of people—men and women, and their families—and I know that the House wants very much to address it.

I also welcome the fact that, as was rightly made clear by my hon. Friend the Minister, the Bill moved along, in that changes were made and it was improved. The number of countries involved has been increased, and humanitarian aid has been included. The Bill has also been tightened, as many asked for on Second Reading. I trust that the House agrees that that has served to underline something. I accept that it is not enough merely to have a parliamentary report every year; I of course invite—we all invite, I think—Parliament to act on that report. If the information that we seek through the Bill is provided, the House will be much better informed when it seeks to pursue some of the issues that have been raised today, along with others that are perhaps on some Members' minds.

Mr. Cash: The right hon. Gentleman will understand that I was concerned because the tightening of the Bill's scope cut out my new clause. He mentioned the 2002 Act earlier. My new clause related to that Act, so it has been cut out. However, I am not complaining at this stage, because I want the right hon. Gentleman to be able to complete his speech.

Mr. Clarke: I am delighted that my friend, the hon. Member for Stone, wants us to end on a note of agreement; that is very good advice indeed. The point that he makes will be pursued.

As I was saying, it is important not only that Parliament be informed, but that Parliament listen. The better the information that we get, and the more that we listen, the better will be our legislation and the policies of the Departments that serve Government. For that reason, another clause that I greatly welcome, and which adds to the Bill's content, is that dealing with coherence across Departments—an idea that I know appeals to my right hon. Friend the Secretary of State.

Philip Davies: I again congratulate the right hon. Gentleman on introducing this Bill and on steering it through the House; he will be commended by many people in the country for doing so. I agree with him that the report should not be an end in itself but a means to the further end of greater understanding. Can he therefore explain why he and his right hon. and hon. Friends voted against the new clause proposed my hon. Friend the Member for Gainsborough (Mr. Leigh), which would have guaranteed a debate on the report that he has done so much to bring about?

Mr. Clarke: With great respect to the hon. Member for Gainsborough (Mr. Leigh), the House was more convinced by the response of my hon. Friend the Minister and therefore voted accordingly. In a democratic Parliament, who am I to question that?

The House itself, given that we have endorsed the need for an annual report, will decide on the issues that it wishes to pursue. It of course has a right to alter, through future legislation, what this legislation says. It also has the right to alter the 2002 Act—if that is the will of the House. I merely urge parliamentarians—frankly, in the light of today's debate, I doubt whether such urging is necessary—to do the job that I know we all want to do: to serve our people, to question, to probe, and to deliver the best policies as effectively as we can within each of the Government Departments.

Mr. Hollobone: I had the great pleasure of serving in Committee on this Bill. International aid comes from not only this country, but many countries. Is there not a wider dimension to the right hon. Gentleman's efforts in encouraging other legislatures around the world to hold their Executives to account through similar annual reports?

Mr. Clarke: The hon. Gentleman is right. I visited Sweden in January and saw the impact there and Eveline Herfkens from the UN, whom I have mentioned several times, would certainly agree with the hon. Gentleman's point.

In conclusion, I thank the House sincerely. It is poignant that we take our final decision on the Bill 30 years after the dreadful riots in Soweto. I say with some modesty that, among many others who have supported the Bill, Nelson Mandela has made it clear that he welcomes it and would also welcome the same procedure being introduced in other Parliaments. I again thank everybody responsible for bringing the Bill to this point and I hope that when it reaches the other place we will have influenced them to move quickly towards the enactment of a very desirable piece of legislation.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 115, Noes 0.

Division No. 264] **[2.16 pm**

AYES

Anderson, Janet	Bayley, Hugh
Austin, John	Benn, rh Hilary
Bailey, Mr. Adrian	Benton, Mr. Joe
Baldry, Tony	Bercow, John
Balls, Ed	Berry, Roger
Barrett, John	Blears, rh Hazel
Battle, rh John	Blunt, Mr. Crispin

Bottomley, Peter
Brown, Lyn
Brown, rh Mr. Nicholas
Campbell, Mr. Alan
Cash, Mr. William
Caton, Mr. Martin
Chope, Mr. Christopher
Clark, Ms Katy
Clarke, rh Mr. Tom
Connarty, Michael
Corbyn, Jeremy
Davey, Mr. Edward
Davies, Philip
Dean, Mrs. Janet
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Eagle, Angela
Evennett, Mr. David
Field, rh Mr. Frank
Field, Mr. Mark
Flint, Caroline
Gapes, Mike
Gerrard, Mr. Neil
Goldsworthy, Julia
Hamilton, Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hill, rh Keith
Hoey, Kate
Hollobone, Mr. Philip
Hopkins, Kelvin
Howarth, David
Howells, Dr. Kim
Hughes, Simon
Hurd, Mr. Nick
Ingram, rh Mr. Adam
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keen, Ann
Khabra, Mr. Piara S.
Kramer, Susan
Kumar, Dr. Ashok
Lazarowicz, Mark
Leigh, Mr. Edward
Levitt, Tom
Lilley, rh Mr. Peter
Love, Mr. Andrew
Mackinlay, Andrew
Main, Anne
Mallaber, Judy
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy-Fry, Sarah
McFadden, Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Miliband, Edward
Miller, Andrew
Moffat, Anne
Mole, Chris
Mountford, Kali
Murphy, rh Mr. Paul
Olner, Mr. Bill
Pelling, Mr. Andrew
Pound, Stephen
Prescott, rh Mr. John
Primarolo, rh Dawn
Prisk, Mr. Mark
Prosser, Gwyn
Randall, Mr. John
Robathan, Mr. Andrew
Robertson, John
Roy, Mr. Frank
Ruddock, Joan
Sarwar, Mr. Mohammad
Sheridan, Jim
Simmonds, Mark
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Snelgrove, Anne
Soulsby, Sir Peter
Steen, Mr. Anthony
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Swinson, Jo
Thomas, Mr. Gareth
Turner, Dr. Desmond
Walker, Mr. Charles
Waltho, Lynda
Whitehead, Dr. Alan
Wicks, Malcolm

Tellers for the Ayes:
Tony Cunningham and Mr. Kevan Jones

NOES

Tellers for the Noes:
Dan Norris and Mr. George Mudie

Question accordingly agreed to.

Bill read the Third time, and passed.

Remaining Private Members' Bills

CROWN EMPLOYMENT (NATIONALITY) BILL

Order for Second Reading read.—[Queen's Consent, on behalf of the Crown, signified.]

Hon. Members: Object.

To be read a Second time on Friday 14 July.

GREEN BELT REFORM BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 20 October.

CHILDREN'S FOOD BILL

Order read for resuming adjourned debate on Question [28 October], That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 14 July.

ATTENDANCE ALLOWANCE AND DISABILITY LIVING ALLOWANCE BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 20 October.

EUROPEAN COMMUNITIES ACT 1972 (DISAPPLICATION) BILL

Mr. Deputy Speaker (Sir Michael Lord): Not moved.

LICENSING OF CHILD LOCATION SERVICES BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 14 July.

VEHICLE REGISTRATION MARKS BILL

Mr. Deputy Speaker: Not moved.

HUMBER BRIDGE BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 14 July.

LICENSING ACT 2003 (AMENDMENT) BILL

Mr. Deputy Speaker: Not moved.

INTERNATIONAL DEVELOPMENT (ANTI-CORRUPTION AUDIT) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 20 October.

NOTIFICATION OF REDUNDANCY BILL

Mr. Deputy Speaker: Not moved.

PHARMACEUTICAL LABELLING (WARNING OF COGNITIVE FUNCTION IMPAIRMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 14 July.

ENERGY BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 20 October.

FOOD SUPPLEMENTS (EUROPEAN COMMUNITIES ACT 1972 DISAPPLICATION) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 14 July.

HARBOURS BILL [*LORDS*]

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 14 July.

DYNAMIC DEMAND APPLIANCES BILL [*LORDS*]

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 14 July.

Mr. Andrew Dismore (Hendon) (Lab): On a point of order, Mr. Deputy Speaker. I know that this has been dubbed "Eric Forth memorial day", and I mourn him as much as many people because I probably had more dealings with him across the Chamber on Fridays than any other Member in recent years, but is it appropriate for a Division to be engineered as the last one was, with no one voting against Third Reading, solely for the purpose of ensuring that my Bill, the second on the Order Paper, was not reached, with no time even to move its Second Reading?

Mr. Deputy Speaker: I assure the hon. Gentleman that everything that has been done today has been perfectly in order. I trust that he is now satisfied.

Mr. Christopher Chope (Christchurch) (Con): Further to that point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: No, I think that we have dealt with that point of order.

Wind Power

Motion made, and Question proposed, That this House do now adjourn.—*[Tony Cunningham.]*

2.35 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): Some proponents of renewable energy are fond of clinching their argument for its radical extension with a phrase that goes roughly thus: Britain has the largest supply of wind, the highest tidal range and the most powerful barrage of waves of any country in Europe; there is enough of nature's power to warm and heat every home in the country and still tap only a fraction of what is out there. That is, of course, true, but it can be seen as a truism: it does not in itself power anything, and for the statement to be practically true, as some opponents of renewable energy are fond of pointing out, we would have to be served by veritable forests of wind turbines stretching across the country and perhaps dam our estuaries with substantial tidal barrages.

Wind energy has made great strides in recent years. With, I have to say, considerable and often under-recognised support from the Government, it has come into the mainstream of non-carbon-emitting energy in the UK. Onshore wind is providing better capacity than was predicted, but we have to acknowledge that practical problems remain, such as that of generating enough power over the area covered by conceivably erectable future wind farms, the planning process and, in some parts of the country, the opposition—misguided, I believe, and sometimes based on spurious grounds—from people opposed to the siting of wind farms near their homes and in their area.

Offshore seemed to be able substantially to solve the problem of deriving a greater amount of power from wind, but there are difficulties with that, too. Under the Energy Act 2004, the Government have provided licences in two phases so far: first, for building wind farms in inshore waters close to the coast, a number of which are operational; and secondly, for larger wind farms further out to sea, in areas such as the Wash, Morecambe bay and the Thames estuary. However, offshore wind is more expensive per kWh than onshore and some other forms of energy supply, and there are some potential problems. Those include difficulties with grid connections and the connections between wind farms and landing stations. Recently, for example, the London Array site suffered the refusal of its landing station permission by a local council. We hope that that will be resolved soon, but there are problems with how those much larger sites, located as they are fairly well away from shore, can land their power and feed it into the national grid.

Having said that, offshore appears to be the future of large wind as a part of the energy mix. It resolves the problem of space versus output. For example, when the London Array is fully operational, it will provide sufficient electricity for the whole of Kent. In the medium to long-term future, the grid is likely to be far more decentralised. I envisage it becoming a more overlapping series of grids, more on the model of the internet than on the present model of a few big power stations wastefully converting fuel and sending it, equally wastefully, up and down the country on non-intelligent pylon cables. However, we shall need larger base loads and

[Dr. Alan Whitehead]

grid connections if the system, as a whole, is to work well into the second half of the century.

The question is: how will things go from here? Do we stop at phase 2 of the commissions that have been given for offshore wind, important though those are? Section 92 of the Energy Act 2004 provides not only for commissioning in the offshore areas beyond the 12-mile limit which have already been agreed, but of

"waters within an area designated under section 1(7) of the Continental Shelf Act 1964."

That approximates pretty much to the areas that were designated when the licences for oil and gas exploration were issued some while ago.

If we provide allocations in the third phase in deeper and further waters, essentially up to the boundaries of the energy allocation zone for gas and oil, will it be viable or will we be chasing an insurmountable problem of greater costs unless there are viable grid connections? This is where we need to take a step back, to consider whether such allocations simply tread the present assumed path of connecting umbilically to the UK shore, but with longer umbilici, if that is the right declension—or are there other ways forward?

Why not consider, for example, whether the farms themselves might be connected on a grid that lands in the UK but also interconnects with farms and, perhaps, acts as an interconnector between the UK and countries on the continent, such as Germany and Holland? In the main, that would connect farms in the North sea and would facilitate the construction of deeper-water farms further out in the North sea, such as phase 3 allocations. Deeper-water farms could also be connected at a later date in the Irish sea and in the Atlantic on the edge of the continental shelf, and perhaps part of the Mediterranean, where there are wind hot spots.

The advantages of such a grid, if it were possible, are certainly clear. It would facilitate the development of much larger sustainable and clean energy than has hitherto been envisaged. It would facilitate the development of a real single energy market in Europe. It would use current technology. No breakthrough in technological development would be needed. The cable required is already in existence—it is about the size of a china plate, and no new technology would be required for developing and laying it. Most importantly, the output of such geographically dispersed offshore farms could be aggregated and smoothed. That would produce what is effectively a base load of energy from wind with minimal variability.

Given European weather patterns, essentially weather comes into Europe from the Atlantic. It is always blowing fairly hard somewhere in Europe, somewhere on the North sea. That is the situation pretty much all of the time.

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Gentleman on securing this important debate. Given that Britain has a world leadership position in the use of sub-sea technology and also in the construction of electricity grid systems, is there not an ideal opportunity to extend our world leadership role in both spheres?

Dr. Whitehead: I agree with the hon. Gentleman that we have a substantial lead. The development of such a grid system would not only cement that lead but, with the right arrangements, would provide, among other things, a substantial amount of future employment in the UK economy.

The variability of such an interconnected series of farms is important. It is stated in the energy review—or in the consultation document for the review, whose results we are shortly to hear—that:

"With large proportions of renewables on the system, additional backup (likely from coal, oil or gas) would tend to add to the cost and technical complexity of system management. The electricity system as a whole also requires a consistent 'base-load' of electricity. Because the potential for further large-scale hydro in the UK is limited, coal, gas and nuclear power are currently the major options for base-load in the UK".

Given the development of new, deeper-water farms with an interconnector between them, there is a new candidate for that base load. Cost savings would result from easy connection to the grid and the interconnector, making offshore wind farms far more competitive in future. In addition, when fully developed, that system could be used as an auxiliary UK grid, allowing the electricity load to be transported from the north to the south. That is particularly important because, on current estimates, we need to spend several million pounds on grid reinforcements. If that funding is not forthcoming, it will be difficult to develop technologies that put power on the grid at nodes distant from the traditional spine and power station centres.

I hope that hon. Members accept that that is an interesting proposal. It is not, pure fantasy, as Airtricity, a large Irish-based renewable energy company, wishes to play a substantial role in the development of a supergrid, and has drawn up a detailed outline of the components of a supergrid and the way in which it would work. It proposes a time scale of five years, from 2010 to 2015, for a pilot programme to develop an interconnector and grid between the UK, Holland and Germany in the southern part of the North sea. That project would connect existing offshore programmes and encompass new deeper-water wind farms of 10GW—the equivalent of the generating capacity of 80 per cent. of our nuclear power plants—and it could make good the perceived gap in energy supply by 2020.

The foundation cost is about £1.3 billion for the grid and interconnector, together with the cost of the wind farms, which is about £1.3 million per megawatt of installed capacity. The capital investment costs are probably lower than the costs of new nuclear but, whatever my views on the advisability of new nuclear plant commissioning, I am not suggesting that such investment is a case of either/or. It is worth noting that the projected investment cost does not pertain to the introduction of untried or untested technology, nor is it likely to produce high cost overruns. The project can be financed entirely privately, without any fundamental changes to the regulatory regimes in the UK.

There are, however, issues that need to be considered. I have already mentioned the third phase of permissions in UK waters under the Energy Act. We must consider, too, the deregulation of European markets. EU commissioner Piebalgs has expressed

interest in the proposals, as have a number of Members of the European Parliament, but will there be a level playing field if the trading of electricity becomes a reality through the medium of such an interconnector? The UK Government can take a lead on both issues. We can speed up the allocation of phase 3 sites and participate in deliberations at European level about how such an interconnector would operate on a level playing field for energy trading in Europe. That level playing field is vital for the long-term reliability of our existing gas interconnectors, which, at the height of the spike in wholesale gas prices in the UK last winter, were only half full of gas. Much higher prices were paid in the UK than in Europe. The market would suggest that the price would fuel the interconnector but, by and large, it did not do so.

The main hurdle to be cleared is one of imagination, but it is not as high a hurdle as may be thought. If, a relatively few years ago, someone had said that we would in a few years erect platforms in a number of locations, lay pipes across the North sea to connect them up, and establish shore-based facilities to receive their contents, it would have been easy to say that that could not be done, or that it would cost the people of UK an arm and a leg to make it happen. But it was done, and the North sea gas industry came of age.

Those facilities are still there as the gas industry declines, so why not a new phase for the North sea—at, incidentally, less cost than that of the first industry that developed those facilities in the North sea for the benefit of the United Kingdom? Why not a new phase in which the North sea once again provides energy security, reliability of supply and low-cost electricity in exactly the way that gas has done over past 30 years? In the context of our future energy planning, perhaps the question is not why, but why not?

2.50 pm

The Minister for Energy (Malcolm Wicks): I am grateful to my hon. Friend the Member for Southampton, Test (Dr. Whitehead) for raising the profile of the interesting proposal for an offshore European supergrid, and for the opportunity to set out what the Government are already doing to promote offshore wind and connect offshore projects to the onshore electricity grid in Great Britain.

Let me set the scene. In 2005, around 3.8 per cent. of the UK's electricity supply came from renewables obligation eligible sources of energy. That compares with just 1.5 per cent. in 2001, before the renewables obligation was introduced. The growth in installed wind capacity has been even more significant. In January 2006, we had some 1,300 MW of installed wind capacity, compared with just 321 MW back in 1997.

Although most of the new capacity so far is onshore, offshore wind also has a valuable contribution to make to our 2010 target of deriving 10 per cent. of our electricity from renewable sources, and to our longer-term aspiration that that figure should be 20 per cent. Helped by Department of Trade and Industry capital grants, three large-scale offshore wind farms are already constructed and operating, and a further one at Barrow will start operating soon. These projects are part of the first round of offshore wind farms. Round 2 has the potential to make an even more significant impact, with individual projects that could contribute around 1 per cent. of total electricity supply. Rounds 1 and 2 offshore wind have the potential to contribute more than 8 GW to the UK's generation capacity in total.

The energy review to which my hon. Friend referred is examining the potential for emerging low-carbon technologies, and how best to bring them forward. The first outcomes from the review will be published later in the summer, so I do not want to say more at this stage. However, I am convinced that offshore wind has the potential to make a significant contribution to the capacity gap that we will face here in the UK. The challenge for industry and the Government is to turn that great potential into a reality.

The potential for emerging technologies and the development of a European grid is also being considered at the European level. On 8 March this year the Commission published a Green Paper on a European strategy for sustainable, competitive and secure energy. The Government will be responding to the Green Paper. The UK firmly believes that the development of a competitive single market for energy should be the framework within which we approach our European energy policy. Projects such as offshore wind complement that strategy.

The higher cost of developing offshore wind remains an issue, and the cost of connection to the electricity grid is a part of that. Grid connections are likely to form 10 to 15 per cent. of capital costs for the round 2 wind farms, given the considerable cable lengths involved. Certainty about how the grid connection costs will be funded and the regulation that controls them is therefore a key factor that developers need in preparing their business models.

I was pleased to announce back in March that for offshore projects in UK waters, the Government have decided to extend the existing onshore model of regulation of transmission links. Following a joint consultation with Ofgem, I have concluded that this approach has a number of clear advantages for offshore projects—first, extending the regulated price control approach offshore will ensure consistency with the regulatory arrangements onshore. Secondly, it will provide a financial benefit to offshore developers, by spreading over a number of years the costs that they face to connect to the onshore electricity system. Finally, it will also mean that the responsibility for developing the offshore transmission network will be shared by the system operator and the transmission asset owners, who can bring their existing expertise to bear. I believe that that will provide a significant cost benefit to the industry, and that it demonstrates the Government's continued commitment to the development of offshore renewables.

It is expected that most of the grid connections for round 2 projects will be direct connections to shore in Great Britain, either connecting single offshore projects or by joint connections shared by several offshore projects. The European supergrid proposal is an idea for the longer term, possibly connecting up future rounds of offshore wind projects to interconnectors between different member states. As such, the ideas behind the proposal very much support two of the Government's key energy policy objectives: first, to cut CO_2 emissions, which the proposal supports through the ambitious suggestion for

[Malcolm Wicks]

significantly more renewable development offshore; and secondly, to promote competitive markets in Great Britain and beyond by putting in place more physical connections between member states, thereby providing the opportunity for cross-border trade.

As we have heard, the UK has some of the best wind resource in Europe. The challenges of climate change and the need to ensure security of supply through diversity of supply sources means that we will need to consider the utilisation of resources in areas not currently marked out for exploitation. While there are currently no further plans to develop offshore wind beyond the current round 1 and 2 projects, that is not to say that the Government do not believe that further rounds may be needed if we are to meet our longer-term aspirations for offshore wind.

Any such moves to further offshore rounds will require careful consideration, as we need to work with stakeholders to understand how offshore renewables can successfully coexist with other marine industries and be developed with the environmental impacts minimised. The Government intend to introduce marine spatial planning through a marine Bill, which is currently the subject of consultation. When it is taken forward, it will provide the opportunity to introduce strategic management of sea use. The supergrid proposal for more offshore wind projects in the North sea shows the industry's appetite for further development.

The UK also believes that the liberalisation of the internal EU electricity and gas market is essential to EU economic reform. To progress greater liberalisation, Europe needs to remove barriers to cross-border trade to create more integrated markets, and in some cases to put in place the infrastructure to connect those markets physically. The supergrid proposal to link member states offshore is therefore very much in line with our goal of integrating national EU energy markets by removing barriers to the freer flow of energy around Europe.

Question put and agreed to.

Adjourned accordingly at three minutes to Three o'clock.

House of Commons

Monday 19 June 2006

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

Home Department

Mr. Tawanda Machingura

1. **Mr. John Baron** (Billericay) (Con): What progress he has made in ascertaining the whereabouts of Mr. Tawanda Machingura, an illegal immigrant imprisoned for sexual assault of a mental health patient whilst working as a nurse in a local NHS hospital. [77870]

The Minister for Immigration, Citizenship and Nationality (Mr. Liam Byrne): I am not able to comment on individual cases within the House. I apologise for the delay in responding to the hon. Gentleman. I was able to update him this morning.

Mr. Baron: I hear the Minister's response. This foul crime, committed two years ago, caused much concern locally, and all we wanted to know was the whereabouts of this dangerous individual after he was released. Despite writing to the then Home Secretary in April, asking written questions on 10 May, 17 May and 14 June and phoning the Home Office, I hit a wall of silence. It has taken the Minister being dragged to the Dispatch Box to get a simple answer to a simple question. Given the Prime Minister's promise of transparency on this issue, will the Minister explain why I received no responses to my named-day written questions? Does this case not show that the Government have failed to reassure the public on the foreign prisoners' crisis?

Mr. Byrne: The lack of response that was accorded to the hon. Gentleman's inquiries was completely unacceptable. In my view, it highlighted again some of the failings on which my right hon. Friend the Home Secretary has briefed the House. The processes to which the hon. Gentleman alludes will be part of the review that we are undertaking over the next month and a half.

Several hon. Members *rose—*

Mr. Speaker: I know that hon. Members are standing to be called, but this is a closed question. I must move on to Question 2.

Deportation (Zimbabwe)

2. **Mr. Graham Stuart** (Beverley and Holderness) (Con): If he will make a statement on his policy on deportation to Zimbabwe. [77871]

The Minister for Immigration, Citizenship and Nationality (Mr. Liam Byrne): The situation remains as set out by the then Minister for Immigration, Citizenship and Nationality, now the Minister for Policing, Security and Community Safety, on 20 April 2006. We are not enforcing returns to Zimbabwe pending a further hearing listed by the Asylum and Immigration Tribunal from 3 to 7 July.

Mr. Stuart: While sex offenders are released and remain untraceable, one of my constituents, Ashleigh McMaster, is stuck in an asylum limbo. Her mother has been attacked and stabbed and her step-father has been hospitalised in Zimbabwe in the past year. Yet this young woman, whose grandfather served in the Royal Air Force for 20 years, and whose father enjoys British citizenship and lives in my constituency, faces the prospect of deportation. I have already asked to have a meeting with the Minister. Will he now agree to meet me to discuss the case of Ashleigh McMaster?

Mr. Byrne: As I have said, I cannot comment on individual cases, but I would be happy to meet the hon. Gentleman. As he knows from correspondence with my ministerial colleague, fresh evidence was submitted by the applicant, which entailed a further review of the case details.

Kate Hoey (Vauxhall) (Lab): The Minister will be aware of the limbo in which many Zimbabwe asylum seekers live in this country. Zimbabwean asylum seekers will want to return some day to restore Zimbabwe to democracy. As our friends, why are we not treating them as we treated people from South Africa? Why are we not allowing them to work? Many of them are well qualified and, in the meantime, they could contribute a huge amount to this country. Why are we not allowing them to work in this country, to contribute to it and to prepare themselves to go back to a new Zimbabwe?

Mr. Byrne: An important court case is pending that will, I think, change the context in which they are treated. As my hon. Friend knows, it is a valuable privilege to be able to work in this country. We think that it would be wrong to let certain people jump to the head of the queue. A related question has been asked about accessibility to benefits. As my hon. Friend knows, the rights of such applicants are set out clearly in section 4 of the Immigration and Asylum Act 1999.

Mr. Richard Benyon (Newbury) (Con): As long ago as November last year we were told that the inquiry into alleged fraud through the ancestral visa route from Zimbabwe was completed. Will the Minister tell me why constituents such as mine, the Mitchell family, have been held in limbo now for more than two years? Those people suffered greatly in Zimbabwe and they just want to get on with their lives. Their parents hold a

British passport. It cannot be that complicated for the Minister's Department to process this case, and many more like it.

Mr. Byrne: As the hon. Gentleman knows, some applications were the subject of extensive fraud. It was important and absolutely right that the immigration and nationality directorate undertook extensive inquiries so that it might make the right decisions. If there are specific cases that the hon. Gentleman is concerned about, we will be happy to correspond with him further about them.

Keith Vaz (Leicester, East) (Lab): Does my hon. Friend agree that it is not just a matter of policy, it is also a matter of process? He alluded to the statement made by the Home Secretary that he regarded the Home Office as being unfit for purpose. Will he guarantee the resources necessary to ensure that cases to do with people from Zimbabwe, and the other cases at the IND, are dealt with speedily and efficiently so that people can get results, and also that no bonuses will be paid to the senior management of IND until those cases have been cleared?

Mr. Byrne: I am grateful for my hon. Friend's advice on human resources policy at IND, and I will take his thoughts into account in the weeks and months ahead. At this stage, I do not have anything to add, either to my own evidence to the Select Committee on Home Affairs or, indeed, to the evidence of my right hon. Friend the Home Secretary, but the point is well taken.

Mr. Speaker: I call David Davis. *[Interruption.]* It appears that he does not wish to ask a question, so I call Julian Brazier.

Mr. Julian Brazier (Canterbury) (Con): While strongly sympathising with earlier comments by colleagues from all parts of the House, may I raise again the case of Sungaradazzo Mudgyiwa, who is not an asylum seeker but a straightforward illegal entrant from Zimbabwe? She was sent to prison for four and a half years for stealing more than £100,000 from the benefits system and more than £12,000 from the Post Office, but she is still resident in Whitstable and occupies a council house with her teenaged sons, one of whom has recently been served with an antisocial behaviour order for violence and intimidation. Once that case has been heard, will action be taken on deportation?

Mr. Byrne: We made it clear in our evidence to the Home Affairs Committee that enforcement and removals are a critical part of IND business that need to be strengthened. I hope that the hon. Gentleman will forgive me for reserving my position on individual cases and not commenting but, again, if he would like me to update him on specific details, I am happy to do so.

Under-age Drinking

3. **John Robertson** (Glasgow, North-West) (Lab): What assessment his Department has made of the case for additional measures to reduce the incidence of under-age drinking; and if he will make a statement. [77872]

The Parliamentary Under-Secretary of State for the Home Department (Joan Ryan): The Government are determined to crack down on those who sell alcohol to children. Through almost 17,000 test-purchase operations funded by the police standards unit, increased penalties in the Licensing Act 2003, and Government work with the licensed industry, the rate of sales to children, measured through test-purchase failures, has fallen considerably. Both the on and off-licence sectors have committed themselves to seek to eliminate under-age sales.

John Robertson: I thank my hon. Friend for her answer. She will be aware that the increase in drinking among the young has caused increased vandalism and antisocial behaviour. Is it not time that we looked at giving proper sentences to the people who retail that drink? Can she look at alcopops in particular, and their effect on the increased alcohol abuse prevalent among the young?

Joan Ryan: My hon. Friend makes a valid point. He will be aware that young people who reported drinking once a week or more committed a disproportionate volume of crime, accounting for 37 per cent. of all offences reported by individuals between the ages of 10 and 17. I can give him some comfort, however, as the Violent Crime Reduction Bill, which is proceeding through the House of Lords, will introduce a new offence of persistent selling of alcohol to children, with offenders risking a £10,000 fine and suspension of their licence, or closure for up to 48 hours. The majority of 10 to 17-year-olds who have drunk alcohol in the past 12 months reported that they had obtained that alcohol from their parents, so there is a message both for the industry and for families.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Further to the question asked by the hon. Member for Glasgow, North-West (John Robertson) about alcopops, will the Minister look again at the way in which the Portman Group is supposedly regulating the matter? It is time for Government intervention, because that advertising is targeted at youngsters, creating a problem that should not exist. Will the Government undertake to look again at the way in which the Portman Group is allegedly regulating that activity?

Joan Ryan: The hon. Gentleman may be aware that the document on social responsibility standards for the production and sale of alcoholic drinks in the UK that was released last November includes guidelines on the marketing of those alcoholic drinks and supplements the existing guidelines from the Advertising Standards Authority and the Portman Group's code of practice on the packaging, marketing and sale of alcoholic beverages. We must keep the matter under review, because those drinks are particularly attractive to young people, but I accept the point made by the hon. Gentleman.

Mr. Bill Olner (Nuneaton) (Lab): My hon. Friend will know that many retailers take their responsibilities extremely seriously and ask young people for proof of their age when they purchase drinks. However, many young people get older people to buy their drinks, so has the Department liaised with the police to ensure

that when youngsters are seen drinking publicly in our communities they are apprehended and their parents find out about it?

Joan Ryan: My hon. Friend may be aware of the alcohol misuse enforcement campaigns—AMEC—of which there have been four, which have been very successful. They are aimed at shop owners who sell to under-age young people and do not ask for proof of identity. They also target those who are under age and purchase alcohol. Those measures are designed to deal with young people who purchase alcohol and others who purchase it knowingly on their behalf, and it is important that the measures and powers available to the police are used, because when they are used, they have some success. We know, for instance, that the number of young people who report using alcohol has dropped, inasmuch as the proportion of schoolchildren who have never had a drink is at its highest level—42 per cent. Clearly, there is much more to do in this regard, but the powers exist and we encourage their use both in the AMEC campaigns and outside those campaigns.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): My constituent, Blake Golding, was savagely attacked outside a Milton Keynes nightclub by a young person on new year's eve 2005. Since then, his mother, Marjorie Golding, has run a campaign—which has attracted over 100,000 signatures, is the subject of early-day motion 385 and was the subject of an Adjournment debate in the House last year—to change glasses and bottles in nightclubs to plastic. Does the Minister think such a measure would help to curb the rise in alcohol-related violence?

Joan Ryan: The hon. Gentleman makes an important point. He will know that among the measures that local authorities and the police have been taking with local public houses in the run-up to the World cup, they have recommended and in some cases insisted that they use plastic glasses. Clearly, the police think that that is a measure that works in public houses where there is a problem. Other measures, such as drink banning orders and alcohol disorder zones, are also being used to deal with unruly public houses.

Child Pornography

4. **Helen Goodman** (Bishop Auckland) (Lab): What further steps he plans to take to stop pornographic images of children being downloaded from the internet. [77873]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): We continue to work closely with law enforcement agencies, the new Child Exploitation and Online Protection Centre, industry and international colleagues, to tackle the downloading of such images. I have recently set the UK internet industry a target to ensure that by the end of 2007, all internet service providers offering broadband internet connectivity to the UK public prevent their customers from accessing those websites.

Helen Goodman: As my hon. Friend knows, BT is blocking about 35,000 attempts every day to download child pornography from websites. Can he explain whether the announcement that he has just made about the target will be a compulsory regulation for the ISPs, which is necessary in order to cut the market and end child abuse around the world?

Mr. Coaker: We are determined to tackle that abuse, and our abhorrence is shared across the House. We expect 90 per cent. of internet service providers to have blocked access to sites abroad by the end of 2006. The target is that by the end of 2007 that will be 100 per cent. We believe that working with the industry offers us the best way forward, but we will keep that under review if it looks likely that the targets will not be met.

Mr. Nick Clegg (Sheffield, Hallam) (LD): Given that the registration of sex offenders who pose a continued threat to children is as low as 30 per cent. on registers in operation in some states in the United States, whereas the equivalent figure in the UK is well over 90 per cent. on the sex offenders register, does the Minister agree with the Minister for Children and Families, the right hon. Member for Stretford and Urmston (Beverley Hughes) who stated in 2002 that

"making information about sex offenders widely available would hinder child protection"—[*Official Report*, 15 January 2002; Vol. 378, c. 180W.]

precisely because it would drive some of the most serious sex offenders underground? If that is the case, why do the Government seem to be revisiting an idea that was so summarily rejected by the Minister's predecessors?

Mr. Coaker: As my right hon. Friend the Home Secretary has announced, we are considering all those matters, and we will reach our conclusions in due course. The Government's aim is to tackle access to child pornography on the internet, sexual abuse and sex offenders, and we will come up with the best policies to do so.

Margaret Moran (Luton, South) (Lab): I thank my hon. Friend for his positive response to my ten-minute Bill. Is he aware that children's charities and credit card companies are working together to see whether credit cards can be used to block access to child pornography? And will he tell us when schedule 3 to the Data Protection Act 1998 will be amended to allow us to end that despicable crime?

Mr. Coaker: I thank my hon. Friend for pressurising the Government to take further action. The order that she has mentioned was laid on 13 June.

Knives

5. **Michael Gove** (Surrey Heath) (Con): How many offences involving the use of knives or other bladed weapons have been recorded by the police in each of the last five years; and if he will make a statement. [77874]

7. **Ms Karen Buck** (Regent's Park and Kensington, North) (Lab): What steps are being taken to tackle knife-related crime. [77877]

The Secretary of State for the Home Department (John Reid): With the exception of homicides, the recorded crime statistics do not separately identify all crimes involving knives and sharp instruments. Of the 4,141 offences currently recorded as homicide between 2000-01 and 2004-05, 1,211 involved sharp instruments. On 24 May, the Association of Chief Police Officers and I launched a nationwide knife amnesty to encourage people to hand in unwanted knives. The amnesty runs until the end of June, following which forces will undertake robust enforcement actions, education and community engagement work. Concurrent with that, the Violent Crime Reduction Bill, which is currently before Parliament, contains a number of measures to tighten still further the control of knives.

Michael Gove: I thank the Secretary of State for his answer. He may be aware that 10 years ago I worked with Frances Lawrence, the widow of the murdered head master Philip Lawrence, in order to secure action to deal with the scourge of knife crime. At that point, the then shadow Home Secretary, the right hon. Member for Blackburn (Mr. Straw), assured me that dealing with knife crime would be a priority for a future Labour Government. Since then, public concern about knife crime has risen—in my constituency, one school pupil, Natashia Jackman, was attacked in the precincts of her own school, and we are all aware of the recent tragic murder of Kiyan Prince. Will the Home Secretary tell me what he and his ministerial colleagues in the Department for Education and Skills are doing in order to ensure the safety of schoolchildren against that particular scourge? And what will he do to honour the promise so freely given by his colleague 10 years ago?

John Reid: I agree with the hon. Gentleman that the matter is a major public concern. Although I have been at the Home Office for a relatively short period, I have already indicated that I am reviewing the situation and considering the options on the possession of knives. I am giving serious consideration to suggestions that the maximum sentence for possessing an article with a blade or point in a public place should be increased, which is a measure of the seriousness with which I treat the matter. I would not like the hon. Gentleman to think that we have not acted previously, because we have, but I accept that the level of public concern obliges me to re-examine whether we should make sentencing even more robust in that area.

Ms Buck: Does my right hon. Friend agree that the perception that knife crime is a serious problem drives many young people to carry weapons where they might not otherwise do so? Although screening, stop and search and deterrent sentencing have an important role to play, prevention must lie at the heart of the response. In my constituency, which incidentally includes St. George's school where Philip Lawrence was tragically murdered 10 years ago, we are currently seeking charitable funding for a major project that will work with schools and youth clubs to get to the root causes of why so many young people seek to carry weapons as a result of fear and as a way of resolving conflicts. Will he urgently work with the DFES to see whether ways can found to ensure that projects are available in a range of constituencies to work with young people to make prevention a priority?

John Reid: Yes, I certainly will do that. It is important that, along with other measures, we educate young people out of the idea, which is no doubt fashionable and attractive, that if someone carries a blade or a knife it will somehow defend them from attack. In fact, in many cases it will provoke, and may even be used against them. Education is an important aspect, as are prevention and prohibition. We are also considering banning samurai swords and other weapons used in violent crime. Sanction is important as well, so I confirm to the House that in reviewing sentencing options, I am giving serious consideration to the suggestion that the maximum sentence for having a knife or a blade in a public place should be increased. We intend to make a decision on that before the Violent Crime Reduction Bill is debated on Report in the other place.

Mark Hunter (Cheadle) (LD): Given that it is possible to receive a lengthier jail sentence for stealing a bicycle than for carrying a deadly weapon in the form of a knife, can the public really have confidence that the Government's priorities are right when it comes to tackling violent crime?

John Reid: I think that the hon. Gentleman would want to be as honest as possible on the length of sentence that one can get for possessing an offensive weapon, which in the case of a knife could be up to four years. However, there is an incongruity in that in other circumstances the sentence for having an article with a blade or a point would be limited to two years. I am considering that with a view to possibly extending it. Of course, someone who uses a knife in pursuit of another crime can receive up to a life sentence—for instance, in the case of murder with the use of a knife.

Mr. John Denham (Southampton, Itchen) (Lab): When my right hon. Friend is reviewing sentencing policy, will he also consider the Government's approach to working with young people and acknowledge that the carrying of knives seems to be closely related to gang culture and the organisation of gangs among young people? For all the effort that we have put into working with young people, there is very little focused work by the police or other agencies to tackle and to break up gangs. Perhaps when the Under-Secretary, my hon. Friend the Member for Bradford, South (Mr. Sutcliffe), goes to the USA, he could look at some of its experience in tackling and busting gangs to see whether that can have any effect on the predominance of knife-carrying.

John Reid: My right hon. Friend speaks with considerable experience, both ministerial and from his position as Chairman of the Home Affairs Committee. I certainly will consider that. I would not like people to think that we have done nothing in this direction. First, in May 2004, we set up the Connected fund to provide grants for small community groups. It now supports

more than 200 local groups working on gun crime, knife crime and gang-related issues. I accept that that was a start, but it was a substantial start.

Secondly, we have to deploy a range of measures—for instance, the amnesty that we are carrying out at the moment. The previous amnesty brought in some 30,000 knives. As we announced last Friday, in the first week of the amnesty about 17,700 items were handed in to forces in England and Wales. I do not pretend that that deals with the whole problem, but it is another aspect of tackling it. People should understand that if they are found in possession of such weapons after the interlude during which they can be handed in, they will be tackled robustly.

David Davis (Haltemprice and Howden) (Con): I will resist the temptation to talk about Zimbabwe.

Given what has been said in questions from both sides of the House, and given that the Home Secretary himself said that he is considering extending the penalty for carrying knives, why did his own Government oppose this exact proposal from the Opposition in November of last year?

John Reid: The hon. Gentleman is asking me the same question—[HON. MEMBERS: "Right hon."] I beg his pardon. The right hon. Gentleman is asking me the same question, through a slightly different prism, that he asked a fortnight ago—that is, how I could vote on something with the Government a few months ago. I think that he has served in government, and he will know that there was a different Secretary of State then. *[Interruption.]* Just as I, as Secretary of State for Defence, made different judgments from those that the current incumbent will make on some matters—the nature of Cabinet Government is collective responsibility—so I have now reached a new position. I have considered what has been said and, rather than being completely focused on the process whereby we reach decisions—which is a legitimate subject—I hope that the right hon. Gentleman will also be interested in their substance. I am prepared to consider extending the sentence in one of the examples—indeed, I will go further and invite him to discuss the matter with me. I hope that that process will not upset him unduly.

David Davis: I promise not to be upset when I discuss with the Home Secretary the sentencing options, which are currently before the Lords, of three, four or five years under the Tory agenda. I am sure that he will accept one of them.

My hon. Friend the Member for Surrey Heath (Michael Gove) made a powerful point about the length of time that the issue has been before the Government and, indeed, the previous Government. Three years have passed since the massive public outcry over the brutal stabbing of the schoolboy Luke Walmsley—I am sure that everyone remembers that. There was a great deal of tough talk from the Government then but little effective has happened since.

Since the Government have been in power, the number of knives in schools has doubled yet the convictions for selling knives to minors—under-16s—run at an average rate of six a year. That is how seriously the issue has been taken. Let me therefore bring the Home Secretary to a practical point about knives, youngsters and schools. When will the Government ensure that all at-risk schools have the resources and facilities to screen all their pupils to ascertain that they are not carrying knives?

John Reid: First, I take it that the right hon. Gentleman's response was an acceptance of my invitation to discuss the matter. The public are more interested in that than point scoring about the process.

Secondly, I would not like the House to be misled inadvertently. As I said, with the exception of homicides, the recorded crime statistics do not separately identify all crimes that involve knives and sharp instruments. I therefore took the trouble to examine the incidence of the use of knives in homicides. The figures have stayed roughly the same for the past five or six years—between 29 and 33 per cent. That is around 230 out of 820 homicides. I do not want to give a sensationalist portrayal of the use of knives. Nevertheless, there is great public concern about it and I believe that it should be a cross-party issue, which we ought to discuss with an open agenda to ascertain how we can deal with sentencing. I am more than willing to discuss any related issues, including schools, at the same time.

Alcohol-related Crime

6. **Barbara Keeley** (Worsley) (Lab): What progress has been made in tackling the impact of binge drinking on levels of crime. [77876]

The Minister for Policing, Security and Community Safety (Mr. Tony McNulty): A series of alcohol misuse enforcement campaigns have targeted public violence and disorder caused by binge drinking since 2004. We believe that the success of those campaigns has contributed to reductions in more serious violent crime. For example, during the third campaign, police and local authority partners visited some 27,000 licensed premises, dealt with about 33,000 offences, made 25,000 arrests and issued approximately 8,000 fixed penalty notices for alcohol-related offences. In addition, it is important that the alcohol industry plays an important role in improving standards, especially with reference to binge drinking.

Barbara Keeley: Trends in recorded crime due to alcohol are higher in large cities such as Manchester, Liverpool and, to a lesser extent, Salford. We have happily experienced some improvements in Salford—indeed, 11 local authorities in the north-west have experienced a fall in recorded crime. However, does my hon. Friend agree that local authorities and the alcohol industry need to crack down on the matter, which is a genuine quality-of-life issue in our urban areas, to accelerate those improvements and try to make them more even throughout our regions?

Mr. McNulty: I agree: it is only through such partnerships that these matters can be dealt with successfully. This is as much about education and awareness in schools as it is about licensing regimes, the

police, and the crime reduction strategies in each local authority. Partnership is the key to dealing with this issue.

Mr. Andrew Turner (Isle of Wight) (Con): Did the Minister notice the tone of censoriousness that crept into the answer given by the Under-Secretary of State for the Home Department, the hon. Member for Enfield, North (Joan Ryan), when she said that many children obtained alcohol from their parents? Does the Minister not agree that the best place for children to learn to use alcohol moderately and sensibly is in their family?

Mr. McNulty: Strangely or otherwise, I do agree, although not about the censorious nature of my hon. Friend's response. The hon. Gentleman will know from a recent survey of drinking patterns that abuse of alcohol is more often than not started by parents giving drinks to their children at an unduly early age. However, he is right. As a starting premise, education and the awareness of a balanced use of alcohol must start at home with the family.

Helen Jones (Warrington, North) (Lab): I congratulate the Government on the steps that they are taking to tackle binge drinking, but much more education needs to be given to our young people about its effect on not only their health but their safety while they are out. What discussions has my hon. Friend had with the Department for Education and Skills? Experience suggests that, while our young people are given a great deal of education on the effects of illegal drugs, they do not always get very much on the effects of over-indulgence in alcohol.

Mr. McNulty: I agree, and the Home Office, the Department for Education and Skills, the Department of Health and others are talking far more readily about all these matters in order to address the issues. Local government and the alcohol industry are also participating in the rounded partnership to which I referred in my answer to my hon. Friend the Member for Worsley (Barbara Keeley). Every aspect of the issues must be covered, as the way in which we deal with them is multi-faceted. I will ensure that the concerns of my hon. Friend the Member for Warrington, North (Helen Jones) are passed on to the DFES and to the Department of Health, as well as to the Home Office.

Police

8. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): What the timetable is for proposals to amalgamate police forces in England and Wales. [77878]

The Secretary of State for the Home Department (John Reid): I remain of the view that strategic mergers are the right way to improve protective police services. However, I am keen to continue the discussion and dialogue that we have begun with police forces and police authorities on the best way to get to that destination. Accordingly, I do not propose to lay any orders for enforced police force mergers before the summer recess. I hope, however, that it will be possible to press ahead with laying the order for the voluntary merger of the Cumbria and Lancashire forces.

Mr. Goodwill: I thank the Home Secretary for that response, especially in relation to my own region. I understand his wish to kick this issue into the long grass; I hope that, in the case of Yorkshire and the Humber, it will be elephant grass. As a rule, the Government are keen to have a big conversation with the British people. Will the Home Secretary assure me that in the case of enforced police mergers regional referendums will be held before any such measures are imposed?

John Reid: I do not know whether the hon. Gentleman is complaining because I have listened and responded to the feelings of many people in the House and outside. Let me make it absolutely clear that I do not believe that the status quo is an option. The destination that has been outlined, particularly in the study carried out by Denis O'Connor and others in Her Majesty's inspectorate of constabulary, is the correct one. It will be better for the strategic-level protective forces and will supplement efforts to put more police on the streets in our neighbourhoods in a visible, accessible and responsive fashion. This will mean that, when a major crisis occurs, we will not have to pull them out to deal with it.

I accept, however, that people want to discuss in greater length and detail many of the questions arising from these proposals. I have therefore decided—along with the Minister for Policing, Security and Community Safety, whom I have asked to deal with this issue—that this merits further and slower consideration. I cannot promise a referendum but I can promise discussion, dialogue and listening throughout.

Ian Lucas (Wrexham) (Lab): I warmly welcome my right hon. Friend's statement, which will be extremely popular in north Wales. Will he ensure that each merger that takes place in due course is tested rigorously against the criteria set down by Denis O'Connor in the report? I believe that when that test is made in respect of Wales, the proposal originally made will be found wanting. Will there be close and rigorous analysis relating to the proposal for an all-Wales police force?

John Reid: Yes, that is one area where discussion will take place. Indeed, my hon. Friend the Minister for Policing, Security and Community Safety has already opened discussions and has conducted the beginnings of a public debate in Wales.

I repeat that the strategic direction and the ultimate destination—where we are going—are correct and will be illustrated in most cases to be correct, but I am responding to the will of the House, the police authorities and many outside the House to conduct matters in a way that meets the anxieties not only of members of the police service but of local people who

want to ensure a degree of local accountability, neighbourhood policing and police on the streets, as well as a sense of their still owning their own police services locally. Those are perfectly legitimate aims and are therefore a perfect arena for further discussion.

Sir Patrick Cormack (South Staffordshire) (Con): I thank the Home Secretary for his thoughtful answer and for listening. Will he perhaps bring before the House, before we rise in July, a realistic, measured timetable that allows for proper, full consultation throughout the country? This is the biggest change to the police force, certainly for 50 years, and arguably for a century or more. May we please take proper time and do it methodically?

John Reid: I assure the hon. Gentleman that we will take proper time. I am reluctant to give him today, or indeed to promise in the next few weeks, an adequate timetable—

Mr. Graham Stuart (Beverley and Holderness) (Con): Why not?

John Reid: Because I think that is a legitimate part of the discussion of how this might be done, how it might be handled and what areas it might include.

I have already made it plain that there is no need for anyone to panic over time, because I will not lay orders on enforced change. Where there is voluntary agreement and willingness to go ahead—I hope that that is the case in at least one example—we will lay an order, but the timetable and details will be part of our discussions with people such as the hon. Member for South Staffordshire (Sir Patrick Cormack).

Frank Cook (Stockton, North) (Lab): I am sure that my right hon. Friend knows of the statements that the Prime Minister has made in the Chamber on these issues—that adequate time be provided, that the opinions of the communities involved be taken into full account and that all options will be considered, including the co-ordinated co-operation of neighbouring police forces.

Will the Home Secretary give the Chamber an assurance that all those prime ministerial stipulations will be taken into account before any decisions are made?

John Reid: Of course, all those items will be aspects of the discussions, but I do not want to mislead my hon. Friend into thinking that I start with a blank slate. I am persuaded that the status quo is not an option and that the experience brought to the study by people with many years of operational experience—Denis O'Connor and Ronnie Flanagan are but two of them—is sufficient, along with the coherence of their argument, to convince me that the destination that we want to end up at, which was identified by my predecessor as Secretary of State, is the right one.

In relation to where I am giving a degree of flexibility in the face of requests for discussion and dialogue and of legitimate questions being asked over local accountability, financing and all sorts of other areas, I am saying that the journey from where we are to where I think we should end up might be at a different pace and in a different fashion. We must of course allow for the possibility of changes and nuances, otherwise we would not be acting in good faith. Equally in good faith, however, I can tell the House that I am pretty convinced that we will—and ought to—end up at the destination identified in "Closing the Gap".

Bob Russell (Colchester) (LD): I thank the Home Secretary for his opening comments, but will he explain why, if the status quo is acceptable in Kent, it is not acceptable in Essex? This morning the Essex police authority launched a county-wide consultation. If the verdict of the people of Essex is that they want their own police force and not a merger with the Hertfordshire and Bedfordshire forces, will the Home Secretary support that majority opinion?

John Reid: The answer to that question is simple. There is no template for the exact size, configuration and balance of police services and specialities in any given region, and we should not assume that we will end up with any such uniformly imposed, centrally dictated template. It is, however, entirely possible that some forces are better able than others to stand on their own because of their size, configuration and specialities.

The key point is that unless protective services allow the police in a given area to respond to a crisis, such as a succession of serial murders or a terrorist attack, without continually drawing forces from the neighbourhoods, the whole idea of neighbourhood policing that is visible, accessible and responsive to local people's needs will not be sustainable. We want the strategic configuration not just because it is suitable at a higher level, but because it supplements our aim of putting a record number of police into the neighbourhoods. The configuration will not be exactly the same in every single area, any more than it is now, but overall the strategic configuration will serve the public better.

Mr. Kevan Jones (North Durham) (Lab): I am glad that there is to be further discussion, but does my right hon. Friend agree that the delay may send a signal that alternative suggestions that have been discounted locally may be given credence? Will he knock on the head once and for all the ludicrous notion of splitting the county of Durham in half and merging it with Cleveland, and will he back the idea that a single strategic force for the north-east is the answer?

John Reid: I entirely accept that. Resolution is sometimes portrayed as obstinacy, as dictatorial or as bullying. On the other hand, when people respond flexibly to the demands of Members of Parliament, that is sometimes mistakenly portrayed as irresolution. I am not irresolute. I do not seek another destination on the map. I am convinced, until persuaded otherwise, that the destination specified by Her Majesty's inspectorate of constabulary is the correct one. I do accept, however, that all the problems and questions that people have raised are legitimate and require further, deeper and wider discussion and dialogue. We will engage in that discussion and dialogue over the coming period, and if a better solution emerges, any open-minded person will consider it; but I do not think that that is where we will end up.

Nick Herbert (Arundel and South Downs) (Con): Has the Home Secretary read the report by the head of finance of the Association of Chief Police Officers, which warns that police force amalgamations will contribute to a funding gap equivalent to 25,000 police officer posts nationally? It says that such a cut would

"destroy any realistic hope of developing Neighbourhood Policing".

Is that not enough reason not just to delay these unnecessary, unwanted and expensive mergers, but to scrap the idea altogether?

John Reid: I am sorry, but the hon. Gentleman appears to have written his question before I gave my first answer. I always hate to disappoint the Opposition, but I am not going to withdraw my first answer.

I must confess that I have not read in detail the report to which the hon. Gentleman referred, but he will be gratified to know that I discussed it in detail with the authors, who tell me that the one example that he gave from a range of speculative options that they were considering was the worst and most extreme that they examined.

Nick Herbert: It was not.

John Reid: The hon. Gentleman is asking me to engage in a discussion about this paper, but I could not have done better than to speak to the people who wrote it; he merely read it. The hype and spin around it, which is some five weeks old now, prior to the Police Federation—*[Interruption.]* No wonder the hon. Gentleman is laughing; he has tried it on and been caught. The scenario described is unrealistic; it is a speculative, in extremis case, which has been denied even by the authors of the report.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I do not want the Home Secretary to run away with the idea that all police forces are against these amalgamations; only voices against them are heard in this Chamber. May I point out that the west midlands force is very much behind them and says that the worst thing we could do is consult for too long and end up not making a decision, because uncertainty is bad for all forces?

John Reid: I thank my hon. Friend for that helpful intervention. If I have found out one thing in the Home Office in the last five weeks, it is that it is very difficult to get anything right, whatever one says. So it is unsurprising to me that, as my hon. Friend legitimately points out, there are people who take a different view and who reasonably believe that there is such a self-evidently correct destination that we should move to it at a far quicker pace. The design of those who say that they have specific complaints is to stop the whole process.

It may well be that there are two extremes in respect of this matter. There is probably a mainstream position that says, "We are willing to enter into discussions but want clarification of a large number of points about accountability, finance and so on, on the basis of which, we would be prepared to proceed." It is on the basis of such good faith that I enter into the discussions, and we will see whether that is a flexible and intelligent way of approaching them, or merely the naivety of a young and aspiring politician.

Prisons

9. **Mr. Philip Hollobone** (Kettering) (Con): What plans he has to increase prison capacity. [77879]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Gerry Sutcliffe): Some 900 additional places are being provided at existing prisons, which will increase total capacity to around 80,400 by the end of 2007. We will of course keep under review the need for additional capacity.

Mr. Hollobone: Given that our prisons are bursting at the seams and that one in 10 prisoners are foreign nationals, should not the Home Office redouble its efforts to ensure that, during an early part of their sentence, as many as possible of the 8,000 foreign prisoners in our jails are returned to secure detention in their own countries?

Mr. Sutcliffe: The hon. Gentleman is right, in that the prison population is rising, and he is right to suggest that we have repatriation agreements with many countries. He will know that we have 97 prisoner transfer agreements with particular countries. My right hon. Friend Baroness Scotland has met representatives of other countries, particularly Jamaica, to see what we can do about repatriation. We continue to work in as many ways as we can to get people out of our prisons who do not need to be there, and we are looking at the arrangements.

Andrew Miller (Ellesmere Port and Neston) (Lab): What effect will the extremely welcome letter that my hon. Friend sent to me on Friday have on prison capacity? He said unequivocally that no sex offenders will go into the Bunbury House bail hostel, thereby reversing a policy position adopted under the Conservatives. Will that have any impact on the prison population?

Mr. Sutcliffe: It clearly will. My hon. Friend is referring to our decision to make sure that child sex offenders will not be in approved premises adjacent to schools, which is entirely sensible and in the interests of public protection. I know that he, like other Members, is concerned about how we deal with what is a very difficult problem, and I look forward to working with Members in all parts of the House on addressing the issue of child sex offenders.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I say that the hon. Gentleman needs to look at the impact on prison capacity of imprisonment for public protection and extended sentence provisions in the Criminal Justice Act 2003? There is a very real concern that they will result in many people spending many years in prison, not least because parole boards, against the background of the current tabloid campaign, will be reluctant to release them. Much injustice might be done this way.

Mr. Sutcliffe: The Government's position is that serious offenders and dangerous people should be imprisoned. That is what we want. Of course, the courts are responsible for sentencing, which is quite right—

David Davis (Haltemprice and Howden) (Con): You are responsible for prisons.

Mr. Sutcliffe: As the shadow Home Secretary says, I am responsible for prisons, but I will not be doing any fag-packet calculations about new ones. I agree with the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), who has many years of experience, that we need look at the wider issues to do with the prison population, including whether the right people are in prison and whether capacity is right. As my right hon. Friend the Home Secretary says, we need to take account of that in the review. It is interesting to note that, since 1997, nine new prisons have been built with an increased capacity of 19,000 and a greater than 50 per cent. rise in the prison population. Those are serious issues that have to be faced, and it is important that the whole House reflects seriously on them to ensure that the right decisions are taken.

Mr. Neil Gerrard (Walthamstow) (Lab): Does my hon. Friend accept that one thing we should be doing is ensuring that people in prisons really need to be there? Far too many people are in prison at the moment: they are there fundamentally because they have mental health problems or because in many cases they are on remand. Will my hon. Friend reflect on what happens now as a result of the fact that remand practices vary so much from one court district to another? Prisons as overcrowded as they are now are more difficult to manage and reduce the chances of the work done inside them to stop reoffending being effective.

Mr. Sutcliffe: My hon. Friend, who is noted for the work that he does in this area for the all-party group, is entirely right to say, as I said earlier, that we should reflect on the prison population and consider who is in prison and who needs to be. We also need to ensure that public protection remains at the forefront. I am aware of issues around remand, which will be dealt with in the review.

Mr. Edward Garnier (Harborough) (Con): What the Minister may not realise is that he has just admitted that prison capacity has not expanded at the same rate as the prison population. If he looks at the Prison Service business plan for 2006-07, he will see, as I am sure he knows, that it has seven main priorities, but that increasing prison capacity is not one of them. Since the document can have been published only with the Minister's and the Home Secretary's knowledge and prior consent, it follows that, despite their sentencing policy, and despite the Minister's answer to my hon. Friend the Member for Kettering (Mr. Hollobone), the Government have no plans to increase prison capacity. Why not?

Mr. Sutcliffe: I wish that the hon. and learned Gentleman had listened to what I said. We will consider all options in the review that the Home Secretary is undertaking, and capacity will feature. I have already said that capacity will increase by 900 by the end of 2007. I have also already said that we are looking at the prison population. Yes, it is at its highest level, but we still have spare capacity in our prisons and we are looking into all the available options.

Rape

10. **Sarah McCarthy-Fry** (Portsmouth, North) (Lab): What steps he is taking to give better support to rape complainants. [77880]

The Parliamentary Under-Secretary of State for the Home Department (Joan Ryan): In this financial year, the Home Office is investing around £2.75 million in services supporting victims of sexual violence, including sexual assault referral centres, independent sexual violence advisers who will provide support through the criminal justice system and specialist sexual violence voluntary organisations providing therapeutic care.

Sarah McCarthy-Fry: I thank my hon. Friend for her answer. In a recent report, Portsmouth was cited as the city with the highest number of reported rapes in the country, but that was partly due to the fact that we have an excellent rape crisis centre, offering support to men and women and giving them the confidence to report rapes and bring the perpetrators to justice. Does my hon. Friend agree that such services are important, and will she agree to come to Portsmouth to see for herself the excellent work being done at the rape crisis centre and to use it as a model of best practice?

Joan Ryan: I thank my hon. Friend and am aware of her efforts and support for the provision of quality services in this area. I hope that a visit can be arranged, as I would be most willing to go to Portsmouth. My hon. Friend will know that we are working across Government to develop an action plan on sexual violence, aimed at preventing such violence by increasing reporting of cases, increasing access to help and support services, and improving the criminal justice system response to victims of sexual violence.

Immigration and Nationality Directorate

11. **Paul Rowen** (Rochdale) (LD): What steps he is taking to improve the administration of the immigration and nationality directorate. [77881]

The Minister for Immigration, Citizenship and Nationality (Mr. Liam Byrne): We are engaged in a review of the immigration and nationality directorate as part of the wider reform agenda for the Home Office.

Paul Rowen: I thank the Minister for that question.

I ask him, however, to look at the deportation of husbands of arranged marriages. I know of several examples of women who are being harassed. They have given information to the Department. Even though their husbands' appeals have failed, the IND has not taken steps to remove them.

Mr. Byrne: I hope that what I gave was something of an answer, rather than a question.

The hon. Gentleman raises an important issue. I will be happy to look into it further with him.

Damian Green (Ashford) (Con): One suggestion that the Minister has already made to reduce the backlogs that plague his Department is an amnesty for all illegal immigrants. His predecessor rejected it because he could not give even a rough estimate of how many illegal immigrants there are in Britain. It would be highly irresponsible even to consider an amnesty without knowing the numbers that it would cover. I am sure that the Minister is not irresponsible, so can he give us that number?

Mr. Byrne: The hon. Gentleman talked about an amnesty. It is true that we have asked officials to look at quite a wide range of analysis as we prepare to reform the IND. However, the point that I made to the Home Affairs Committee was clear: we expect the enforcement and removal regime to be strengthened. Therefore, there are no plans for an amnesty, because that would cut against the position and direction of policy that we set out so clearly.

European Council

3.31 pm

The Prime Minister (Mr. Tony Blair): With permission, Mr Speaker, I shall make a statement about the European Council held in Brussels on 15 and 16 June. I would like to thank Chancellor Schüssel and the Austrian Government for their arrangements for the summit and for the way in which they conducted their presidency.

There were two parts to the Council. On the constitutional treaty, it was agreed that there would have to be a further period of reflection, because at present there is no consensus on how to proceed. *[Interruption.]* A Europe of 25, not 15, soon to become 27—*[Interruption.]*

Mr. Speaker: Order. Opposition Members often want Ministers to come to make a statement. Hon. Members ridiculing the Prime Minister, or anyone else, is not behaviour that I can condone.

The Prime Minister: Thank you, Mr. Speaker.

A Europe of 25, not 15, soon to become 27 and in time enlarged still further, needs a modern set of rules to function effectively. As regards this treaty, around 15 states have ratified it, but of course there have been the no votes in France and Holland, and as a result others, including the UK, have not proceeded with ratification. The German presidency in the first half of 2007 will therefore consult member states and present a report to the European Council. Decisions will then be taken by the end of 2008, but it was made crystal clear that, in line with the conclusions of the Council in June 2005, there can be no presumption as to the outcome of this discussion.

The bulk of the conclusions of the Council, however, deal with the specific issues of most immediate concern to Europe's citizens. One of the key outcomes of a positive attitude towards Europe on the part of Britain was the election of President Barroso to the Commission. I therefore thoroughly welcome his commitment to the Council to transmit direct now to national Parliaments all new Commission proposals and consultation papers and to take due consideration of their views. That is an important boost to a long-held British concern over subsidiarity.

In addition, on better regulation, the Commission has already announced the withdrawal of some 70 pieces of legislation. The European Council invited the Commission to report by early 2007 on further progress, and in particular asked the Commission to make proposals by that time on how to reduce administrative burdens on businesses by 25 per cent. That, again, is a central British objective, on which we built alliances with other partners.

On the single market, the Council welcomed the agreement on the services directive; welcomed agreement on the competitiveness and innovation programme; and looked forward to the Commission's forthcoming review of the single market and proposals for completing it. The services directive, in particular, is expected to deliver some 600,000 jobs across the European Union and add around €31 billion to the EU economy. I pay tribute to the work of British MEPs—both from the party of European Socialists and the European People's party—in securing the compromise necessary to allow it to pass.

The Council agreed a number of specific measures and initiatives to combat illegal immigration, designed to strengthen borders while improving co-operation with some of the main source countries of migrants and refugees. In particular, the Council agreed to implement regional protection pilot projects to protect refugees in their region of origin and, therefore, avoid the need for mass migration. We also agreed to intensify work on readmission agreements, so that across Europe failed asylum seekers can be more easily returned.

On energy, another of the Hampton Court initiatives, we welcomed and agreed to take forward proposals for an external energy policy, developed jointly by Javier Solana, the EU's high representative, and the Commission. One of the priorities will be developing strategic partnerships with the main producer and transit countries, including a commitment to seek an agreement with Russia.

The Council also agreed declarations on the western Balkans; Iran; Iraq; the middle east peace process; Africa; the Lebanon and Timor Leste.

Finally, on climate change, the European Council committed itself to pursuing, in all the relevant multilateral organisations, an international goal consistent with the objective of a maximum global temperature increase on 2° C above pre-industrial levels.

This was a European Council which focused on the practical policy-driven agenda that we have long advocated. It demonstrated yet again the benefits of positive engagement with Europe, and I commend the outcome to the House.

Mr. David Cameron (Witney) (Con): I thank the Prime Minister for his statement.

We support action on climate change, so we back the commitment to a new Kyoto-style treaty.

We support enlargement of the EU so we welcome the accession talks with Turkey. There are genuine concerns about Turkish recognition of Cyprus and how Turkey treats Cyprus at present. The summit conclusions refer to the EU's

"capacity to absorb new members".

Can the Prime Minister assure us that that is not a new obstacle to Turkish membership?

Those of us who want the EU to be a force for co-operation, trade, stability and democracy on our continent should support further enlargement. Does the Prime Minister agree that that enlargement should eventually include all the western Balkans, Ukraine and, perhaps, even Belarus?

We back deregulation and we shall want to see concrete results from what the Prime Minister told us today. We have long supported greater openness and transparency at EU Ministers' meetings, so should we not all be relieved that the Foreign Secretary completely failed in her extraordinary attempt to block the opening up of EU meetings to public scrutiny? When it comes to building alliances to block transparency the score, apparently, was 24-nil.

[Mr. David Cameron]

As well as opening up the EU's decision making, we should be reducing its costs. Does the Prime Minister support the growing campaign for the European Parliament to sit in just one place, rather than wasting hundreds of millions of euros moving between Brussels and Strasbourg?

Let me deal with the two most contentious issues at the summit: criminal justice and the future of the constitution. On criminal justice, will the Prime Minister give a guarantee that Britain will not give up its veto in that vital area? Our criminal justice system may have been reduced to chaos by the Government but that is still not an argument for handing it over to the European Union.

Three years ago, the then Minister for Europe—I am sorry to see that the current Minister for Europe has not even made it on to the Treasury Bench today—warned that ending the veto could

"change fundamental principles of our legal system".

Can the Prime Minister explain why the Government now apparently have an open mind on the issue?

The European Commission has said that if we had no veto it would want to look at issues such as Belmarsh. The Prime Minister and I agree that ultimate responsibility for dealing with terrorism must lie with the British Government. Is that not an issue on which the Prime Minister should look to the long term, take a firm stand and not hand over responsibility for something that he will later regret? Abolishing the veto in those areas was a key part of the European constitution. Does the Prime Minister understand that reintroducing such changes without a referendum is completely unacceptable?

Is it not clear, after two decisive referendum defeats, that the European constitution should be declared null and void? The Prime Minister repeatedly told us that the constitution was essential to make enlargement work, yet *Die Welt* has said recently that

"the last 12 months have shown that Europe can live without a constitution".

Does the Prime Minister accept that his argument about the constitution is being disproved by events? Is not the real alternative an open and flexible Europe? May we have a clear answer from the Prime Minister about the issue?

The Austrian Federal Chancellor, who chaired the discussion, said:

"There is...agreement that the substance of the Constitutional Treaty is sound and should be retained."

Does the Prime Minister agree with that? Or does he agree with the Labour party's representative on the constitutional convention, who is in her place, the hon. Member for Birmingham, Edgbaston (Ms Stuart)? She said last week:

"The first thing the Government needs to do is to state categorically that the Constitution is finished. Like the parrot: dead, deceased and no more".

The Government are perhaps starting to look a bit like a Monty Python sketch so perhaps it is time to say: and now for something completely different. Instead of his usual pre-prepared rant, will the Prime Minister just answer two simple questions? They concern the key issues at the summit. Will he give up the veto on home affairs and is the constitution dead—yes or no?

The Prime Minister: First, let us go through the issues that the right hon. Gentleman raised at the beginning. On the capacity to absorb new member states, no, that is not a new criterion. Indeed, it was part of the insistence of this country that conclusion language that suggested that it might be a criterion was taken out. In respect of Turkey, yes, of course, we support Turkey's accession, which is why, under our presidency, we began the accession negotiations.

In respect of the criminal justice system, fortunately as a result of what we have negotiated, we can opt in or out at our leisure. That is the right thing to do. There may well be circumstances in which, as a result of Europe, for example, wanting to tighten immigration controls in a particular instance, we might want to participate in that process, but it is up to us. That is the benefit of the flexible arrangements that we negotiated.

As for whether the constitution is dead or not, that depends not simply on me, but on all the other countries in Europe. What is very obvious, however, is that it cannot be proceeded with unless there is an overturning of the French and Dutch no votes.

If the right hon. Gentleman wants to talk about leadership in Europe, he is not going to get a pre-prepared rant. *[Interruption.]* No, I am just going to point out that his decision that the Conservative MEPs should leave the European People's party is a foolish error of judgment. It is one of the few instances, incidentally, in which an error of judgment by the Opposition can have an impact on the country. If he wants to take someone's word for it—not mine—I can tell him that the British Chambers of Commerce has said that this would damage British commercial interests and several members of his own European party have said that it is deeply inimical to the proper interests of this country. He has said that, by the end of next month, he will reach a decision on this matter. Let me tell him what other Members of the European Parliament call the people he is negotiating with: "nutters", "the barmy army", "very embarrassing allies",

"fascists, outcasts and ne'er do wells".

That is his own people. May I suggest this to him? Since his position now is not merely to withdraw from the European People's party, but to support the—

Mr. Speaker: Order. I must gently say to the Prime Minister that he should really be responding to the statement that he has made. He has made his point.

Sir Menzies Campbell (North-East Fife) (LD): I begin by generally welcoming the terms of the Prime Minister's statement. There are a number of matters that are particularly welcome that he did not mention. I have in mind, for example, the agreement to deliver aid to the Palestinians. I welcome the renewed commitment to enlargement and, although there is no doubt that there are particular difficulties that attach to Turkey, it has been the view on both sides of the House that Turkey's accession to the European Union is essential for the future of the European Union. I also welcome the agreement on transparency, although the Prime

Minister may care to reflect on how the United Kingdom came to be isolated on an issue of that kind.

The Prime Minister is right to accept that a union of 25—soon to be 27—cannot operate within a framework designed for six. In the meantime, what practical steps can be taken for reform and does he remain committed to a referendum if there are any proposals for constitutional change that would significantly alter the relationship between Westminster and Brussels? If I may say so, he was a little hard on the Leader of the Opposition. I wonder whether he would give some consideration to the constitutional propriety of this: if there is a referendum, could we have a second question to ask the British public whether they think that Tory MEPs should leave the European People's party? We would not find it too difficult to agree on the form of a question: "Should the Conservatives leave sensible Mrs. Merkel and join a rag-bag of eccentrics?"

What does the Prime Minister propose to do to involve British citizens in the debate about Europe in the 21st century? Was there any discussion of rendition and possible breaches of international law? Does he accept that, however welcome negotiations with Russia about security and energy might be, they should not absolve Russia from legitimate criticism of its human rights record, its restrictions on non-governmental organisations and its attitude towards freedom of the press?

The Prime Minister: First, in respect of enlargement, we are essentially agreed that we want enlargement to proceed. The issues raised by the constitutional treaty will come back in some form or another, for sure, because if we have a Europe at 25 and then 27—or an even greater number if we encourage more member states to join, especially from the Balkans, which would be sensible in the longer term—the issue of how Europe works will be a live one. It would be deeply unfortunate if this country took an unprincipled decision to be opposed to anything that changes the proper workings of the European Union.

Secondly, on the practical steps in the meantime, the steps on subsidiarity are important, thanks to this European Commission President, as are the additional steps on deregulation that are being taken. For the moment, the single most important issue for the European Union is to concentrate on things such as energy policy, on which there is a common and collective need, and mass migration across the European Union. In that regard, there was a debate on illegal immigration, which affects all the major countries in Europe and, obviously, the United States as well. That discussion during Thursday night's dinner perhaps could not have been held in quite such a way a few years back. There is now a far stronger need to take European action, which is, again, a reason why—with the greatest respect to the right hon. Member for Witney (Mr. Cameron)—taking the unprincipled position of never co-operating on the European issues of justice and home affairs would be great mistake.

Mr. Cameron *indicated dissent.*

The Prime Minister: I thought that the right hon. Gentleman was saying that. The only way in which one can co-operate is to opt in to certain parts, so we must be able to do that.

For us as a country, the important thing is to keep our options open on such issues and, in the meantime, to carry on building the alliances that have seen very successful measures being negotiated in the European Union recently, not least of which was, of course, the services directive.

Mike Gapes (Ilford, South) (Lab/Co-op): What discussion took place about the need for EU action to assist the African Union and to contribute to peace and security in Darfur and Congo? Has any progress been made on the establishment of the battlegroups in the European Union and an enhanced role for the EU on security and defence policy?

The Prime Minister: There has been progress both on establishing the peacekeeping force in Africa, which is part of the work of the United Nations, and on trying to ensure that the EU has the strategic capability to assist any such progress. The declaration specifically on Africa, which recommitted us to the millennium development goals, was an important part of the statement. There is also a desire to hold the EU-Africa summit, if we can overcome some of the difficulties that have been experienced with it in the past.

Mr. Michael Ancram (Devizes) (Con): I was surprised that the Prime Minister responded to the question of my right hon. Friend the Member for Witney (Mr. Cameron) about whether the constitution was dead by saying that that was a matter for our other partners in Europe, given that he told us last year that because the constitution was dead, we did not need a referendum in this country. Now that he has decided with his European colleagues to postpone the constitution's burial for two years in the hope of resurrection, will he assure us that if there is any question of that resurrection, the matter will be put to a referendum of the people of this country so that they can make it clear once and for all that they do not want a European constitution?

The Prime Minister: Our position on the constitutional treaty—or any constitutional treaty—and a referendum has not changed. I said that it would be not for me alone to say what will happen to the constitution because that will be a matter for agreement among the 25. The question for Conservative Members is whether they are more interested in making a point to their own party than in securing the right agreement in Europe.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich) (Lab): Was there was any discussion of the working of existing European institutions, especially those such as the European Aviation Safety Agency, which has taken over responsibility for licensing air safety? Will my right hon. Friend give me a certain undertaking that under no circumstances will the United Kingdom accept a derogation from our existing air safety that would put at risk anything in the air space of the United Kingdom?

The Prime Minister: I am sure that we would not accept anything that put air safety at risk.

Mr. William Cash (Stone) (Con): The Prime Minister will know that on the Order Paper, as there has been for months now, there is provision for the European Union Bill to have Second Reading, for a money resolution and so on. Last year, through that Bill the Government voted to implement into UK law the full text of the European constitutional treaty and to provide for a referendum on it. The right hon. Gentleman knows that he cannot implement part of the treaty, so either he is completely committed to every provision of that treaty, in which case he should tell us now and get on with the Second Reading, or he is committed only to some part of it. In the event of the latter, he should withdraw the Bill from the Order Paper. Will he do so?

The Prime Minister: No, for the reasons that we have given on many occasions. Let me explain. I understand entirely why the hon. Gentleman holds the position on Europe that he does, but the amendment that he tabled to the Legislative and Regulatory Reform Bill—an amendment supported by those on the Conservative Front Bench—would mean, in effect, our leaving the European Union. [HON. MEMBERS: "No."] Yes, it would, because it specifically sought to allow the provisions of the European Communities Act 1972—the Act of our membership—to be overruled. To the Conservatives, I say that they have positions on such issues that they may want to keep within their own party, but they are central to the future of this country and we shall expose them at every turn.

Jeremy Corbyn (Islington, North) (Lab): In the discussions about migration policy, did the Prime Minister or any of the other leaders discuss the plight of very poor people from west Africa, hundreds of whom have died trying to cross from west Africa to the Canary islands or to the Mediterranean, or those hard-working people who lead a twilight existence in every major city in Europe but none the less contribute to the economic well-being of us all? Will the European Union take a humanitarian view and do its best to assist poverty alleviation in west Africa?

The Prime Minister: We did discuss that—it was a major part of our discussion on mass migration. It is important that we work to ensure that those African countries that are in a state of abject poverty are helped; that is why this country in particular has played a leadership role in help for Africa, the millennium development goals and so on. On the other hand, the people coming into Europe often do so in extremely dangerous circumstances, as my hon. Friend rightly says, and they are often prey to organised crime and illegal people trafficking. It is important that we have solid rules in the EU that protect our borders; otherwise the incentive is for people to engage in that appalling trade continues. We need a balance: we need to make sure that there is properly managed migration with proper controls and we need to act on some of the root causes of migration in the countries of origin, and we are doing both. It is interesting that that is the single biggest issue facing EU countries such as Spain and Malta.

Stewart Hosie (Dundee, East) (SNP): I broadly welcome the statement, particularly the comments on the services directive which, the Prime Minister suggested, would create some 600,000 jobs. However, he will be aware that there are some concerns. What discussions took place and what discussions are planned on levelling up and equalising professional qualifications, so that there can be confidence in the UK that those who provide services from the EU are suitably qualified to do so?

The Prime Minister: We discuss that regularly with our European partners, but it is important that we do not allow discussion of professional qualifications to become a way of protecting vested interests and keeping out people who come here and often perform a great service for our country. I do not oppose some harmonisation where that is sensible, but the point was made in relation to the services directive that we have to be careful not to "level up" in a way that keeps out people who would do a good job.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): My right hon. Friend referred to the middle east peace process. I congratulate him and the Foreign Secretary on the part that they have played in channelling finance to the Palestinian Authority to alleviate the appalling poverty suffered by the Palestinian people. What action are the Government taking to compel the Israeli Government to pay over to the Palestinian Authority the tax revenues that they are stealing from the Authority?

The Prime Minister: I know that my right hon. Friend realises that we are working closely with the Israeli Government to try to ensure that the release of money happens. It is a difficult situation, for a reason of which my right hon. Friend is aware, that of the continued threat of terrorist activity. The most important thing that we agreed at the European Council is to ensure that we develop the right mechanism for getting money to the Palestinian side to alleviate human hardship. As my right hon. Friend knows—I am sure that he would agree with this—the only ultimate answer to the question is to get the peace process back on track and reach a negotiated settlement.

Mr. David Heathcoat-Amory (Wells) (Con): We are all glad that the Foreign Secretary's extraordinary attempt to block a modest opening up of the Council of Ministers to public scrutiny was itself turned down. However, are our own procedures much better? Does the right hon. Gentleman think it right that the EU Scrutiny Committee weekly meeting has to be held in private, with the public and the press excluded? Will he end this anomaly and strike a small blow for the right of the public to know in our own Parliament?

The Prime Minister: My right hon. Friend the Foreign Secretary has heard what the right hon. Gentleman has said, and I know that there are discussions taking place about that matter.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): My right hon. Friend mentioned an enhancement of the role of Javier Solana, the high representative, so that he is involved in energy negotiations with the

countries outside the EU. Have there been any further discussions on the external action of the external diplomatic service?

The Prime Minister: There continue to be discussions about how we make the service more effective and ensure that we pool our resources collectively in circumstances where that is appropriate. The main thing that people were concerned about was to ensure that, in terms of foreign policy, this was very much kept as a Council matter.

Dr. Vincent Cable (Twickenham) (LD): Following the Prime Minister's announcement that the Union is entering into what I think he called strategic negotiations with Russia and other energy suppliers over the long-term security of supply, would it not be reasonable for those countries to ask in return for security of demand, and how would a market economy such as ours provide such security?

The Prime Minister: I do not know that we could provide security of demand in that way. We are seeking an agreement with Russia because of the degree to which the EU is now dependent on Russian supplies of gas, which makes it important to get the right strategic partnership with Russia in relation to that. A balanced energy policy in this country is important because in the future all of us will be, to an extent, dependent on imports of gas. We need to ensure that that dependency is not so great as to put our security of supply at risk. There are a certain number of things that Europe can do collectively to influence that, but I do not anticipate making an obligation on the security of demand in the way that the hon. Gentleman suggests.

Sir Stuart Bell (Middlesbrough) (Lab): Would the Prime Minister confirm that we already have a constitution for the European Union? It began in 1957 and continued through the Maastricht treaty. The words that he has used refer to a consensus on the modern set of rules. Why should it be appropriate to wait until 2008 for the European Council to look again at the issues of a new constitution? In the meantime, is it not incumbent on politicians, academics, business men and others to seek a new way forward by building a new consensus that can be pushed forward to Government, and from Government to the people in a referendum?

The Prime Minister: My hon. Friend is absolutely right. Certain rules will be necessary if the Union is to work effectively once it is enlarged. It is already the case that a Union of 25 people sits round a table. The amount of negotiation that can take place in the room is limited for that reason. Next year, the membership will be expanded to 27 countries. In time to come, if Turkey and other Balkan countries come in, we shall have a completely different type of European Union from that which was envisaged by its founders. My hon. Friend is right in saying that it is sensible, and in a constructive way with others, to look to find a way through this so that we meet the concerns of citizens while meeting the absolute necessity for a better and more effective functioning of the Union.

Mr. Bernard Jenkin (North Essex) (Con): Given that the Prime Minister utterly failed to answer two simple questions put to him by my right hon. Friend the Leader of the Opposition—namely whether he would exercise the veto on something that was apparently vital to the national interest just a couple of years ago and if he would say whether the constitution is dead or not—and then launched an attack on my right hon. Friend, is it the policy of Her Majesty's Government that the British Conservative party should remain a member of the European People's party? That would seem to be rather a strong endorsement of the policy adopted by my right hon. Friend.

Mr. Speaker: Order. That is a matter for the Conservative party, not for—*[Interruption.]* The Prime Minister raised it, but I reminded him that he should not have done so. The hon. Gentleman should not raise it either.

Keith Vaz (Leicester, East) (Lab): As we are to have a period of reflection, will the Prime Minister continue to pursue the reform agenda in Europe, not only to make the Commission more efficient and effective but to develop the economic agenda? As he said, Bulgaria and Romania will join next year, which will obviously create even more problems in the running of the European Union. Is 1 January a firm date, or is it likely to be 2008?

The Prime Minister: There will be a report in October, and we have always supported the accession of Romania and Bulgaria to EU membership. I can assure my hon. Friend that we will continue to push hard on the reform agenda, and it will be very important to build alliances, not least with the new German Government, in doing so. The reform argument is being won in Europe today. Its pace, I agree, is a more open question, but the direction is now very clear. One of the most important things to happen in the past few years was the nomination and election of President Barroso as head of the Commission, which gives us the chance to work with the Commission. While he is strong on the Commission's rights and responsibilities, he also shares our vision of a Europe of economic reform.

Mr. Andrew Mackay (Bracknell) (Con): At the end of the Council meeting, the Dutch Prime Minister pronounced the constitution dead. Why was he wrong?

The Prime Minister: If the right hon. Gentleman studies carefully what the Dutch Prime Minister said, he will see that he said the same as everyone else. In Holland, unless there is a change in the no vote—I said all this last year—the constitution cannot be proceeded with, so there will not be a situation where the constitutional treaty is implemented in its present form. The question is: how do we secure the best set of rules for the future of Europe? That is something on which we as a country should be engaged, in negotiation with our European partners. The debate about whether the constitutional treaty is dead can go on all over Europe, but it does not make the slightest difference to whether we secure a sensible outcome to the rules that will be necessary to govern a Europe of 25, then 27, then further countries. The issue for us as a country is

[The Prime Minister]

ether we can build sufficiently strong alliances with r like-minded countries so that the necessary ges in rules can be made to make Europe more icient, without going down the federalist path. That cannot be done unless we build those alliances.

Andrew Mackinlay (Thurrock) (Lab): May I ask the Prime Minister whether, in plenary or in the margins of the summit, the final status of Kosovo was discussed; or the ramifications of Montenegro's independence, in the context of the need to rebuild the fractured countries of the western Balkans in the European Union were discussed?

The Prime Minister: That was not specifically discussed by the leaders in the European Council, but I understand that there was a brief discussion by the Foreign Ministers, and a statement or declaration appears as an annexe to the European Council conclusions. The truth is, we are trying to find a way through a very difficult issue with Serbia; it is difficult for the Kosovan people, too. I hope very much that we will be able to reach a conclusion in the next few months.

Angela Watkinson (Upminster) (Con): The Council of Europe, as distinct from the European Council, is a specialist forum that promotes human rights in its 46 member countries, including Russia and Turkey. Belarus is currently suspended, because of its human rights record. Does the Prime Minister share my concern that the proposed fundamental rights agency in the European Union will duplicate the work of the Council of Europe, and will, indeed, threaten its very existence?

The Prime Minister: There are some concerns about how the agency will develop, which were expressed at the European Council. That is why the wording in the conclusions is very careful, precisely to make sure that the agency does not have the effect to which the hon. Lady draws attention. My best belief about the general sentiment in the European Council is that the agency's role should be clearly limited, to make sure that it does not conflict with the Council of Europe.

Mr. David Winnick (Walsall, North) (Lab): Again on the middle east peace process, did the Council discuss the killing on the Gaza beach which took the lives of five young children, among others? Is it not rather peculiar that the Israeli authorities first seemed to accept responsibility and said they were sorry, and now deny that the event ever took place, as far as they are concerned? What are the Israelis playing at? And yes, I am totally opposed to suicide bombings.

The Prime Minister: I know no more about the matter than what is in the statement put out by the Government of Israel. Obviously, there will be a continuing debate about that, as my hon. Friend knows. Of course, everybody deeply regrets the loss of innocent lives on the Gaza beach. Unfortunately, there are innocent lives lost on both sides in the conflict. That is why it is important that we do our utmost to reach a solution. I believe that the only sensible solution is to return to the provisions of the road map, which we carefully negotiated at international level, and make sure that they are implemented.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Whenever the right hon. Gentleman talks to his colleagues in the European Council about the European constitution, he needs to make it plain that there can be no progress without the United Kingdom approving the proposals in a referendum. He ought to remind his colleagues at the European Council that no significant diminution in the rights of nation states or any significant enhancement in the powers of the European institutions is likely to be approved by the British electorate.

The Prime Minister: Each country will look after its own interests. We look after our country's interests—*[Interruption.]* Yes we do, and an important way of looking after our interests is to secure the objectives that this country wants on issues such as, for example, the election of the new Commission president some time ago, the services directive and the working time directive. If the right hon. and learned Gentleman and his hon. Friends want us to have any influence in Europe, the sensible thing is not to keep lecturing other member states the entire time about British positions with which they are extremely familiar, but to try to reach agreement on the objectives that we need and they need in order to move Europe forward.

Mr. Eric Illsley (Barnsley, Central) (Lab): I fully agree with the idea of an extended period of reflection on the constitution, but in the view of the Belgian Prime Minister, who believes that if four fifths of member states ratified the constitution it could be referred back to the European Council for some sort of immediate action, it is possible that that period of reflection could be cut short. Could my right hon. Friend tell us whether that was discussed at this week's summit, and whether he supports that view or whether he would vigorously oppose it if it were put forward?

The Prime Minister: With the greatest deference to the Belgian Prime Minister, whose enthusiasm for the constitutional treaty is well known, the fact remains that unless all the member states ratify it, it cannot be proceeded with.

Adam Afriyie (Windsor) (Con): The Prime Minister mentioned the matter of influence. Does he believe that by announcing his retirement but not setting a date, he has weakened our negotiating position in the European Union?

The Prime Minister: I will tell the hon. Gentleman, if I am allowed to, what I think does weaken our position—[Hon. Members: "Answer the question."]. It is the decision to leave the main grouping of similar parties. That would be damaging for us and very damaging for the country. I thank the hon. Gentleman for the opportunity of repeating that.

Chris Bryant (Rhondda) (Lab): The Prime Minister will know that the element of energy policy that our

constituents, in particular pensioners, find most troubling is their heating bills. Many businesses, too, are worried about their energy costs rising dramatically. Did my right hon. Friend have any success in trying to pursue energy liberalisation with the French and the Germans, so that we might see a fairer deal between countries around Europe?

The Prime Minister: There is a commitment to pursue energy liberalisation. The pace of it is the issue, not so much with Germany, but to an extent with France. My hon. Friend is right: this is another area in which we must work with other European countries; otherwise the security of our energy supply might be at risk and the price of our energy will rise. That is why energy policy, which we put on the agenda at Hampton Court, along with some of the other issues that I have mentioned, has come centre stage for the European Union—and rightly, too.

Mr. Graham Stuart (Beverley and Holderness) (Con): Members throughout the House will be delighted to hear that European leaders have decided that global temperatures should not rise by more than 2° C above pre-industrial levels, but the Government are failing to meet their own target of a 20 per cent. cut by 2010, and the pre-Budget reports produced by the Environment Audit Committee show the trail of inaction on the part of the Chancellor of the Exchequer, and his reluctance ever to allow policies to deliver on objectives which, I am sure, the Prime Minister shares. With the current Chancellor in place, and the possibility of his becoming Prime Minister, how will we ensure that we cut British emissions and keep to that temperature rise?

The Prime Minister: One way would be by keeping the climate change levy, which the hon. Gentleman opposes. There is a simple reason why Britain's position on climate change is accepted throughout Europe: we will not only meet our Kyoto targets, but exceed them by double the original amount, and we will be one of the few European countries to do so. We have led the way on extending the European emissions trading system, which is extremely important, and we have also obtained an agreement to implement another treaty when the Kyoto treaty expires in 2012. Again, that is an area in which constructive relations with other Europeans are important.

Mr. Stewart Jackson (Peterborough) (Con): The Prime Minister will recollect telling us before May 2004 that between 8,000 and 13,000 EU accession migrants would enter the UK. He was only out by a factor of 10: more than 200,000 people have entered in that two-year period. Most of those people are decent and law-abiding, but not all of them are. Why have his Government specifically absented themselves from the EU pilot project that began this month to share across Europe information on the criminal records of EU citizens?

The Prime Minister: People from eastern Europe were entitled to come here once their countries became EU members; the question was whether they were entitled to come here and work. The best evidence suggests that large numbers of people have come from eastern Europe and worked here, and many of them have gone back. I happen to think that migration from eastern Europe has been positive rather than negative for this country. We are keen to share data with other countries, but it must be done in a way that protects our interests, which is the point that I made earlier.

Mr. Peter Bone (Wellingborough) (Con): The Prime Minister was keen on introducing the euro and abandoning the pound. Was that matter discussed at the European Council? If not, will he introduce the relevant proposals before his retirement?

The Prime Minister: The position on the euro is perfectly simple—it depends whether the economic tests are met, which they have not been. It is extraordinary that not one of the questions asked by Conservative Members has been positive about Europe. That is an expression of that party's deep hostility to Europe, which is completely inimical to the interests of this country.

Mr. Henry Bellingham (North-West Norfolk) (Con): In his statement, the Prime Minister mentioned administrative burdens on business, but he did not mention the working time directive. Will he confirm that, whatever advice he is getting from his MEPs, he still intends to keep the UK's individual opt-out, which is essential for British industry and our future?

The Prime Minister: Yes, I can confirm that. One of the reasons why we can maintain that position is because we have the support of Germany. The hon. Gentleman should remember that that is why it is quite important to keep good relations with Germany

Points of Order

4.13 pm

Mr. William Cash (Stone) (Con): On a point of order, Mr. Speaker. In reply to my right hon. Friend the Member for Bracknell (Mr. Mackay), the Prime Minister said that changes in the treaty and the rules were needed now. Moreover, he also said that the constitutional treaty required unanimity. However, two countries have said no, which means that the treaty cannot be implemented into English law. In the light of my representations and my question to the Prime Minister, will you, Mr. Speaker, consider whether it is appropriate to maintain on the Order Paper a provision relating to the Second Reading of a Bill which, by the Prime Minister's own admission, cannot proceed?

Mr. Speaker: No, I will not enter that argument. I think that that was the hon. Gentleman's way of putting the matter on the record.

Mike Penning (Hemel Hempstead) (Con): On a point of order, Mr. Speaker, the relationship between this country's judges and Her Majesty's Government, no matter who is in power, is important for all our constituents. In the past couple of weeks the Home Secretary lambasted judges and the Lord Chancellor defended judges, before a junior Minister in the Department for Constitutional Affairs—the Lord Chancellor's own Department—lambasted judges again. Have you, Mr. Speaker, received any representations from Ministers to come to this House and explain Government policy?

Mr. Speaker: Ministers do not talk to me about these matters.

Mr. Mark Harper (Forest of Dean) (Con) *rose—*

Mr. Speaker: Is it on the same point? If so, there is nothing further to be said about it, because Ministers do not approach me on these matters.

Mr. David Willetts (Havant) (Con): On a point of order, Mr. Speaker. The House is about to debate the very important Safeguarding Vulnerable Groups Bill. May I ask your advice on an important point? The previous Secretary of State for Education and Skills promised us that

> "Ofsted will carry out an urgent survey of existing vetting practice in a sample of schools, and it will report to me in the spring."—[*Official Report*, 19 January 2006; Vol. 441, c. 969.]

She later stated that this was

> "in order to inform policy development".—[*Official Report*, 1 March 2006; Vol. 443, c. 24WS.]

We understand that that the Ofsted report is currently being circulated to the press under embargo. It is entitled: "Safeguarding children: an evaluation of procedures for checking staff appointed by schools". Is not this House in a very difficult position if we are debating legislation regarding the safeguarding of children and registers of sex offenders but a crucial document commissioned by the previous Secretary of State, which is directly relevant to our proceedings, is already available to the honourable members of the press but is not available to this House so that we can draw on it as we debate the Bill? Do you have any advice, Mr. Speaker, about how we can ensure that our consideration of the Bill is properly informed by the report that Ministers commissioned specifically as background to it?

Mr. Speaker: I am grateful to the hon. Gentleman for giving me notice of his point of order. I listened carefully to what he said, but I must say to him that the timing of the publication of the report and the arrangements for embargoed copies are matters for Ofsted, and not something upon which the Chair can rule. However, it may be helpful to bear it in mind that today's proceedings are on the Bill's Second Reading. There will no doubt be ample opportunity to take account of this report during subsequent proceedings.

Orders of the Day

Safeguarding Vulnerable Groups Bill [*Lords*]

Order for Second Reading read.

4.17 pm

The Minister for Children and Families (Beverley Hughes): I beg to move, That the Bill be now read a Second time.

Nothing can be more important than ensuring that children and vulnerable adults are properly safeguarded. It is critical that where evidence suggests that an individual presents a risk of harm, they are prevented at the earliest opportunity from having access through their work to vulnerable groups. I know that all Members present agree on that point. That is the primary aim of the Bill, which seeks to improve significantly the current arrangements for vetting and barring.

In putting in place a more robust and tougher system, the Bill is central to delivering one of the five key outcomes of the "Every Child Matters" programme—"Staying Safe". Equally, it will significantly improve the protections currently in place for vulnerable adults and ensure, as far as we can, that they are safeguarded from avoidable harm at the hands of those who work with them.

In order to ensure that children and vulnerable adults are protected as fully as possible, safeguarding must become everybody's business—that of Government, regulators, local safeguarding children boards, and, in particular, employers, who have the ultimate responsibility of understanding and carrying out their respective responsibilities to the full. It is important that we get the detail right. The spirit in which it was examined and debated in the other place was testimony to our commitment to do that.

Mr. David Willetts (Havant) (Con): As I understand it, the Ofsted report is about whether local authorities and schools have discharged their obligations. Did the Minister use it in developing the policies in the Bill?

Beverley Hughes: No, I assure the hon. Gentleman that the report was not available to us at that point. Ministers would have preferred it be available before today, but as Mr. Speaker rightly said, it was not in our gift to effect that.

Mrs. Maria Miller (Basingstoke) (Con): The third Bichard report, which the Home Secretary issued only a month ago, clearly refers to the Ofsted Bill. I find it interesting that the Home Office has had sight of it when the Department for Education and Skills has not.

Beverley Hughes: First, there is no Ofsted Bill but a report that the Government commissioned. However, Ofsted undertook it completely independently; that applies to the way in which it was carried out and its formulation. It has not yet been published, and the Home Office did not have prior sight of it a month ago. As I believe the hon. Lady knows, it will be published shortly. We shall respond to it as soon as it is published.

The hon. Member for Havant (Mr. Willetts) is right to say that it is important to get the detail right. The detail of policy, procedure and practice on the ground is important. I have no doubt that the commitment that we witnessed in the other place will be reflected here.

The Bill builds on a sequence of measures since 1997 designed progressively to strengthen the safeguards for children and vulnerable adults. We have tried to ensure that we learn from tragic events such as the Soham murders and the death of Victoria Climbié. In doing so, we have gone further than any previous Government in introducing a substantial programme of legislation and reform designed to protect children and vulnerable adults—rightly so. I should like to acknowledge that hon. Members from all parties have shown interest and co-operation.

We tightened the vetting and barring schemes for those working with children and adults by making operational from 2000 the scheme under the Protection of Children Act 1999, and effecting the protection of vulnerable adults scheme from 2004. Also in 2000, we published the document "No secrets", which provided for the first time a framework for local authorities to work with the police, the national health service and the regulators to tackle and prevent the abuse of vulnerable adults.

The Criminal Records Bureau was created in 2002, with the task of helping to protect children—and, from 2004, vulnerable adults—by playing a key role in ensuring that unsuitable people were not recruited to positions of trust. In 2003, we passed the Sexual Offences Act, part 2 of which built on the original notification requirements for sex offenders that came into force in 1997, further to ensure that the police are kept informed of their whereabouts.

The Children Act 2004 further strengthened arrangements to safeguard and promote children's welfare. It required key people and organisations to make safeguarding arrangements for children and ensured that agencies worked together through the local safeguarding children boards. All 150 boards were established by the deadline of April 2006.

The IMPACT—information management, prioritisation, analysis, co-ordination and tasking—programme is another key reform, which arises from Bichard and is in the process of being implemented. It is designed to improve the police service's ability to manage and share operational information. The IMPACT nominal index has recently been launched, and enables one police force to identify quickly other police forces that hold information about specific individuals. The code of practice on the management of police information was brought into force in November 2005, and a comprehensive set of supporting guidance in March 2006.

Mr. James Paice (South-East Cambridgeshire) (Con): The Minister will recall that I represent Soham. I am obviously glad that the IMPACT programme is in place, but can she be absolutely sure that it is available to operate between every force in the country? Four years after the event has been a long time to wait for that development, bearing in mind the fact that a scheme already existed for Scottish police forces that

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the Home Office could have taken up, had it wished to do that. My constituents and I would like the Minister's assurance that the scheme is fully operational between every police force in the United Kingdom, and that the position that arose whereby one police force could not inform another properly of the circumstances of a man such as Huntley could never happen again.

Beverley Hughes: I understand the hon. Gentleman's obvious concern. The IMPACT programme is fully operational across all forces, enabling police services to communicate with one another and find out whether a known individual in one force is known by another police service. However, its capacity in relation to the storage of soft information and intelligence will involve a phased development. It will not be fully operational in terms of its full capacity until 2010. However, the police national computer is now able to hold some of that soft information, including information on acquittals, cautions and reprimands. So the vetting and barring scheme that we are discussing today will be able to draw on that information from the police national computer and progressively use the IMPACT scheme, as its capacity expands. But that has to be done in a managed way.

Following the Secretary of State's statement to the House on 19 January, we took immediate further steps to tighten the present vetting system in the run-up to the implementation of the Bill. Under regulations issued last month, Criminal Records Bureau checks have become mandatory for all newly appointed school employees. We intend to introduce further regulations to enter automatically on list 99 anyone who is convicted or cautioned for a sexual offence against a child or for a serious sexual offence against an adult. We have established a panel of independent experts, chaired by Sir Roger Singleton, to oversee the whole list 99 process. The Ofsted review of existing vetting practice in schools, which was announced on 19 January, will be published shortly. As I have said, we will respond immediately to its findings.

Mr. Andrew Turner (Isle of Wight) (Con): Will the Minister give us some advice on the position of children, particularly those over 16 but under 18, who commit sex offences against other children? The Bill rightly contains provisions for barring adults with a history of sex offending from being in contact with children. What is the position with children between 16 and 18?

Beverley Hughes: I hope that the hon. Gentleman will be patient, as that will become clear when I get to those provisions in the Bill shortly. I can tell him, however, that there are different levels of protection and different levels of barring decisions that the independent barring board will be able to take. If a person under 18 commits an offence that would, if committed by an adult, cause them to be considered for barring, they will be considered only under a discretionary process. There will be no automatic barring of young people under 18 who commit sexual offences. Each case will be considered on its merits, and not in relation to a list of offences that would involve automatic barring for adults.

We are only too painfully aware of the specific background to the Bill. Indeed, the hon. Member for South-East Cambridgeshire (Mr. Paice) has just referred to it. The tragic deaths of Holly Wells and Jessica Chapman in Soham in 2002 highlighted starkly and horrifically the fact that there were weaknesses in the systems that ought to prevent unsuitable people from gaining access through their work to children and vulnerable adults.

In response, we commissioned the inquiry chaired by Sir Michael Bichard to investigate those weaknesses. We welcomed the publication of his report in 2004, and had no hesitation in accepting all its 31 recommendations. Well over half of them have already been put in place, and the remainder are being implemented. It is recommendation 19 that we are concerned with today. It proposed new arrangements requiring those who wish to work with children or vulnerable adults to be registered. We have given a great deal of consideration, in conjunction with many key stakeholders, to how best to implement that recommendation. The new vetting and barring scheme that will be introduced through the Bill is the culmination of that thinking. It represents a step change in the safeguarding arrangements required to meet the Bichard inquiry recommendation.

The Bill is the centrepiece of our overhaul of the present system for vetting and barring, and it is underpinned by four key principles. The first is that the interests of the child and the vulnerable adult are paramount. As we said on 19 January, we need a system in which the protection of vulnerable people is the first consideration. Secondly, everyone has a responsibility for ensuring that children and vulnerable adults are safe. All must play their part, including the state and employers, as well as parents and families.

The third principle is that the new vetting and barring scheme is focused specifically on the world of work, both paid and unpaid. It does not intrude in family relationships.

The final principle that underpins the Bill is that the reform system needs to be proportionate. We intend the breadth of the bar to be proportionate to the risk, and the Bill establishes different vetting requirements for different work contexts, as I shall explain in a moment, in proportion to risk.

Mr. Philip Hollobone (Kettering) (Con): Will the right hon. Lady explain the rationale behind there being two barred lists? There will obviously be a great deal of concern that somebody barred from working with children can work with a vulnerable adult, and vice versa. That will be difficult for the general public to understand.

Beverley Hughes: I know that there is a lot of concern about this. Indeed, an amendment has already been made in the other place, as the hon. Gentleman might know, to ensure that when the IBB receives a referral and starts to collect information about an individual about whom there is concern, it is required to consider that information in relation to both lists.

There might be circumstances—for instance, where somebody had caused financial harm to an elderly person by exploiting their financial interests—that do

not necessarily automatically translate to concern about a person working with children, but the IBB will have to consider the individual in relation to both lists and, if appropriate, put him or her on both lists.

I can give the hon. Gentleman another assurance. If he looks at list 99 and the Protection of Children Act 1999 and the protection of vulnerable adults list, he will see that there is already considerable cross-referencing.

To deal with inconsistencies in a variety of arrangements, the new scheme will integrate list 99, POCA and the disqualification orders regime to create a single list of people barred from working with children. There will be a separate, but, as I say, aligned list of those barred from working with vulnerable adults. In the light of the debate in the other place, we have made it clear that the IBB is under a duty to consider information in relation to both lists.

As clause 2 makes clear, the barred list will be established and maintained by the IBB. Using its expert members, the IBB will take all discretionary decisions about whether to include an individual on a barred list, as well as receive representations as part of that process. Ministers will not be engaged in discretionary decisions by the IBB on individual cases in any respect whatsoever. That delivers on the commitment made on 19 January, and I think represents a fundamental shift and improvement on current systems.

The IBB will work closely with the Criminal Records Bureau, which will provide the administrative function enabling the scheme to be operated effectively. It will receive applications from individuals to be monitored by the scheme, as well as gathering and monitoring that subsequent information on behalf of the board. The board and the CRB will work closely together to deliver on key reforms of the current system and the need for vetting and barring decisions on an individual's application to work with children and vulnerable adults.

Mrs. Betty Williams (Conwy) (Lab): I am not sure whether my right hon. Friend is going to elaborate, but will she explain the rationale behind the need for one list for people working with children and a separate list for people working with vulnerable adults? I am not clear why we need two lists. It may be that I ought to declare an interest; I did not check beforehand. I have a 33-year-old son who has severe learning disabilities. He has the mind of a four-year-old—the mind of a child—but the body of an adult.

Beverley Hughes: I am very aware of my hon. Friend's personal interest in the matter and why she raises the question. I responded to a similar point from the hon. Member for Kettering (Mr. Hollobone) and explained that the IBB will now be required to consider the information in respect of both lists. On the basis of current practice—which I imagine will continue, given the expertise of the board—people will be placed on both lists when appropriate, but, as I have said, there might be some cases, perhaps involving financial abuse of adults, in which people would not necessarily be disqualified from working with children. That is why there are two separate lists. They will be aligned, and the board will have to consider whether individuals should be on both lists when it makes its assessment.

Schedule 1 outlines the arrangements for membership and staffing of the IBB, as well as its incidental powers. The board will be required to issue annual reports and to keep accounts, which will be audited by the National Audit Office and laid before Parliament.

The new scheme for which the Bill provides increases safeguards significantly by covering a much wider work force than is currently covered. In doing so, it provides for three levels of protection for children and vulnerable adults, which are set out in clauses 5 to 20 and in schedule 3. The first level of protection is the requirement for employers to check the barred status of individuals whom they intend to employ, and to check that the bar applies. That is defined in the Bill as "regulated activity", and covers circumstances in which an individual would be working most closely with children and vulnerable adults. It covers work in key settings such as schools and care homes. It covers certain specified activities that bring an individual into close contact with children and vulnerable adults. There are several specified key positions of authority to which the bar and the duty to check also apply, such as directors of children's services and adult social services.

We are committed to making the system far more robust. Clauses 7 to 13 provide for new criminal offences to ensure compliance with the scheme. Barred people, and those who are not subject to monitoring, who seek to engage in regulated activity will be committing criminal offences. An employer who knowingly employs a barred individual in a role in which the bar applies will be liable to a prison sentence of up to five years, a fine or both.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): My right hon. Friend has said that the Bill covers a far wider work force than is covered by current legislation. What measures will she take to ensure that people are aware of it? She referred to "an employer who knowingly employs a barred individual". An employer who is unaware of the Bill might unwittingly employ a barred individual. What publicity will my right hon. Friend give the proposals?

Beverley Hughes: I entirely agree with my hon. Friend. We need a wide and detailed campaign or communications strategy for everyone who might be affected. The board itself will have to initiate and maintain a continuing dialogue, particularly with employers, about the criteria and thresholds required for the referring of information to it, and the processes for doing that. We are very conscious that that is an essential part of the implementation of the scheme.

If an employer employs a person not subject to monitoring by the scheme, or fails to check an individual's barred status in the first place, he will risk being fined up to £5,000.

The second level of protection is defined in the Bill as "controlled activity". It will be made clear to employers through statutory guidance that they must check an individual's barred status, but they will have discretion to employ an individual who has been barred. Controlled activity covers support workers in general health, further education and social care settings—for example, catering staff in a general hospital or cleaners in an adult day centre.

Annette Brooke (Mid-Dorset and North Poole) (LD): I am a little confused about the differentiation between further education establishments and schools in respect of ancillary workers, given the 14-to-19 agenda to get young people into FE and the large array of courses offered by FE colleges for those with special educational needs.

Beverley Hughes: Many students in FE colleges will be over 18, but I am referring to support work, not to direct teaching work. The principle underlying the Bill is that the frequency with which people might have close contact with children, or young adults aged under 18, is one of the factors that determines whether an activity is in the regulated activity category. The opportunity for catering staff to have unsupervised close contact in an FE college is much less than it is in a school. But the hon. Lady is right to raise this issue, where judgments have to be made and lines drawn; we will doubtless get down to such issues in Committee, and she might well want to raise it again then. Throughout the process of making the definitions included in the Bill, we have had to make such judgments, and it is right that they be open to scrutiny because they deal with important issues.

Mr. Willetts: On the way in which lines have been drawn in the Bill, another important issue is that, increasingly in education—as in health—workers are being recruited from abroad. Does the Minister think that any of the Bill's provisions will ensure scrutiny of people recruited into education or social services from outside this country?

Beverley Hughes: The Bill makes no distinctions whatsoever in terms of the requirements for checking whether an applicant is a British or foreign national. However, we certainly have more to do in enabling employers, as far as we can, to access and check the criminal records of people in certain foreign countries. The Criminal Records Bureau already provides an information service—it is now an online service—for employers on how to do that. The CRB is working very closely with the countries that send the largest numbers of people to the education sector, and it is developing protocols where possible.

The hon. Member for Havant (Mr. Willetts) is right, however, to suggest that if some countries outside the EU—and outside the 21 with which we are developing protocols—provided us with a criminal record, we would be unsure how robust it was compared with criminal records here. For example, in certain countries such information is provided only if the person in question has served a prison sentence. We therefore have to think more carefully about the advice that we give employers in those circumstances. We clearly cannot control the criminal record procedures in far-flung countries, but we can give advice to employers here on what their position should best be if they are not sure that the criminal record information from a foreign country is adequate or complete. We will do further work on that very issue.

Mr. Andrew Turner: Might employers be found guilty of racial discrimination if they err on the side of caution in respect of an applicant from a country from which it was not possible to obtain adequate information?

Beverley Hughes: No, I do not think that that would be the case. The law will require, as it currently does, employers to assure themselves that people are fit for the jobs they are applying for, and one requirement is to check the criminal records of people wanting to work in close contact with children and—through this Bill—of those wanting to work with vulnerable adults. So that statutory duty to get adequate information would be paramount.

We were discussing controlled activity, which covers support work in general health, further education and social care. The guidance that we will issue communicating the requirements for engaging an individual in controlled activity will firmly state that extra safeguards will need to be put in place if an employer is considering employing a barred individual, and we will set out what those safeguards should be. They could include a longer probation period, extra supervision, and ensuring that the individual is never left alone in situations involving children or vulnerable adults.

Mrs. Maria Miller: The Minister touched on the issue of people who do controlled jobs, and on them receiving supervision. However, there is no provision in the Bill for any sanctions against people who do not properly supervise those in such positions. Is that an error of omission, or did the Government deliberately adopt the stance that no sanctions will be taken against employers who do not properly supervise their employees? Will the Minister elaborate a little on what the supervision mentioned would consist of?

Beverley Hughes: That is an interesting point, which I think we will discuss further. In respect of an activity for which there is a duty to check but it is not illegal to employ a barred person, thus far the view has been that sanctions would be inappropriate. However, I have asked for further work to be done on that point, because we might want to look into whether there should be sanctions not only for the issue that the hon. Lady raises about the putting in place of safeguards, but for the duty to check even if a decision is made that a job offer is appropriate and can be managed. I would be happy to re-examine that in Committee.

Margaret Moran (Luton, South) (Lab): For employers, the safeguards required in such circumstances are a complex area. How will they be advised of the appropriate safeguards that will be necessary, and how will that be monitored?

Beverley Hughes: We will set out in great detail in statutory guidance the extra safeguards that employers will be obliged to follow in such circumstances. Normally, the monitoring will be performed through the inspection processes that pertain in particular settings; that is how such matters will usually be regulated.

The third level of protection is where there is the ability to check barred status, but no requirement to do so. Where an individual is engaged in an activity offering specified close contact with children or vulnerable adults but they are employed by a domestic employer such as a parent, there is no duty on the parent to check the individual's status in the scheme.

However, for the first time, a parent will be able to check whether a prospective employee has been vetted, is subject to continuous monitoring, and therefore is not barred. The fact that a parent is able to check the status of their nanny, for example, is a significant improvement on current arrangements, and critical to increasing parents' confidence in the individuals whom they employ to work with their children. However, while the duty to check does not apply in such situations, the bar still does. A barred individual seeking to do, or doing, any such work would be committing a criminal offence.

Annette Brooke: The Minister was asked how information would be disseminated. It seems to me that it will be particularly difficult to get through to parents in such circumstances. What plans does the Minister have in that regard?

Beverley Hughes: It will be very important that we communicate to parents not only the details of the scheme, but the new opportunities that they will have to check online somebody's current status in the scheme. We are still considering the details of what I have acknowledged will have to be a very considerable communications plan, and we will discuss how best we can do that with stakeholders, children's organisations and local authorities.

Mrs. Maria Miller: The ability to check online is not covered by the Bill, despite the fact that it was heavily trailed when the Bill was first announced. Will she explain how the Government intend to deal with some of the problems that people have experienced with online facilities in the US, where 11 American states experienced extreme problems with their security systems when they were compromised, leaving sex offenders able to change their own data online? Will the Minister outline the Government's plans to ensure that we do not have the same problems in the UK?

Beverley Hughes: There are security questions, which we have considered in great detail. Parents will be able to check, with the applicant's permission, whether the person concerned is subject to continuous monitoring. That will be the relevant information. I understand that the language is rather tortuous, and we have to get around language problems for the communication plan, but if a person is in the scheme and is subject to continuous monitoring, it means by definition that they are not barred and that there is no known information about the individual that would cause them to be barred. They are therefore safe to employ, as far as we know. At that level of information, the security issues are much reduced and we think that we can manage them. As the hon. Lady says, the details will need to be explored more fully and we are currently in the process of doing so.

Anne Main (St. Albans) (Con): Someone such as a parent can look online to check the details of someone they are employing, but what if I am a neighbour with serious concerns and the parent has not taken the opportunity to check? Am I entitled to check upon someone living next door to me who may have access to my child, or will it be strictly employers only who can use the service?

Beverley Hughes: This facility will not be open to all and sundry. The person who wants to check online has to have the consent of the individual who is seeking the job. That person will probably have a unique identifying number that will enable access to be made. We are looking into how the system will be accessed and certain things will have to be unlocked in order to do so. Again, it will require the consent of the applicant. It will not be possible for anyone not interested in employing another person to go fishing on the list in the manner suggested by the hon. Member for St. Albans (Anne Main). As I was saying, a barred individual in this category would be committing an offence if he sought to do any work.

Following fruitful debate in the other place about the extent to which checks in certain situations should be mandatory or optional for vulnerable adults, we intend to introduce amendments in Committee to reduce the exemptions under clause 14.

Paragraphs 1 and 6 and 2 and 7 of schedule 2 allow for the automatic inclusion of individuals on the barred lists, following conviction or caution for a specified offence or order. The list of offences will be prescribed in regulations, subject to the affirmative resolution procedure. An automatic bar, without the right to make representations, will result from the most serious sexual offences against the vulnerable group, such as the rape of a child in the case of a children's list and sexual offences against those with a mental disorder in respect of the vulnerable adults list. The commission of such an offence in itself is clear evidence that the individual poses a manifest risk to children or vulnerable adults.

A further list of offences will also lead to an automatic bar, but with the individual retaining the right to make representations to prove, if they can, that they do not pose a risk of harm to vulnerable people and so should be removed from one or both lists. Examples of offences being considered for this category are those relating to trafficking children, prostitution and specific types of pornography.

Margaret Moran: Does my hon. Friend believe that people accessing online child pornography will fall within the classification that she just mentioned?

Beverley Hughes: My hesitation arises from the fact that the form of words in the Bill in relation to pornography is different for children and adults. We have given a commitment to table amendments to reconcile the references on pornography for both children and adults, but I certainly expect that the offences that relate to pornography, whatever their eventual written formulation, will be part of this category.

Paragraphs 3, 5, 8 and 10 of schedule 2 set out a discretionary route to barring for all other cases. Where the information suggests that a person's behaviour has harmed a child or vulnerable adult or that they pose a risk of harm to them in future, the IBB will gather all

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the necessary information to consider the case. The IBB is under a duty to provide the individual with all the information that it intends to rely on in making that barring decision and to give them the opportunity to make representations about why they should not be included on the barred list. The IBB will then consider carefully, using its expertise, whether the person should be barred.

Paragraph 16 of schedule 2 will make provision for an individual to request a review of their inclusion on the list after a prescribed period of time. A review provides an opportunity to demonstrate that the individual no longer poses a risk to vulnerable groups and therefore that they should no longer be barred.

Clause 4 provides for appeals to the Care Standards Tribunal on a finding of fact made by the IBB or on a point of law following a barring decision. I reiterate that the spirit of co-operation that marked the debate on that issue in the other place enabled the provision to be refined, so that the transparency of the scheme as a whole has been enhanced.

In the critical role that the IBB and the CRB will play in keeping barring decisions updated—a fundamental change and improvement in the operation of the current systems—clauses 21 and 27 to 38 provide for the board to receive ongoing information from a wide range of sources. Not only will information come from the police, but the Bill will place duties on employers, on local authorities and on supervisory and regulatory bodies to provide information to the IBB in certain circumstances, as well as if and when the board requests it. The IBB will also exchange information with bodies such as the General Teaching Council and the General Medical Council.

Of course, in one respect, although the Bill is the culmination of long-term thinking on the strengthening of vetting and barring arrangements, it is also the beginning of the process of implementing the new scheme. We are working hard to finalise the design of the processes required by the scheme, drawing on the expertise of a large number of experts, as well as police and employer bodies and so on.

I hope that, by outlining the provisions of the Bill, I have made it clear that the safeguarding of children and vulnerable adults is a top priority for all hon. Members. That sentiment was shared in the other place, and I think that it will be in the House. Indeed, several key improvements to the Bill that have been announced but not yet made will be introduced in Committee. We are committed to make the necessary improvements to the current arrangements for vetting and barring and to respond effectively to recommendation 19 of the Bichard inquiry and to establish a scheme, as I think the Bill does, in which parents, carers and the public can have confidence.

I stress, however, that any system is only as good as the people using it and that no Bill can take away from employers their ultimate responsibility for making safe appointments. We need to inculcate a safeguarding mindset and the understanding that the recruitment of people to work with children and vulnerable adults must be based on robust procedures, on meticulous practice and, in the end, on sound judgment at the point of recruitment.

Mr. David Anderson (Blaydon) (Lab): Has my right hon. Friend considered the impact of implementing these proposals on the recruitment timetable? When people leave work, how long will it take to replace them? That is a problem at the moment, but if we rightly and properly extend the vetting procedure what will be the impact on staff, children and vulnerable adults?

Beverley Hughes: I thank my hon. Friend for making that point. When the scheme is fully implemented and when employers have the ability to make checks online, it might take less time than it does at the moment to obtain the information required to make a safe judgment about people's criminal convictions, about their behaviour and about any concerns that there may be. I know that there are stories of some problems in some areas but, by and large, the CRB is meeting high standards in terms of the turnaround times for both standard disclosures and enhanced disclosures. I am sure that that process will continue.

My hon. Friend is right to make that point. It reminds us that nothing can take away the responsibility of employers at that point to be assured themselves that they have all the information they require to make a safe appointment, and the information that they need to make a judgment.

Mr. Paice: The Minister has been generous in giving way. I entirely agree with what she has just said. Nothing can replace competent personal judgment. In too many cases, people have made unwise decisions; most people would have made different decisions in those situations. I ask her about one specific issue that stems from the Soham situation and relates to spouses or partners. Will there be any information in the IMPACT system or available to the board about records relating to spouses or partners? There are many occasions—Soham was one—where the spouse or partner of someone employed will also come into contact with the children in the school, on school outings or because they happen to be at an adjoining school. Therefore, any information that may relate to the partner or spouse may be of significance in reaching a judgment on whether to appoint another individual, whose own record may be unblemished, but whose presence in the school might bring the children into contact with someone they should not be in contact with.

Beverley Hughes: I understand why the hon. Gentleman raises that point. It is a delicate issue, which we need to be careful about. There will be special situations in which not necessarily the spouse but, more broadly, the associates of a particular individual might be cause for concern. There may be intelligence on that, which the police feel it is appropriate to pass to the IBB in the event of a person entering the scheme and being monitored and all that information being collected. Therefore, there could be circumstances in which associates more generally are relevant to a particular job, but the police will have to make the decisions about when that information is relevant.

Hywel Williams (Caernarfon) (PC): I refer the Minister to the point made by the hon. Member for Blaydon (Mr. Anderson) about recruitment. Many

organisations recruit overseas. Have the Government made any specific IMPACT assessments of delays in recruitment from overseas? For example, a residential home in my constituency that recruits from the Philippines has experienced such delays. I am sure that there are potential problems.

Beverley Hughes: I am not sure whether the hon. Gentleman was in his place when I responded to an earlier point about overseas workers and foreign nationals coming here to work. I said that the Bill does not discriminate. Exactly the same checks have to be made about foreign nationals as are made about British nationals. However, we recognise that, from some countries, there are difficulties in employers obtaining either full records or assurances that they have a complete record of someone's criminal history. We are giving further thought to the guidance that we need to give employers in that situation.

Although responsibility rests firmly in the procedures, practices and judgments of employers, the measures in the Bill will help them by establishing a much more comprehensive but simple system for them to use. It will greatly improve safeguards for children and vulnerable adults, not least by constantly monitoring those who work with them. The Bill constitutes a step change that measures up to the high demands that Bichard rightly made of us in his report, so I commend it to the House.

5.5 pm

Mrs. Maria Miller (Basingstoke) (Con): The most fundamental role of Government is to help to ensure the safety of their citizens, so it is of deep concern to parents, teachers and other professionals who work with children and other vulnerable groups that sometimes the procedures and practices that the Government put in place can seem wholly inadequate.

When the Minister presented the Bill, she rightly said that its background is painfully lodged in our memories, with the tragic murders of Holly Wells and Jessica Chapman. But that is only part of the story that we cannot forget as we start our consideration of the Bill: each year, 500,000 older people are abused and 1,400 adults with learning disabilities are the victims of sexual abuse. It is a startling situation that graphically illustrates the need for fundamental change.

The Government appear to be good at passing laws and regulations but, on occasion, less good at ensuring that they can be implemented and followed through in detail.

Mrs. Humble: Is the hon. Lady aware that sometimes the problem with regard to vulnerable adults and elderly people is that they are reluctant to report abuse, especially if the abuser is a member of their family or a neighbour, but even if it has taken place in an institutional setting? We cannot legislate to force them to report an abuser, so how would she ensure that people being abused feel confident enough to come forward so that they can be part of the process and protected?

Mrs. Miller: The hon. Lady makes a good point: we cannot force people to report those who may be committing offences against them. That is why it is imperative that there is a robust process to ensure that people working with vulnerable adults or children are vetted sufficiently in advance, and we shall be pressing further to make sure that that is the case.

The Government are good at passing laws but not perhaps always as good at implementing them and looking at the details. In January, the then Secretary of State for Education and Skills was forced to issue emergency changes to procedures after it had been exposed that convicted sex offenders were being given permission to work in schools. She said that she could give the public an

"absolute assurance that the process is as robust as possible to ensure that the risk to children is minimised".—[*Official Report*, 19 January 2006; Vol. 441, c. 978.]

Yet we have heard today that the Government's own research shows that 90 per cent. of schools ignore the scheme that the Government set up four years ago to help to stop paedophiles working as supply teachers. Indeed, last week, the Commission for Social Care Inspection exposed widespread failure to vet staff who work with some of our most vulnerable people: 43 per cent. of children's homes fail to use safe vetting procedures for staff, as do 65 per cent. of adoption agencies and 49 per cent. of care homes for young adults with physical or mental health problems. Those figures show that the problem is widespread.

The embargoed Ofsted report, to which my hon. Friend the Member for Havant (Mr. Willetts) referred in a point of order, identifies widespread confusion in schools about who has responsibility for vetting staff and others who may come into contact with children. Surely that will fuel further concerns that the vetting systems in our schools, as they stand, are wholly unreliable.

Beverley Hughes: Does the hon. Lady accept that it is premature of her to make such a sweeping statement—certainly given that she has not seen the Ofsted report—and to say that vetting procedures in schools are wholly inadequate? I want to check that she understands that, although there is a kite mark scheme for supply agencies, it is a voluntary scheme. All supply agencies have their procedures regulated by the same regulations and exactly the same standard is required. Whether schools choose to use a kite-marked agency should not make any difference to the rigour with which supply agencies carry out their duties.

Mrs. Miller: I am pleased to say that members of the press feel that it is important that Her Majesty's Opposition have copies of reports that are pertinent to the debate and that I have been able to read the Ofsted report. I feel that the comments that I made are entirely—

The Secretary of State for Education and Skills (Alan Johnson): On a point of order, Madam Deputy Speaker. I believe that "Erskine May" specifically states that no Member of the House can use a document that is not available to other Members. The Ofsted report is embargoed until one minute past midnight. The hon. Lady is using information that is not available to Members.

Madam Deputy Speaker (Sylvia Heal): I understand that the Secretary of State may have misunderstood "Erskine May" and that that is not the case, although one would hope that organisations would take note of the embargo.

Mrs. Miller: Thank you for that clarification, Madam Deputy Speaker. I am astounded that it would be felt at all appropriate to have a debate without using all the information available. It is most important that we get things right and that we do not put any information into the background. We need to make sure that we are looking at the full facts of the matter.

Mrs. Madeleine Moon (Bridgend) (Lab): Does the hon. Lady accept that part of the reason why we know how many employers are not following the appropriate checks, and why that information is in the public domain, is because the inspection services are reporting that back and requiring providers to carry out those checks? The Care Standards Act 2000, which the Government enacted, brought in such requirements. Previously, those requirements were not in place and many care homes and schools were not checking, but now, thanks to the inspectorate, they are in place and are being rigorously pursued.

Mrs. Miller: That is an excellent point and the hon. Lady is right to say that it is important that we know the figures. My point is that the problem is widespread. The lack of enforcement of vetting is not exclusively a problem in schools. It is also a problem in care homes, adoption agencies and all the other organisations that I listed, which makes me feel that the procedures themselves need some consideration because they are so widely flouted.

Mr. Andrew Turner: Does my hon. Friend agree that one of the problems is still the time that it takes to get information back from the Criminal Records Bureau? We hope that the procedures that are being put in place will not mean that getting a job stacking shelves in Sainsbury's is preferable to working in a care home because it takes four or five weeks to get a response from the Criminal Records Bureau.

Mrs. Miller: My hon. Friend raises an excellent point. We need to keep the processes and procedures of the Criminal Records Bureau under constant review. I know from experiences that have been forwarded to me by constituents that that problem is widespread.

Anne Main: Does my hon. Friend agree that we are talking about the accuracy of reporting? Her Majesty's chief inspector of schools, Maurice Smith, says:

> "Schools and authorities must keep up-to-date and reliable records to prove that the necessary checks ... have been carried out."

That is done quite often. However, the problem is not whether the checks are carried out, but that schools do not keep a record of such checks to demonstrate that the safeguarding of children is secure. The haphazard recording system used in schools is thus a problem. Some 58 schools have been surveyed and their records were "very patchy".

Mrs. Miller: I thank my hon. Friend for making that point and raising the broader issue that we cannot view vetting and barring in isolation. They must be viewed in the context of where they are put in place. Whether in schools or care homes, the systems must be workable and cannot be viewed in isolation.

Mrs. Moon: The House might find it useful to know that, as an ex-care standards inspector, I am well aware of the delays that can be caused in the Criminal Records Bureau. The care standards inspectorate bends over backwards to be supportive. There is a system in place that allows a home to take on a member of staff before a new criminal records check has been carried out, if such a check has been completed in the past, as long as that member of staff is not allowed unsupervised access to vulnerable people. If a person has had a check, which might be a matter of weeks, months or even a year out of date, that person can still work, provided that he or she does not have sole responsibility for providing unmonitored and unsupervised care to a vulnerable person. The system allows people working in the care profession to move between jobs and thus not lose opportunities to work. It also enables employers to take people on. The only time that such a system is not in place is when a person comes into the profession for the first time.

Mrs. Miller: The hon. Lady has a great deal of experience in this area and makes a valuable contribution to our debate. I hope that she will serve on the Committee, because it is by teasing out such details that we will make the Bill better and work more practically.

We can never completely protect children and vulnerable people from the possibility of abuse or attack. Our concern is that, in the preparation of the Bill, the Government have listed yet more processes and procedures, but have not made those that are in place work properly. The Bill fails to consider the basic practicalities of implementing an effective vetting system. I want to work with the Government to identify such problems and will try to address them by tabling amendments in Committee. We should ensure that the possible shortcomings in the Bill do not remain as such. I bring three specific matters to the attention of the House.

The concept behind the Bill is that everyone who works with vulnerable groups or children should be monitored to prevent abuse, instead of merely waiting for problems to arise. One of the main aspects of the Bill is the establishment of the independent barring board. The Bill is complex, so I would welcome the clarification of the Under-Secretary of State for Education and Skills, the hon. Member for Gloucester (Mr. Dhanda), about these matters. It appears that the key role of the IBB will be to hold barred lists for children and vulnerable adults and to hear appeals from people who feel that they should not be on those lists. More detail might be planned, but I have summarised the key provisions in the Bill. When the Minister replies to the debate, will he tell us who will be responsible for monitoring the people who put themselves forward to be monitored? Who will deal with the soft data that anyone in the country will be able to send in as evidence of individuals'

inappropriateness to work with vulnerable adults or children? Who will monitor the database and decide whether individuals should be considered for barring as a result of such soft data?

There is little specific provision in the Bill on the monitoring role of the IBB, even though a strong case can be made that monitoring and barring are part of the same process and that, if the IBB is to be effective in its barring role, it must play an effective part in the monitoring process or, indeed, be responsible for that process. How the monitoring database will work is unclear. The IBB has a tremendous role to play in supporting safer employment practices in a broader fashion than is currently articulated in the Bill. Perhaps the Minister will share his thoughts on that.

I hope that we will also hear more detail on how the IBB will reach its decisions. Nothing in the Bill specifies how the IBB will do that. Issuing a code of practice to ensure greater transparency was discussed in the other place, but there is nothing on the face of the Bill.

Finally, the IBB's accountability to Parliament should be clarified. It will be an important body dealing with highly sensitive issues and I feel strongly that we should ensure that it is accountable to Parliament, not a Minister. There is an opportunity to broaden the IBB's role to make it work much more effectively in providing safer employment practices for people working with vulnerable groups.

My second point has already been touched on. Concerns were expressed about overseas workers in the post-Bichard consultation, so it is surprising that they have not been picked up and fully addressed in the Bill. In February, my hon. Friend the Member for Havant wrote to the then Secretary of State for Education and Skills asking for assurances in respect of overseas workers in schools, but we have not yet received a reply. Is the DFES still considering its views on the issue? Earlier, the Minister for Children and Families said that she felt that further discussion would be beneficial.

It is worth bringing the scale of the issue to the attention of the House to show that it is not a peripheral matter. Growing numbers of overseas workers work in the key sectors that deal with vulnerable groups and children. Almost one in five nurses and one in three medical practitioners come from overseas. Some 18 per cent. of social workers and 15 per cent. of care assistants, who work with some of our most vulnerable people in almost domestic settings, come from overseas. We are therefore talking about a large number of people, yet the Bill contains no provisions on how to deal with them. It is important that the matter is discussed further in Committee and is not put to one side.

The majority of overseas workers who come to this country come from countries in Africa and Asia and from India, which do not necessarily have similar recording systems to ours for criminal activities, so it is difficult for us to access data from them. When the Bill was debated in the other place, Lord Adonis said that the matter could be covered through regulations, but that fails to grasp the issue. We need to make sure that employers know how to deal with overseas employees and that they understand that a different approach is needed. The Bill must provide a robust mechanism for dealing with that group of workers. My hon. Friends and I will table amendments that require specific activities on the part of employers who employ overseas workers—for example, pre- and post-appointment checks to ensure that any issues are properly covered. This is not a unique problem. There are other professional organisations that have to deal daily with professionals who are coming into the country to work. They have found processes to be able to deal with this and it is important that we do too.

Hywel Williams: Does the hon. Lady accept that it is not only employers who should have responsibility, but the agencies that act on behalf of perhaps small employers, such as homes for the elderly?

Mrs. Miller: The hon. Gentleman makes a good point, which was raised earlier. It is important that we ensure that, however people come into employment, there is a robust process in place to scrutinise their background and appropriateness for the job for which they have applied.

There is a third area in the Bill where we would benefit from further detail. In his report, Sir Michael Bichard said that effective vetting depended on information, much of which inevitably comes from the police. At present, the only provision in the Bill on data collection is that it can be outsourced by the independent barring board to the Criminal Records Bureau.

Data is the IBB's lifeblood. It has been at the root of many of the concerns in the reports produced in recent years by Sir Michael Bichard, Chris Kelly and Ronnie Flanagan. To be effective, IBB data must be of the highest quality. Those who are monitored need to have confidence in the way in which the data are collected, stored and updated. The IBB needs to have a quality control role on data, which it does not have at present given the way in which the Bill is constructed.

That is particularly important when we consider the scale of changes that are happening to data collection, particularly in respect of the police. Hon. Members will be aware that the CRB has been criticised widely in the press for wrongly categorising 3,000 people as criminals since it was set up two years ago. That is a concern and I know the CRB that has been working on it. Given the volume of applications that it works with, it is perhaps in some ways inevitable.

In terms of the data that the IBB will be dealing with, who will be weeding soft data? Many of the advances in the Bill concern the fact that the IBB can accept soft data that is not necessarily connected with a conviction or caution. Yet there is little clarity in the Bill about how that data will be dealt with, especially when perhaps soft data that are received are not felt to be information required to be kept on a person's record.

Who will monitor the reliability of the new PLX—police local cross-check—system, which is the police flagging system to which reference has been made? It is new and I have heard that it has questionable reliability at times.

Finally, on data collection, there will be a new procedure for courts, rather than the police, to update criminal records. This is a big change. We all know that

[Mrs. Maria Miller]

our courts systems are overloaded and that there is great time pressure. It will be important to ensure that, in giving a new responsibility to the courts, they can undertake the updates in a timely manner. Given all these changes, it is important that the IBB has a role in ensuring that the changes are appropriate and that they are introduced speedily. Ultimately, it must have confidence in the data with which it is dealing.

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Parmjit Dhanda): On CRB checks, I am sure that the hon. Lady agrees that it is important that the CRB always errs on the side of caution. Last year alone, it interrupted about 25,000 people who may well have ended up working in areas where they should not have been by being thorough in its checks.

Mrs. Miller: The Minister makes a good point. It is important that the CRB errs on the side of caution. It has been effective in ensuring that people who are inappropriate do not work with children and vulnerable adults. However, 3,000 people found it difficult to gain employment, because their records had been erroneously marked as containing a criminal element. The IBB must deal with that and act as a quality control to ensure that the Criminal Records Bureau does everything that it can to tighten its procedures so that instead of a 0.03 per cent. failure rate it has a zero rate, otherwise people's confidence in records will be undermined. Those are important points of detail but, unfortunately, the Bill does not deal with them.

Mr. Andrew Turner: Does my hon. Friend think it appropriate to exclude action for damages when a mistake leads to someone losing their livelihood?

Mrs. Miller: That is a good question. I believe that an amendment was tabled in the Lords on damages for malicious claims against an individual, but the Bill is unclear about people who suffer serious losses as a result of errors in the record system. We will therefore advocate a broader role for the IBB in Committee to ensure that data are of acceptable quality and that the present situation does not continue. If data are not sufficiently robust, that will undermine the organisation's reputation, and it is imperative that that does not happen if the system is to work.

The problems that the Government have experienced with IT systems are not unique—that picture, however, is sometimes painted by the media—as many organisations find it difficult to set up large databases and maintain their accuracy. Will the Minister therefore update the House on the IT systems that the Government plan to use for the monitoring database and tell us when it will be ready? What is the effect of the three-year delay of the implementation of the new IMPACT police intelligence database on the Bill, and who will fund the £200 million increase in the costs of that project? I have already voiced concerns about online capability, which was heavily trailed in the media, so will he explain how we can avoid the problems experienced in the US?

We are indebted to the Lords for their important amendments, which ensure that there is a better read-across between the two lists in the Bill. They have addressed points of detail, thus making significant improvements to the way in which the Bill works, and I congratulate my noble Friend Baroness Buscombe in particular on the amendments that she tabled. Further work is needed on other parts of the Bill, particularly its terminology. The Minister will not be surprised to hear me say so, because the issue has been raised by almost every interest group that has contacted me. Indeed, it is included in the embargoed Ofsted report, which he will doubtless read at 12.01 am.

The Bill relies on employers and organisations understanding their responsibilities, but they may not have access to a legal team such as the one available to the Government to help them understand its nuances. Indeed, Lord Adonis has sent out a raft of notes—I have collected them in a large file—to try to explain some of the terms in the Bill. We must take the opportunity in Committee to ensure that the Bill does not remain in its present form, and that those terms are clearly articulated.

Indeed, as a basic principle, who needs to be monitored? The Bill refers to occasional and frequent contact. The meaning of those terms was discussed in the Lords, and the Minister spoke of occasional contact as less than one contact a month or contact on no more than five days in a row. The Minister of State gave us an assurance that no sex offenders could work in schools again, as a result of the measures that she put in place, yet the loophole in the definition of monitoring potentially allows organisations to run five-day half-term clubs in schools, employing people who are not monitored under the scheme. It is important that we deal with such a serious loophole and iron out the definitions in Committee.

What does it take for someone to be reported to the IBB for barring? The Bill clearly outlines four types of behaviour, but it is still uncertain what the threshold for reporting is. At one level of reporting, someone may feel that an individual may harm a child, or an employer may think that a person has done something that would lead to them being barred. More certainty about these terms is needed if we are not to leave employers in difficulty. I endorse the Minister's view that it is important for employers to take responsibility for their actions, but it is equally important for the Government not to couch the terms in such vagueness. We need certainty in the Bill. To some extent, it is lack of certainty that has led us to where we are today.

Under the Bill, a barred person can work in a controlled job under supervision, but as I pointed out earlier, there is no offence relating to supervision and no detail about what supervision means. We are creating a morass of vague terms for others to interpret, and that is not acceptable in an area where vagueness has created so many problems in the past. Organisations will need an army of lawyers to unpick what is meant by the Bill. It is important that we deal with these issues to help those who will have to implement the measure.

Annette Brooke: I agree with most of what the hon. Lady has been saying and sympathise with her comments about the vagueness of the definitions in the

Bill. However, is she not concerned that if we create more and more criminal offences, we might create even more problems than we started with?

Mrs. Miller: I thank the hon. Lady for her intervention and for her support. It is not my intention to create more criminal offences. I am trying to show what would happen if we retained so many vague terms. At best, we would create confusion and, at worst, jobs for lawyers trying to unpick the legislation. If it is difficult for us to pin the language down, it will be much more so for those in the workplace who confront these issues.

Mr. Dhanda: No doubt we will discuss this in Committee but, even at this stage in the debate, I am keen to hear the hon. Lady's definition of "frequent".

Mrs. Miller: It is for the Minister to provide that, rather than asking the official Opposition to do the work. If he wishes to involve me in that discussion, I am more than happy to take part.

Other aspects of the Bill require further consideration, but time is too limited to go through them today. In Committee, we will return to direct payments, as well as to the continued exclusion of the Prison Service and the probation service from monitoring under the scheme. That was discussed in the Lords, but there was a less than clear answer as to whether, over time, those services would be covered by the Bill. I am particularly concerned about that given that 90 per cent. of young offenders suffer from mental health disorders—we are dealing with vulnerable group of people.

Along with many other Bills considered in this House in recent years, this Bill relies heavily on secondary legislation. We are seeing increasingly hollow Bills that lack detail, yet we are supposed to debate them in great detail and put them on to the statute book. This issue is highly charged and the Bill benefited greatly from the debate in the other place. I hope that the Minister will confirm in his response that as many affirmative orders as possible will be used to deal with the detail of the debate. It is important that the issues are debated and that the legislation is not pushed on to the statute book without debate.

The scale of the change contained in the Bill must not be underestimated and a balance needs to be struck, because we rely on dedicated workers to work with children and vulnerable adults and cannot allow the legislation to discourage them. The measures in the Bill are not a slight on those workers' professionalism or commitment, and the Bill should not be viewed as a sword of Damocles hanging over their heads—on the contrary, the Bill should improve the situation and protect those with whom they work. That point is important, because men in particular are being disincentivised from working with children and vulnerable adults—for example, the number of male teachers in our schools is declining. It is important that we correctly communicate the provisions of the Bill, so that it does not fuel further concerns and deter people from involving themselves in such important work. I am also concerned that employers are not deterred from offering work experience. I know that that issue was debated in another place, but further clarification would be useful.

When the current Home Secretary issued the third Bichard review less than one month ago, he said:

> "The safeguarding agenda is becoming increasingly coherent".

Indeed, the report states:

> "Real progress is being made and...working practices are being changed...Existing employment vetting procedures continue to be strengthened via the CRB".

The evidence of what is happening on the ground suggests that the Home Secretary's analysis is, at best, somewhat optimistic. I will not quote the Ofsted report again, but I ask the Government to consider some of its recommendations, because Ofsted, too, thinks that the Home Secretary's position is a little optimistic.

There is no room for complacency. We support the Bill and hope that we can work with the Government to make sure that it is better fit to protect those vulnerable adults and children who badly need support.

5.43 pm

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I am pleased to participate in the debate and wholeheartedly support this excellent legislation.

I recall a long and detailed debate in the Standing Committee that scrutinised the Care Standards Act 2000. That landmark legislation introduced for the first time new inspection and registration procedures to safeguard the most vulnerable groups in our society. This Bill builds on the 2000 Act, and I am pleased that the Government have such a proud record in this area.

I recognise the Government's significant moves to improve the Bill, which represents an important step forward in safeguarding children and vulnerable adults, including people with learning disabilities, from abuse. I particularly welcome the change that will ensure that the independent barring board examines all information received about an individual and considers whether an individual should be included on each of the barred lists. I believe that the link between the two lists is crucial and that this will give all vulnerable groups a greater degree of protection from abuse. Katharine Jeary and Olive Stevenson at the Ann Craft Trust have carried out research backing that up, which shows that one in five people who sexually abused older people had also sexually abused children. Abuse is about power, not age.

I feel reassured by the Minister's confirmation in the Lords debates that the Bill's use of the word "harm" includes harm by omission, which covers neglect or failure to act, and that the Government guidance issued to local authorities and other bodies will be explicit about acts of omission, as well as commission.

Much of the coverage of this debate has focused on safeguarding children in schools. I will turn later to a particularly vulnerable group of young people, but I should like at this stage to focus on vulnerable adults—by whom I mean vulnerable adults in the usual social care sense as opposed to the much wider definition in the Bill, which would cover every Member of this House at one time or another.

[Mrs. Joan Humble]

Charities such as Respond and Voice UK with helplines for people with learning disabilities who have been abused assure me that they receive calls every week from families, carers or people with learning disabilities who are worried about abuse. All too often, those concerns, whether they relate to sexual, financial or physical abuse, are about those who are employed to care for them. We must do our utmost to ensure that unsuitable people do not work with some of the most vulnerable groups in society, but we must also respect and protect everyone's independence and choice.

It is vital to communicate the vetting and barring scheme that the Bill establishes. Further to my earlier intervention, I would be interested to hear what the Government have planned in that respect. I am thinking in particular of the many small independent residential care homes which have no big human resources department and limited knowledge of new laws. We must bear them in mind, as they will be under the same obligations as bigger companies. Of course, abuse of children and vulnerable adults can happen in any home, no matter what size it is.

I welcome the Government's promise to issue guidance to carers of people who lack capacity, so that it is expected that they will check those people who provide services in the home. It will be useful for those carers to be able to say, "The Government expect me to do these checks", to someone coming into their home caring for a family member who lacks capacity. It will not be as awkward for them to have to make the checks because they will have been informed that that is what the Government expect of them.

I remain concerned about the fact that all posts in day centres will not be covered by the bar, and about risk assessment. Employers must be able to prove that they have considered relevant risks and documented any action that they have taken to minimise them. There are excellent employers out there who will take every possible step to safeguard their clients from abuse, but there are also employers who are under pressure, short-staffed, and perhaps not quite as aware of the risks. The Commission for Social Care Inspection should be able to inspect employers on risk assessments that they carry out when they decide to appoint a banned person into a less hands-on post. Only last week, we read that the commission has released findings from its report, "Safe and Sound", revealing that care homes and other social care services failed consistently to apply safe vetting procedures. As my hon. Friend the Member for Bridgend (Mrs. Moon) said, we should be pleased that the Commission for Social Care Inspection is an organisation, which was set up under the Care Standards Act 2000, that goes into establishments so that we can benefit from its findings and learn from it.

The research states that only 57 per cent. of children's homes, 35 per cent. of adoption agencies and 61 per cent. of residential care homes for younger adults, such as people with learning disabilities, met the minimum standard required. We must find out why those employers fail those whom they are there to support and safeguard from abuse. I sincerely hope that the Bill will go some way towards tackling that, making it more straightforward for employers to perform checks and for tough sanctions to be applied when they do not.

The Bill lists several establishments in which the bar covers all posts. They include schools—as we would expect—children's hospitals, children's homes and residential care homes for vulnerable adults. The latter is the only establishment for adults that the Bill treats in that way. I am concerned that day centres are not treated in the same way. Many people with learning disabilities attend day centres as part of their weekly routine. Whatever people's feelings about them, day centres are used by many people throughout the country. I am worried that people who are on the barred list will be allowed to work as cooks, cleaners and in administrative positions in day centres. They could work in positions of trust where, especially in smaller day centres, they help vulnerable adults every day.

I know that the Government are worried that it would be disproportionate to cover every setting in which a day centre may meet, for example, a church hall. The last thing I want to do is suggest that we should stop some of the amazing and fulfilling activities for vulnerable adults in existing settings. However, I would be interested in any amendment that the Government could table to introduce sensible changes to rules about day centres that cover formal day centre settings.

I want to make some observations about a specific group of young people. I am not sure whether the measure covers them and I would therefore like some clarification from the Under-Secretary of State for Education and Skills, my hon. Friend the Member for Gloucester (Mr. Dhanda) in his winding-up speech.

In a statement on 19 January, the then Secretary of State for Education and Skills said:

"Nothing matters to parents more than the safety of their children".—[*Official Report*, 19 January 2006; Vol. 441, c. 966.]

As Chair of the newly-established all-party group on Army deaths, I work closely with families who have suffered the loss or ill treatment of children at military barracks at Deepcut, Catterick and elsewhere throughout the United Kingdom and overseas. I am acutely aware of the pain and anger that arises from the suspicion that those with responsibility for the care of children fail to protect young recruits from sexual abuse.

In his review of the tragic deaths at Deepcut barracks, Nicholas Blake QC found:

"The system for selecting and vetting instructors, and other members of the permanent staff, for training posts, reporting on their progress and recording concerns that reflect their suitability to perform such a challenging task appears, to the Review, to be in need of revision and improvement."

At the close of the review, recommendation 12 states:

"Instructors should be vetted for their suitability to work with young people, applying standards that are no less rigorous than those applied to civilian establishments educating or training people under 18."

I welcome the Bill's intention to provide proper arrangements for vetting those working with children and barring those who are unsuitable. Family members of the Deepcut and Beyond group believe that we need a system in which child protection comes first, and that

nothing about the particular nature of the military environment should contradict that principle. It must be a rigorous system, which draws on the best expert advice. There must be absolute clarity about who does what. The system must command public confidence and be accountable.

Incidents of child abuse cases in schools and the outcry about staff not receiving enhanced Criminal Records Bureau checks concern all parents. However, Deepcut and Beyond families point out that that problem also exists in military training establishments. Non-commissioned officers and civilian staff do not have Criminal Records Bureau disclosures of any kind.

Mrs. Lynn Farr, whose son, Private Daniel Farr died at the age of 18 at Catterick, has been told by senior officers at the barracks that CRB disclosures are not required because the recruits are in full-time employment. Those young people are in training. They are being supervised by trainers, most of whom are NCOs. Some trainees are taking NVQs. Surely, Mrs. Farr argues, that must put Army recruits in a position that is analogous to young people working on modern apprenticeships. If those young people were working full-time in civilian life and attending college, as is the case with modern apprenticeships, all the training staff and assessors would be CRB cleared to an enhanced level.

For the first few weeks on phase 1 training, young people are at their most vulnerable. They are away from home—in some cases, for the first time—and they have a genuine culture shock. Yet, despite the susceptibility of recruits, the trainers and staff involved with them have no CRB clearance of any kind.

The Government place a high priority on "staying safe" and make it one of the five thematic outcomes of "Every Child Matters". Although some recruits may fall outside the target group of children and young people aged between 0 to 19 years, it is already recognised that, when there are special or additional needs, the age range of the at-risk group may extend to 25 years. The closed nature of the military environment, the strict disciplinary regime and the absence of parental oversight make young soldiers especially vulnerable to the attention of sexual predators.

Deepcut and Beyond families point to the conviction in August 2003 of former Lance Corporal and serial abuser Leslie Skinner, who was initially charged with male rape and later convicted of multiple charges of indecent assault committed while employed as an NCO trainer at Deepcut barracks in 1996 and 1997. Officers from Surrey police gave evidence to the Defence Committee's inquiry into duty of care that Leslie Skinner had previously been convicted of a sexual offence in Northern Ireland, demoted and transferred by a military court. He was able to obtain employment as a trainer at Deepcut barracks without being subject to any background checks.

Officers also testified that, while Skinner used his rank to secure compliance from young recruits, none of the 13 complainants had sufficient confidence to utilise the chain of command or any of the then existing mechanisms to register a complaint about their abuse.

In my capacity as Chair of the all-party group on Army deaths, I wrote to the then Parliamentary Under-Secretary of State at the Ministry of Defence, my hon. Friend the Member for Islwyn (Mr. Touhig)—I am standing next to two Welsh Members and I am sure that they will tell me off for my pronunciation of my hon. Friend's constituency. I wrote to my hon. Friend on 13 February. He replied on 9 March that

"you are correct that under the Criminal Justice and Court Service Act 2000, CRB checks cannot currently be carried out on Armed Forces personnel supervising or training young recruits, in particular 16 and 17 year olds, because the recruits are in full time employment... We are therefore working, as a matter of urgency, with DfES and the Home Office on new legislation that would allow employers greater flexibility in carrying out CRB checks on employees in the future."

In his winding-up speech, will my hon. Friend the Under-Secretary give me an assurance that there is no exercise of Crown immunity in relation to the Bill? Will he tell the House what steps have been taken to ensure that young service recruits are equally protected by law?

The Department for Education and Skills has written to all schools setting out how the checking system will work, and informing them of the change to mandatory Criminal Records Bureau checks. The Home Secretary has written to all chief constables, chief officers of probation and youth justice boards to restate how the present system works, how it will change, and what priorities are involved. Will the Under-Secretary work with the armed forces Minister to ensure that all commanding officers at military training establishments are also made aware of the strengthened protection that should be available to young recruits? In monitoring the implementation of the legislation, will the Under-Secretary also undertake to assist the Ministry of Defence in ensuring that all staff who will be part of the vetting process receive appropriate training, support and advice on child protection issues?

The Army has learned lessons as a result of the tragic deaths at Deepcut and elsewhere. Having the will to address the issues of harassment and bullying honestly and without embarrassment is the first step towards creating an environment free from harassment, intimidation and discrimination. We have learned to our cost that voluntary compliance and good will need to be strengthened through legal enforcement.

We need to get the balance right between adopting a witch hunt mentality and not showing due care and attention in recognising people who are unsuitable and unfit to work with children and/or vulnerable adults, including vulnerable elderly people. We also need to strike a balance between the need to protect children and vulnerable adults and the needs of employers to keep vital education, training and social care services running without getting bogged down in bureaucracy and delay. The Bill does get that balance right, but it will be essential to ensure that the new system is properly resourced, that the independent barring board is adequately staffed and, above all, that those who should know about its work do know about its work, so that the vulnerable people whom we are here to protect can be properly protected.

6.2 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): I congratulate the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble) on raising those important points about military training establishments. I, too, look forward to hearing the replies from the Under-Secretary of State for Education and Skills, the hon. Member for Gloucester (Mr. Dhanda). I also thank the Minister for Children and Families for her clear explanation of the Bill.

I welcome the Bill, and I should like to place on record the Liberal Democrats' broad support for the measures that it proposes. It is vital that we increase the protection of the most vulnerable members of our society. I should declare that I have not had the advantage of seeing the embargoed Ofsted report, so I shall be unable to comment on it in my speech.

Reaching this point today seems to have involved an extraordinarily long process, following the tragedies in Soham and the subsequent Bichard inquiry and its recommendations. The former Secretary of State for Education and Skills made statements to the House on 12 and 19 January, while stories in the press centred on cases in which it was revealed that Ministers had made decisions that certain individuals should not be placed on list 99. One of the cases was in Bournemouth, so there was inevitably a great deal of press coverage in my local area. As I reflect on that media frenzy, it seems clear that the outcome of this legislation must be a system in which the public can have confidence.

The then Secretary of State recognised the necessity for specialist advice for herself in this area, as well as the need for training at all levels—for example, for school governing bodies when making appointments. The proposals for an independent barring board are generally welcome. Its independence, and the fact that Ministers will not be involved in discretionary decisions made by the board, are also welcome and reflect a fundamental change from the present system. The need for widespread relevant training and, even more, for a whole culture of vigilance regarding risks to children and vulnerable adults are vital if we are truly to improve protection.

The National Society for the Prevention of Cruelty to Children has made the point that safeguarding is everyone's responsibility, and that was endorsed by the Minister today. Everyone needs to work with that in mind. Age Concern England has stated that public awareness initiatives will be important in informing the public of the existence of the new processes. It is shocking to read examples of the abuse perpetrated day after day on children, older people and those with learning and other disabilities. Some of the examples in the Help the Aged briefing include financial and physical abuse, and remind us of the extent to which many types of abuse remain unreported and undocumented. Campaigns by the NSPCC to encourage children to speak out, and reports from ChildLine, underline the need for vigilance.

I am the chair of the all-party parliamentary group on Voice UK, which aims to bring to the attention of Members of both Houses of Parliament the needs of people with learning disabilities who have experienced crime or abuse, and to discuss redress and reform. We would certainly welcome any Members who wish to join our discussions. I recognise that the Bill does not cover family and personal relationships, but I hope that it will contribute to real changes in our society. To that end, I look forward to working on it on a constructive cross-party basis.

It was ironic that when the then Secretary of State was placed under such pressure earlier this year, consultation on these new proposals was already well under way. However, time is passing, and I would like the Under-Secretary to give us an updated timeline for the projected introduction of all the proposed measures, and tell us how any interim measures will impact on recruitment for September.

The Minister for Children and Families confirmed earlier that Criminal Records Bureau checks are now mandatory for all newly appointed members of the school work force. I welcome that move, as it is long overdue. Will the Under-Secretary clarify whether work will be allowed to commence pending the completion of a CRB check? In response to a parliamentary question on this issue, I was told that in 2005 the average time for an enhanced disclosure was 31.5 days.

I am worried that a possible upsurge in demand for checks will mean that schools could face difficulties with late teacher appointments. At the very least, clarity is needed, along with a statement on the capacity of the CRB to deal with the checks. I well recall the fiasco when the Government had to retract their requirement for CRB checks for teachers when they were first introduced several years ago, and I am a little worried that we might be heading down that route again as a result of this very welcome initiative. Has sufficient provision been put in place for the CRB? What action will the Under-Secretary take to ensure that it will have sufficient capacity for its enhanced functions as the new procedures are put in place? It will certainly be required to do a great deal more than it does now. It has already been pointed out that the CRB has made some dreadful mistakes, and we shall need to reflect on this matter in Committee.

I should also like to comment on what appears to have been some very successful cross-party working in the other place, and to put on record our thanks to Lord Adonis, the Minister there, who was so responsive to the discussions that took place at all stages. Perhaps we can look forward to similar responsiveness in this House as we probe some of the outstanding issues, mainly on detail. I have to confess, however, that if that were to be the case, it would be an agreeable surprise.

This is the fourth Bill with which I have been involved in this Session. Ministers have come and gone, but I welcome the new Under-Secretary to his position. I also thank him for his recent courtesy in meeting me, and others involved with the Bill—*[Interruption.]* I can hear by the response from Members on the official Opposition Benches that they agree that the success of Opposition parties in persuading the Government to accept amendments has been rather limited, to put it mildly.

Tim Loughton (East Worthing and Shoreham) (Con): All talk, no trousers.

Annette Brooke: From a sedentary position, I am getting some support on that point. However, we are optimistic that we will secure some important amendments.

As with the other Bills I have served on, there is great reliance on future regulations and the issuing of guidance. I welcome the information notes already published, but inevitably, there are outstanding concerns about many of the issues covered, further areas of promised guidance and questions as to why certain matters cannot be included in the Bill. I concur entirely with the way in which the hon. Member for Basingstoke (Mrs. Miller) expressed those concerns.

There will be a great deal of detail to cover in Committee, so for now, I too would like to highlight concerns in a number of key areas. First, I want to consider the principle relating to the creation of the lists and the operation of the IBB. As we have heard, the Bill originally proposed two quite separate lists—one for people who pose a risk to adults and one for people who pose a risk to children. However, in the light of the important evidence supplied by the Ann Craft Trust that one in five of those who sexually abused older people had also sexually abused children, I was pleased that the Government proposed an amendment that the IBB should have an automatic duty to consider someone for both lists. I am not sure whether the amendment adds up to automatic cross-referencing. We will have to tease that out.

As we know, there are four types of behaviour that may or may not, or must, require inclusion on the barred list. Those include cases where there has been a caution or a conviction, which may result in automatic inclusion, or inclusion subject to representation, and those where there is not a conviction or a caution, but the basis is behaviour and risk of harm.

Specifying the precise types of behaviour that will result in automatic inclusion and inclusion subject to consideration of representations is reserved for secondary legislation. Concern has been expressed that automatic inclusion will not allow any representation to be made, and is exempt from the appeal process in clause 4. Liberty suggests that the absolute nature of the bar might raise issues under the European convention on human rights. I shall be interested in the Minister's comments on that.

There are two issues here, which have a compound effect that concerns me: the automatic bar without representation and the limited parliamentary scrutiny offered to us of which offences will be included on the respective lists. I understand that the proposed list of offences will not be amendable, even through the affirmative resolution procedure. At some time, we shall therefore have to vote for or against a whole list. As we are all so concerned about the issues, it is clear that we would have to vote for the whole list even if we were worried about one or two offences on it. That, together with the lack of a right of appeal on the automatic bar, gives me cause for concern.

On the other types of behaviour that can lead to an entry on the barred list, the IBB will have greater discretion. That is clearly appropriate, but as we have heard before, it relies on soft information. There is a balance between information that should be passed on and that which perhaps should not. In the Ian Huntley case, data had not been stored. Obviously, we can look back on the tragedy of that information not being passed on, and something not being picked up that should have been. On the other hand, should we pass on, for example, information about a teacher which might clearly be established as malicious, or is it up to the IBB to do the sifting or weeding—or whichever term hon. Members want to use?

It is important to establish the procedures. Who should be passing information on to the IBB? The police and social services, we assume. Will there be a duty on public offices to inform the IBB of revocation of appointeeship or attorneyship due to abuse? There are a lot of issues to consider.

With reference to risk of harm, there are clearly issues about the precise criteria, and I am pleased that the Government are committed to publishing guidance in this area, but will the IBB publish any criteria that it establishes, thus ensuring transparency, openness and clarity, and also reference to any risk assessment model that it uses?

We welcome the Government amendment that widened the right of appeal beyond a point of law to include the ability to appeal on the finding of fact. I am not clear whether an appeal to the tribunal may be made on the basis of facts not available to the IBB at the time of the original decision. I would be grateful for clarification.

Like other Members, I am concerned about the lack of definitions of certain terms in the Bill. The four obvious ones are "frequent", "occasional", "harm" and "incidental". I want to refer to the Government's information note 1(iv), as I find some of the sentences there quite the reverse of reassuring. One states:

> "The approach that has been adopted in relation to these expressions is that they will take their normal meaning...Broadly speaking we believe that the terms should be interpreted in the following ways...we broadly consider anything more than once a month or any contract that lasts longer than a week to be 'frequent'".

That is very imprecise and, I suggest, difficult to apply. I quite understand the need for flexibility, but this could lead to serious consequences.

We have already heard of the example of the short-term play scheme, perhaps operating for five days. I might ask the Minister for Children and Families, while she is still here, about a crèche that operates for less than two hours a day, perhaps on four successive days. I would be concerned about what could happen over that period. I am sorry to have made that particular point, but as people know, I have a concern about crèches that operate for less than two hours a day.

Moving on to the definition of "harm", the information note states:

> "'Harm' should take its normal meaning for a range of reasons specified".

Paragraph 26 states:

> "In both these cases we believe that 'harm' should take its normal, commonsense meaning so that a special definition is not required on the face of the Bill. We are clear that the normal meaning of the word covers our original intentions for the scheme."

The Government might be quite satisfied about that, but I feel that Opposition Members are not.

[Annette Brooke]

For example, will "harm" include withholding the personal expenses allowances in a care home? That is not clear. Will it include definitions based on retaining the dignity of older people, which the Government are concerned about in a general sense? I could make much more of that, but I have probably made the crucial points that I want to make. I do not think that that is good enough, and I am sure that many workers in this sphere will not think it good enough either.

I have a concern about consistency for children and vulnerable adults, particularly in the realm of controlled activity and regulated activity. We have had some good examples already, such as the day centre. I concur that, for a local authority-run day centre, for example, there is a case for a full vetting and barring scheme.

I have already mentioned some of my concerns about further education colleges. Those concerns remain. I asked a parliamentary question about checks by the Criminal Records Bureau on people in further education colleges. What would happen when a young person entered the working environment, not just for work experience? The answer I received did not reassure me at all. I hope that the Minister will tell me now exactly how the new system will affect those attending further education colleges, and how the existing system affects a range of young people who are involved in a number of activities, and might be based primarily in schools.

A housing support worker recently came to my surgery. That person was doing excellent work, giving a great deal of support to a couple with particular difficulties related to mental health conditions, and meeting them probably once a month. I would expect the vetting and barring scheme to come into effect in such cases of fairly regular contact. That is no reflection on the person who came to see me, because I was very impressed by the level of support being given, but I feel that the Bill ignores one aspect of vulnerability.

All the different categories and definitions could well cause much confusion to employers, organisations, employees, parents and others. The National Society for the Prevention of Cruelty to Children gives the example of a receptionist in a dentist's surgery, who could be employed even if on the barred list, but points out that employers are responsible for ensuring that extra safeguards exist. That was also mentioned by the hon. Member for Basingstoke. We need to know how such arrangements will be monitored. I do not think that the introduction of extra criminal offences is the answer.

I shall not say much about the direct payments system, because it was dealt with extensively in the other place and has also been mentioned today. It is difficult for the Government to achieve the right balance. Carers who have already been burdened have been frightened away as new regulations have been introduced. They have not been prepared to continue, and become involved in the direct payments system. It is important for us to retain our great army of loyal helpers, but we need equality of protection. There should be more than an expectation that local authorities should inform potential direct payment recipients of the vetting and barring scheme; authorities should have a duty to give everyone the opportunity, without the burden necessarily being involved.

I welcome the commitment given by the Government in the other place that those under 18 who commit an offence will never be barred automatically without the right to representation.

Mr. Andrew Turner: Does the hon. Lady really think that one of the murderers of Mary-Ann Leneghan, who was under 18 when that appalling crime was committed, should not automatically be barred from working with children?

Annette Brooke: I would expect that person to be barred, but I think that as a general principle it is better for the needs of those under 18 to be assessed, and for the whole case to be assessed. I support the right to representation, but I would expect someone in a case like that to end up on the list of those automatically barred. It is a question of the route that is taken. I support the right to representation because with some offences, treatment will be possible. There is evidence of the effectiveness of therapeutic services. Again, that is a matter for the discretion of the IBB, and the type of offence involved will affect the exercising of that discretion.

I spoke at length about the need for therapeutic services during the passage of the Sexual Offences Act 2003. The NSPCC is currently campaigning for the provision of therapeutic counselling for the abused. We should bear in mind the fact that those who have been abused may become abusers themselves.

I have a constituency case, which I have mentioned before, involving a couple who have moved into my constituency; their son has been in prison for many years, and will probably never come out. At the age of 14 he was found guilty of a relatively minor offence. His parents paid for assessments, because they were not automatically provided, and according to those assessments he posed no danger, but tragically, at 19 he went on to kill someone. It is possible that therapeutic services would not have made a difference in his case, in which event he would still be on the barred list, but it is just possible that the murder could have been prevented, and tragedy for two families avoided, if the treatment had been given early enough.

I am worried about the complexity of the new scheme, and about how the details can be conveyed to people. Communication will require much more than information packs and assurances that information is available; there will have to be a great deal of signposting, and a strategy for spreading the information among those who need it. Training, too, will be necessary. I am also worried about the costs—have they been fully assessed?—and about whether the CRB will be able to take on all its new functions.

Finally, I am worried about the lack of positive measures in the Bill. The Minister may say that it focuses on vetting and barring arrangements, but I believe that it should include further measures to guarantee wider outcomes. The Minister said that

safety and protection would depend on robust judgments, sound processes and competent personal responses, but we need a general approach that will improve the current position. The Ofsted report will prove relevant to that. We need a package of measures alongside the Bill. I understand that an accreditation scheme operates in Northern Ireland, and that, too, may be relevant.

We must accept that children and vulnerable adults will always experience occasional contact with those who have offended in some way. As others have pointed out, it will always be difficult to check workers coming here from abroad. Indeed, it will probably be impossible to check them to the same extent. That is why we need an overall embracing of the principles that we all want a safer society and we need people to react in certain ways, always thinking about the need to protect vulnerable children and adults.

I therefore ask the Minister to consider what else can be put in place alongside the Bill, so that it is not, as the hon. Member for Basingstoke put it, another series of measures that will not be implemented properly. To make it work—and I want it to work—we need something else: we need the Government to give strong leadership.

6.30 pm

Mrs. Madeleine Moon (Bridgend) (Lab): It is a great pleasure to follow the hon. Member for Mid-Dorset and North Poole (Annette Brooke), and I agree with her that some areas of the Bill need clarification, particularly those relating to the public appointees office and the short-term playgroups to which she referred. As she will be aware, packages will have to be put together to accompany the regulatory bodies dealing with the many agencies working with groups that will need to understand this Bill. Groups such as the Commission for Social Care Inspection, the Nursing and Midwifery Council, the Care Standards Inspectorate for Wales and the general bodies that regulate chiropodists, physiotherapists and so forth have a critical role to play in ensuring that those whom the Bill will impact on are fully aware of what that impact will be. I am also particularly pleased to follow my hon. Member for Blackpool, North and Fleetwood (Mrs. Humble), to whom I will always defer in this field, as her knowledge is second to none.

It is a particular pleasure to speak so soon after last week's debate in this Chamber on the creation of a commissioner for older people. The Government are looking further to improve protection for older people in Wales by creating such a commissioner. That follows the creation of a commissioner for younger people and children in Wales—a role that has expanded to England—which has enabled additional safeguards to be put in place, and allowed new efforts to be made in examining and exploring additional ways of safeguarding children in Wales. I hope that this Bill and the creation of a commissioner for older people will have the same impact in Wales.

Before entering the House, I was an inspector with the Care Standards Inspectorate for Wales, so although my colleagues have referred to the work of CSCI in England, my experience is with CSIW and certainly not with CSCI in England. The Bill will support the regulatory agencies and local authorities in much of the work that they already do. It will also enable work that currently cannot be done in the public domain to be considered and to come into play.

I hope that the Bill will also allay some of the hysteria surrounding the question of who will and will not be reported for inappropriate behaviour towards children and vulnerable adults. My hon. Member for Blackpool, North and Fleetwood said that under the terms of the Bill, we are all vulnerable adults, in that we are all vulnerable at some point in our existence. That is true. We all want such protection at the point when we become a vulnerable adult, which often happens when, for example, we are in receipt of medical services.

Mrs. Maria Miller: Will the hon. Lady join me in expressing concern that the Bill terms pregnant and breastfeeding women as vulnerable people? Is not defining such women in that way a somewhat retrograde step?

Mrs. Moon: No, I would not join you in saying that, because we are all vulnerable adults at some point in our lives. If we are in receipt of care—of services from those whose duty it is to provide such care to a high quality—we should be covered by the Bill. It is perhaps unnecessary to single out such women, but pregnant women and nursing mothers are entitled to expect the same high-quality protection from those charged with their care—particularly their medical care—as any other person.

Hywel Williams: Does the hon. Lady agree that the Bill defines what a vulnerable adult is very broadly? There are 10 descriptions of such a person in clause 44, one of which is someone who

"requires assistance in the conduct of his own affairs".

I frequently require assistance in the conduct of my affairs, but I do not regard myself as vulnerable. Does the hon. Lady agree that there is a risk here of not seeing the wood for the trees?

Mrs. Moon: I have not had time to refer to the clause that you refer to. However, I think that you will find that the cover-all at the end—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I wonder whether I can help the hon. Lady with her terminology. She should refer to any other hon. Member in the third person, rather than referring to them as "you"; and the customary expression for referring to someone else on her own side is "my hon. Friend".

Mrs. Moon: I thank you for those corrections, Mr. Deputy Speaker.

I have not had an opportunity to look in detail at the clause referred to by the hon. Member for Caernarfon (Hywel Williams), so I am unable to respond fully to the suggestion that if someone required support and assistance when looking at their finances, for example, that would make them a vulnerable adult. My recollection is that more than an individual's needing assistance with their finances would be required to make them a vulnerable adult.

[Mrs. Moon]

I turn to a matter that causes me concern. Last week, I attended an excellent meeting in my constituency, at which I met carers to celebrate carers week and the vital role that they play. A lady whose husband is an active member of the scouting service talked to me about her fears. She has told her husband, who is involved in scout jamborees, that if a young child comes up to him and, for example, wants to hold his hand, he must not do so because that could be misconstrued, and that he must not put suntan lotion on the children when they go to camp for the same reason. The Bill will directly address some of the anxieties that people have about their activities being wrongly interpreted, perhaps leading to their being included on a barring list. I hope that it will alleviate some of the unnecessary fears and anxieties that have arisen.

I am especially pleased that parents will be able to check the status of those whom they are going to employ as private tutors. I raised that issue with the commissioner for children and young people in Wales, and with the previous Secretary of State, following an approach made to me by a constituent. She became very alarmed when she found out that a man who had been convicted of stalking her daughter was advertising his services as a private tutor to children, that he was not required to reveal his criminal past, and that there was no way in which someone employing him could find out about it. I am particularly pleased that the Bill removes that loophole.

I am pleased, too, that paragraphs (a) and (b) of clause 33(6) require people to be referred—and provide the capacity to be referred retrospectively—to the barring board. I am sure that people who have worked with the Protection of Children Act 1999 and the protection of vulnerable adults scheme, the regulatory agencies and bodies such as the Nursing and Midwifery Council will welcome that.

I remember a case in which the Nursing and Midwifery Council had issued a number of cautions about a person who had applied to be manager of a care home. The cautions were serious, involving the physical restraint of a service user with a duvet, using cigarettes to bribe a service user to misbehave when a colleague was on duty and other serious allegations that I shall not mention. In fact, the cautions had no status and could not be used to refuse registration to the individual concerned, but that will no longer be the case because the Bill will allow information about someone found to have behaved inappropriately by a regulatory body to be passed to the barring board.

In another case, I was involved with members of staff in a care home for nearly six months. Alongside the POVA co-ordinator of the local authority in which the home was based, I made regular unannounced visits to the care home. We gathered a huge amount of information about the abuse that was taking place there, but because of the nature of the service users in the home, no criminal prosecutions could be taken. The police were unable to take statements from the service users and could not put together a case that would stand up in court. Indeed, there was nowhere for us to go with that information. Now there will be somewhere to go—the barring board.

The members of staff involved in the abuse left the home, mostly before they were sacked, and subsequently applied for jobs in care homes elsewhere. As no criminal prosecution had been launched, the owner of the home felt very uncomfortable about refusing them a reference. When an application for a reference was made, she would always refer them on to the inspectorate, which mainly said that the person had been part of an investigation into abuse within the home. That was enough to warn people that they needed to explore problems further. Information that does not meet the required standard for a criminal prosecution—sometimes because the people who have been abused have a learning disability or lack capacity on account of dementia or age—is often held in POVA and POCA investigations or in the monitoring of procedures. Such information can now be sent to the barring board, which I am sure will prove invaluable in providing protection.

I accept the need for regulation to control how that information is passed on and to provide people with a means of appealing against it, but such information is likely to open up to challenge people who are unsuitable to work in care settings. They will now know that an investigation can have serious consequences.

Clause 11 is important, as it relates to the failure of residential homes to carry out checks. Members might be aware that the inspectorate can take only limited steps against homes that fail to carry out such checks. We know that checks are not being carried out because the inspectorate has highlighted and vigorously pursued the issue. It is not always easy to ensure that checks are rigorous and thorough.

Again, I cite the example of someone who applied for registration as a manager of a care home. They claimed to have provided full and thorough documentation of their qualifications to the care home's manager, who subsequently left. The applicant had been operating in a lower-grade position at the home. When they applied to become the manager, they alleged that the documentation had been removed by the previous manager in an attempt to discredit them. It took a long time—I estimate that communications went back and forth for at least six months—before we categorically proved that the individual had none of the qualifications that they claimed and that none of the checks that they claimed had been carried out had been undertaken.

There are limits to how far an inspectorate can go with a home that fails to meet the regulations. The inspectorate might apply to remove the registration from a home and ultimately seek to close the home by taking it to the tribunal, but if steps are put in place at the very last moment to rectify the failings and to meet the standards, the tribunal has no option but to allow the home to continue to operate. Again, it is hoped that clause 11 and the requirement in respect of failing in the duty to check will place another responsibility on care home owners to ensure that they carry out the necessary checks into qualifications and criminal records.

Annette Brooke: I should like to elicit from the hon. Lady whether she thinks, given her experience, that the additional requirements will cause care homes to feel under greater pressure. Will they perhaps make as

many representations on the improved training and room-size requirements? I hope that we can work together with those in the sector, rather than letting them feel that this is a case of them against Government regulation.

Mrs. Moon: The hon. Lady makes a valuable point.

The Care Standards Act 2000 is clear in relation to the responsibility of care homes to carry out checks. When providing a service, it is important that the service is carried out to standards that are set down in legislation. It is only appropriate that those who are vulnerable and require the care and protection of agencies that are set up specifically to provide that care and protection should feel assured that the care setting, whether it is a care home, a domiciliary care setting or a day service provider, meets those minimum standards.

I hope that anyone who sought to register to provide those services would be fully aware of the requirements to register and of the legislation that they were required to comply with. I hope that they would seek to do their best to do so. It is only fair to say that the majority of providers do that. The hon. Lady will be aware that the majority of care providers seek to meet the highest standards. Indeed, they seek to exceed the national minimum standards. Those that do not are the ones we need to focus on to ensure that they carry through their responsibilities at least to check whether staff have criminal backgrounds and to have appropriate checks such as references in place. Those are not onerous expectations. They are minimum expectations and I hope that they will be met.

I have some questions for the Minister that I hope we will have get answers to. I would like reassurance that there will be one list for England and Wales. I support all those other hon. Members who have sought to ensure that those who are barred from working with children are also barred from working with adults.

Experience shows that abuse is often related to power and that, once a person has power over a vulnerable individual, that power is where the pleasure comes. The abuse can be transferred to another vulnerable individual. I have some concerns about clause 6(5) and clause 43 in relation to private arrangements where care is provided by a member of a family or friend. I ask the Minister at some point to clarify what protection will be available where it is known that the family member or friend has a history of abuse or a criminal record relating to abuse. For example, that information may have been passed to a POVA or POCA co-ordinating team in a local authority. Will they be able to share that information with the family? That will be vital because we know that, often, sexual abuse happens in families. The anxiety and fear are often about stranger danger but the reality is that the building of trust within families can lead to abuse. I would welcome clarification of clause 44(9)(b) and (c) and schedule 2, paragraph 9(1)(a) and (d), which relate to hon. Members' concerns on vulnerable adults.

I have particular concerns about what happens when the condition of a patient in a hospital, as a result of the actions of staff, deteriorates. I cite an example that I raised in an Adjournment debate relating to Parkinson's. If a Parkinson's sufferer is not given their medication at the right time, the chemical balance in their brain is altered and disrupted. The disease becomes uncontrollable. With an uneven release of dopamine, a person may be suddenly unable to get out of their chair, to walk, or to get out of bed. Sleep can be disturbed. Bowel and kidney functions and digestion can be affected. The individual can suffer mood swings, hallucinations, anxiety and fear. What will be the implications for ward staff and for care homes if, as a result of their failure to provide medication on time, a person's capacity to manage their life, to manage their bodily functions and to communicate is damaged? It can ultimately be destroyed for a number of months. From being someone who could rise out of bed and walk and talk, they can end up totally incapacitated purely as a result of the staff's neglect and failure. That surely must be something that can be tackled under the Bill.

Half of care homes in England and Wales are not meeting minimum standards in relation to medication. A large number of patients entering hospital find their conditions deteriorate because medication is not provided on time. I have seen service users behaving bizarrely and becoming aggressive and anxious because their medication has not been provided on time. For me, that is creating a situation where a vulnerable person is being abused and neglected.

We have older people and people with learning difficulties going into hospital who, because of the poor quality of care they receive, develop bed sores. We have people going into hospital who, because of the poor quality of care and the poor quality of nursing staff making sure that they are regularly toileted, become incontinent. That is surely unacceptable and we should seek to utilise the capacity to refer people to the barring board for poor-quality care to stress the need to drive up standards.

I cite another example of a service user whom I worked with. It was felt that abuse had happened within one of the homes in my constituency. The service user had been lying on the floor with his head against a hot pipe. As a result, he had burns on the top of his head. It was thought that that had been a situation of abuse and neglect, where the staff had failed to move the service user and had ignored the fact that he was lying on the floor. As a result, they were suspended and their behaviour examined under protection of vulnerable adults legislation.

I carried out the inquiry into that matter, taking with me one of the directors of the company, who was horrified, when we went through all the documentation relating to what had been going on in that care home for six months, to discover that we had a severely mentally disturbed individual who, on two occasions, had held the entire home at knife point. He had prevented staff from leaving the room and other service users from getting access to care. The staff had failed to call for medical assistance for him even though he was begging for that help and support. In fact, the failure of medical staff to pick that service user up from the floor did not constitute abuse because lying on the floor was part of his normal behaviour pattern, but there was an overall failure to protect a vulnerable adult by not seeking the required medical assistance.

[Mrs. Moon]

I am sure that I am not the only Member who receives regular visits at surgeries from constituents who express concerns about the care in homes where members of their family are resident. Mrs. Bartlett visited my surgery because she was concerned that appropriate care was not provided for her mother, who was not fed and had lost a lot of weight. I am also concerned about day centres for people with learning disabilities. We need checks on those who regularly provide day care for such people and who are not covered by the current regulations.

The independent barring board is not a name that trips off the tongue, but we need people to understand it. We must widen understanding of the implications of providing poor-quality care that leads to abuse and to vulnerable people having less protection and security than they should expect from those charged with their care and protection.

Members have been careful to emphasise the point that no legislation can remove personal responsibility. As parents, relatives or carers, we have responsibility to ensure that those for whom we care are looked after by professionals in a professional manner to the high standard that we would provide ourselves. Through the legislation, we can prevent a repetition of the physical and sexual abuse of children and vulnerable adults in care that happened in Wales in the 1970s and 1980s.

I hope that we shall also put a stop to a practice that is all too prevalent: English local authorities placing vulnerable people in care homes in Wales. In some cases that I came across, such vulnerable adults were not visited for more than 18 years. Local authorities do not follow through on their obligation to ensure that care is of the highest order.

It is important that we ensure that, alongside the Bill, there is a full educational regime so that people understand their rights. Two thirds of children tell no one when they are sexually abused; they do not know how to report that they are being inappropriately touched and abused by adults they trust. Behaviour easily becomes institutionalised in care homes. If a person sees others not being fed or toileted, why would they expect to be fed or toileted themselves? When older people and vulnerable adults do not have the advocates they need, it is easy for their families and friends to be afraid of expressing concern about the care their family member is receiving. They are afraid of being criticised and told to take them away from the institution.

It is important that local authorities take responsibility for their contracts with care homes. I had responsibility for a care home where a local authority was paying for five staff to provide care for one service user because a risk assessment showed that such a ratio was necessary for that person whenever they left the care home and went into the local community. The local authority carried out no checks until it was pointed out that, often, only three members of staff were on duty at the home so the service user rarely left it.

We need to make sure that legislation for vulnerable adults and the implications of the independent barring board are highlighted for bodies that we would not think were normally affected by such measures—in particular, local authority staff responsible for tendering. In my local authority, a tender was put out to taxi firms and a list that was seven years old, giving full details of names, addresses, dates of birth and medical conditions, as well as pick-up, drop-off and return-home times to a range of schools, was circulated to various taxi companies. Some of them no longer existed and some had moved offices, yet they were given access to extremely sensitive information about vulnerable people. It is important that even agencies that we would not normally think had a responsibility for protection are aware of their duties.

It is easy to express concern about a Bill such as this one and to point out that there are aspects that it does not cover. However, we have moved a long way in a short time to provide protection to vulnerable people and we should congratulate the agencies in local authorities, the providers of care and the hospitals and trusts that are working vigilantly and vigorously to raise standards and to ensure that much of the abuse that previously occurred no longer happens. We should welcome the fact that, thanks to the Criminal Records Bureau, 25,000 people who would otherwise have been working in care settings cannot do so.

There have been changes and improvements and the Bill will add to the protection arrangements that we are beginning to set up, but it is only a beginning. Those of us who work in this field are increasingly aware that we must always move on to find new ways of working with people to protect them. The Bill moves on to areas of protection that are needed, so I welcome it.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. The average length of Back-Bench speeches has been 29 minutes. Seven hon. Members are seeking to catch my eye, so I hope that they will take note of the timings.

7.9 pm

Mr. Andrew Turner (Isle of Wight) (Con): It is a pleasure to follow the hon. Member for Bridgend (Mrs. Moon), who has painstakingly—almost painfully—illustrated some of the devastating difficulties that she has become familiar with and that some of us have sadly become familiar with through our surgeries. That sets in context a couple of the rules that I almost invariably come to the House with. One is that there is no problem so great that the Government cannot make it worse and the second is that a Bill that has all-party support is almost certainly either wrong or inadequately scrutinised, or both. This is not such a Bill.

The broad shape of the Bill is reasonable. Difficult judgments have to be made and many difficult lines have to be drawn in what is inevitably a grey area. It is as well to recognise that, although we are working hard to get that right, we might well—on both sides—get it wrong in good faith. Whatever we do and however hard we try, we cannot guarantee safety either for the vulnerable adults or for the children who are the subject of the Bill. The best people to safeguard children are their parents, acting together and making decisions on the basis of their knowledge of their children and of the people who are to work with their children, and, in many cases—let us be honest about it—on the basis of their gut instinct.

A friend of mine had a dog that gave birth to six beautiful puppies a few days ago and she remarked to me how wonderful it was to see that new mother bite the umbilical cord. What taught that dog to bite through the umbilical cords of those puppies? It was nothing other than instinct. The instincts of parents will quite often point them in the right direction. No amount of regulation or legislation can do that.

One of the things that most concerns me about the action of professionals in all sorts of areas is that they inadvertently undermine parents' confidence in their instinct to act in a particular way. We are as bad sometimes, because we illuminate and flag up difficult cases, and we frighten people who need not necessarily be frightened. If they look after their children to the best of their ability and knowledge, they are certainly going to safeguard them more than any number of politicians or professionals can. If they exercise their knowledge of their children and exercise trust in those whom they know, and if they have some choice in where their children are educated, they will be making good decisions. To those who say that most sex abuse takes places in the home, I would mention that most sex abuse that takes place in the home takes place between people who are not blood relations. It is as well that we should recognise that and not use that point as an excuse to undermine what goes on inside the home.

There have been a couple of welcome changes in the Government's position in recent days. One is the recognition that there is a shortage of prison places in this country. The protection of vulnerable people is, in part, assisted by the imprisonment of those who would exploit or abuse them. There is a lot wrong with our prisons, but the aphorism that prison works is certainly true in one respect: it takes out of circulation those who would exploit or abuse young people and adults.

Anne Main: The point about prison, whether it works and how long we imprison people for has been a subject of much debate. For example, in my constituency—I know that this is fairly typical—Mr. Michael Marsh, who had already served a sentence for sexual assault on an 11-year-old and had been let out, was convicted again on Friday for the abuse of a six-year-old boy, but his case will probably be eligible for consideration in 2008, despite the probation service saying that, in its opinion, he will remain a constant danger. Surely that is all part of protecting our vulnerable young people. If those people are in prison, we must make sure that they stay there for the correct sentence.

Mr. Turner: We must indeed make sure that they stay in prison. We must make sure that the judiciary are enabled to imprison them for an appropriate length of time and that the judiciary and the Prison Service are enabled to provide appropriate services in prison so that, for example, prisoners are not shunted from one prison to another in the middle of courses that may be designed to address their offending behaviour. There is a lot that is right about imprisonment, but there are some things that are wrong about the way in which our prisons work and we would do well to recognise those things.

Another way in which the Government are moving in the right direction is when they talk about examining—I hope re-examining, because I hope that this was not ruled out in a knee-jerk reaction in the past—the implementation of Megan's law in the United States or Sarah's law, as we might call it here. Megan's law, or Sarah's law, is not a charter for vigilantes. It gets to the heart of whether people can trust the state. If the state is going to lie to parents when they ask, "Is the man round the corner a sex offender?"—that is what the absence of Megan's law, or Sarah's law, says; it says that the police are going to lie—people will cease to trust the police and public authorities. I strongly advocate that we examine with an open mind whether it is better for people to know who the local sex offenders are than for those matters to be concealed from them and for them no longer to trust public authority. That will lead to people being treated more reasonably, not more unreasonably.

I will illustrate that point with an example from my constituency, where a particularly disgusting offender was released recently. He was released back on to the estate on which he had lived for most of his life. Most people knew that he had offended. In this case, it did not take the police to tell them; they recognised him. Parents knew him and knew that it was appropriate to tell their children to avoid him—just as in villages parents sometimes know and make it clear to their children that it is unwise to visit a particular house as a child on one's own. It is greatly to our advantage to trust people and, in particular, to trust parents with that knowledge. By all means take rigorous measures against those who indulge in vigilantism, but let us start by trusting the people, rather than telling them that they are wrong and that the professionals and politicians know better than they do.

There are two other areas where I fear that there is still a great deal more work to be done with offenders. As my hon. Friend the Member for St. Albans (Anne Main) has just suggested, one area is follow-up for those who are released. It is very concerning that people can be released from prison on parole or probation without even being interviewed face-to-face by the authorities that make that decision. I hope that, in future, in no case involving a child or a vulnerable adult will such parole be given without an interview. I hope that the Minister can give us that assurance from the Front Bench when he winds up.

On the second area in which the Government have not done all the things that they could do, I am sure that the Minister will be aware of the debate on the implementation of the Bichard report, which took place in Westminster Hall on 8 February. My hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) was present. The IMPACT database was recommended in June 2004, with a full business case to follow in March 2005. However, we were told that a full business case still was not in place by March 2006. Has that full business case yet been produced? Has the implementation date for the IMPACT database slipped beyond 2007? I certainly got the impression from the then Minister, the right hon. Member for Salford (Hazel Blears), that the date had slipped to 2010, so I hope that the Under-Secretary of State for Education and Skills, the hon. Member for Gloucester (Mr. Dhanda), can reassure me that I have got that wrong.

[Mr. Andrew Turner]

The Bill contains a wide range of provisions. My hon. Friend the Member for Basingstoke (Mrs. Miller) and the hon. Member for Mid-Dorset and North Poole (Annette Brooke) were right to say that the Bill is too broad and hollow and that it contains far too much regulation-making power, but far too little detail. We want clarity and certainty when dealing with such matters because as hon. Members on both sides of the House have observed, the proprietors of small care homes are not blessed—if that is the right word—with an army of lawyers.

I wonder why governors will come under the provisions of the Bill on regulated activities because they are not normally left in sole charge of individual pupils. I also therefore wonder why governors in schools, but not colleges, will be covered, and why people will be covered if they become governors in 2007, but not if they became governors in 1997. The Bill gives no particular justification for such peculiar arrangements.

My hon. Friend the Member for Basingstoke and the Minister for Children and Families referred to foreign workers. Should it not be an offence under clause 7 for foreign nationals who have been convicted overseas of a crime for which they would be convicted in this country to apply for employment in a regulated capacity? If a person with convictions that are akin to those that would bar a person in this country does any of the things covered by clause 7, surely it should be offence. Bizarrely, it will be easier to employ someone with a Criminal Records Bureau check that is five years old, or indeed someone with no CRB check at all who comes from a country in which records are not kept, than a college leaver in this country, given that the CRB sometimes produces responses to inquiries very slowly. I hope that that matter will be addressed.

Will the Under-Secretary give us some assurances about the behaviour of fellow patients, especially patients in mental health units, and, for that matter, fellow pupils and students in colleges? Health workers and others have a responsibility to those who have been sectioned under the Mental Health Act 1983, for example, to ensure that other people in similar circumstances are not a threat to those patients. If those people are a threat to those patients, health workers and others must be given sufficient information to know that those people are a threat to the patients and must take measures to protect them. Nurses and health workers are sometimes a little too inclined to feel that they must give patients the right to make a choice, rather than protecting patients who are perhaps unable to exercise such choice in the rational manner that we would expect.

Hywel Williams: I fully accept the hon. Gentleman's point about people in psychiatric units. Does he also accept that it is extremely difficult to foresee the people who might be a danger in one way or another? That is one of the reasons why the Government have experienced such difficulty in introducing a new mental health Bill to replace the 1983 Act.

Mr. Turner: The hon. Gentleman is absolutely right. No one is pretending that the problems are easy to solve—I think that the Under-Secretary is agreeing. If the problems were easy, we would have solved them years ago. However, the situation must be addressed.

We need to address children who commit offences against other children. I include in that category lads of 18 who have sex with girls of 14. It is a matter of concern to at least one of my constituents that such circumstances are not only apparently passing unpunished, but unrecognised by a school as a matter about which it should be worried. The issue is not taken sufficiently seriously. The Bichard report said that every case should be notified to the appropriate authorities because only those authorities could assess whether that case was part of a pattern of behaviour. However, some authorities are trying to row back from meeting that requirement by suggesting that social workers should make a judgment, rather than the police. The police are—or, at least, are more likely to be—the people in possession of the full facts about a putative offender. The Bichard report thus said that they should be given such information.

Of course, rightly, not every case will lead to a prosecution. However, a failure to report followed by a failure to prosecute means that those who might turn out to be repeat sex offenders in later life have two opportunities to avoid scrutiny. Of course, not all those who are prosecuted will be added to the sex offenders register, which creates a third route. Additionally, not all those who are added to the sex offenders register will be recorded by the independent barring board because the Bill says that the question of whether even sex offenders between the ages of 16 and 18—such people might have been prosecuted successfully for a sex offence—should go on the register will be a matter of discretion.

I remind the House that Ian Huntley started his offending when he was under the age of 18. As I said earlier, at least one of the murderers of Mary-Ann Leneghan was under 18 when he committed that dreadful offence and at least one of the others had started committing pretty serious offences when he was under the age of 18. I thus hope that the Government will examine how the staff and governors of schools can not only be informed of sex offenders among the pupils at those school, but be empowered to take the necessary steps to restrict the activities of those children, at least while they are on school premises and under the control of the school, so that other pupils can be protected.

We must also address the treatment of young pupils who undertake day-release courses, work experience or link courses in colleges of further education. Several hon. Members have spoken about the 14-to-19 agenda, and many children aged 14 and 15 now take courses in colleges of further education. Some of those children will be segregated from older students—those aged 16, 17 and 18, and perhaps older still—while attending their courses, but not for the entire duration of their time in the college. Not all adults in colleges of further education are covered by the Bill—indeed, it appears to say that if the primary function of the institution is the education of those over the age of 16, that is not a regulated activity. However, there are adults among the teaching and the non-teaching staff, as well as adults and persons aged over 16 among the students, from whom it is reasonable for parents of younger children to expect them to be protected. That concern has been

expressed to me, not by parents, but by staff at my local college of further education, which is an excellent institution that does its best—and has Ofsted reports to prove it—for the students of all ages on its premises. It is a matter of concern that the Bill leaves a void in that respect.

The Bill is well intentioned—it tries hard to draw lines in shades of grey. Nothing in it can or should, as the hon. Member for Bridgend said, relieve parents, employers, relatives—of elderly people, in particular—and carers of their responsibility to do what is right by those for whom they hold responsibility. The Bill needs greater clarity and greater simplicity, and I sometimes think that we need greater humility when proposing legislation of this kind, because we cannot get it right; we can only do our best. In the end, it is families who will protect their children and loved ones better than we can.

7.31 pm

Judy Mallaber (Amber Valley) (Lab): Mr. Deputy Speaker, I apologise for not being here for the Minister's opening speech. I told the Speaker's Office that, unfortunately, I had to attend a meeting with a Minister at the Department for Education and Skills on a local matter.

I intend to speak—briefly, the House will be relieved to know—on some specific points that arise from work that I have been doing with children's charities in recent years, and which I believe are relevant to the Bill. However, I should first say how much I wholeheartedly and warmly welcome the Bill. The safety of children and vulnerable adults has to be a top priority: their interests have to come first. I am proud that our Government have done a great deal on those issues. I am also proud to have been a sponsor of the private Member's Bill on the subject that was successfully steered through the House by Debra Shipley, the former Member for Stourbridge.

I came to the House this afternoon after attending the annual general meeting of the East Derbyshire domestic violence forum in my constituency, at which we launched a poster campaign warning people about domestic violence and offering a helpline. At that launch, I raised the impact on children of domestic violence, because often, if women in a family are abused and beaten, the children are physically and sexually abused, as well as traumatised by what goes on within the family. We are trying to protect vulnerable adults and children in a domestic setting—in their homes. Everyone is entitled to be safe within their home. However, it is also important that through the Bill we are trying to protect vulnerable adults and children in other settings, too.

Everyone has a right to be safe, wherever they are. It is the responsibility of all of us and all the agencies to do everything we can to protect children and vulnerable adults, and everyone must play their part. That is why I welcome the Bill. However, we have to make sure that we get it right and that the agencies work together properly. I am sure that many of the issues that have been raised will be the subject of detailed scrutiny as the Bill goes through its stages. I have three specific points to make which I think are relevant and which I hope will be taken into account.

It is unfortunate that, because of that meeting of the domestic violence forum, I was unable to be here in time for the question asked during Home Office questions on the downloading from the internet of images of child abuse—an important issue on which I and others have been working with children's charities in recent years. We have talked to internet service providers and credit card companies about blocking both the downloading and the financial methods whereby access to such images is gained. We are talking about a huge international industry; it is not a small-scale affair whereby a few images are exchanged, but a criminal industry on a massive financial scale.

Anyone who says that that is not important should remember that every image downloaded is an image of a poor child who has been abused for profit in front of a camera. It is not an easy, victimless crime. There is a victim. As the Bill proceeds, I hope to hear assurances from Ministers that people who engage in downloading images of child abuse will be barred from working with children. Such people have forfeited any right to work with children, and I hope that the Bill will stop them from doing so.

Several of the local GP practices in my constituencies were almost destroyed by a doctor who was found to have downloaded huge numbers of images of children. The case caused massive local trauma. Hon. Members can imagine how the feelings of trust and belief in the local medical profession were undermined. The crime is not victimless. We have to take it seriously.

Hon. Members might recall from January's somewhat feverish debate on people working in schools that one of the cases involved an adult who had accepted a caution for downloading such images. He was found through Operation Ore to have downloaded images from the Landslide site in the United States. At the time, both publicly and in discussions with Ministers I raised my concern about the suggestions that he could have downloaded the images by accident. That excuse is often offered—"My finger slipped and I somehow managed to download those images." Operation Ore showed that that could not have happened: a person who accessed that site would know that they were accessing images of children. No one got caught because their finger slipped, or even if they went back again to check that they really had seen what they thought they had seen; people who have had to accept cautions as a result of accessing those appalling images have done it time and again.

I want to ensure that when Ministers or agencies take advice on who should be barred and who should be on the lists, they are not conned by people saying that they did something wrong by accident. We must make sure that we get the correct information and advice from experts as the Bill goes through.

Tim Loughton: The hon. Lady is making an important point, and I share her concerns. Does she acknowledge the concern that has come to light recently about minors who access extreme images—perhaps by accident—on the internet through a shared family computer and are then the subject of a police investigation, with the entire family being blighted, despite not necessarily having any knowledge of the access, because the computer in their family home was

[Tim Loughton]

used for that purpose? There have been several prosecutions and cautions of people who might in fact have been blameless.

Judy Mallaber: I agree. Those are clearly difficult cases. I do not know all the details, but such circumstances would have to be taken fully into account when the lists are being drawn up and people are being fingered for things that they have done. It is an extremely difficult area.

One source of expertise is the Child Exploitation and Online Protection Centre under the leadership of Jim Gamble, the former deputy director general of the National Crime Squad. There are sources of great expertise on how individuals are trapped both nationally and internationally, and it is important that the Ministers and agencies involved in the Bill make full use of that expertise. During the furore earlier this year, I was not sure that we had joined-up thinking between Departments—that the expertise available to the Home Office, which has done a great deal of work on the issue, was being accessed by the education service. I hope that as the Bill goes through, we will ensure that those issues are fully and properly taken into account.

The second question that I want to raise is one that I am slightly curious about. I am not quite sure whether it is relevant to the Bill, but I have tabled some questions on the subject. I am not sure whether there are any procedures for monitoring candidates for public office who stand for membership of councils or of this House. Perhaps we should take account of finding out whether they are on the offenders register and whether they have been found guilty of any crime of child abuse. I have already raised that question, and perhaps Ministers could look into it.

Finally, I introduced a ten-minute rule Bill—the Licensing of Child Location Services Bill. About half the sponsors of my Bill seem to have wandered in and out of the Chamber during this debate, so I thought that I should use the opportunity of the debate to plug that Bill.

The Bill aims to introduce a licensing system for child tracking services, such as the teddy phone, which apparently give parents peace of mind because the child is given a lovely teddy bear and they can track them wherever that child is. There are meant to be all kinds of control on who is tracking the child, and who is able to give it the teddy phone. The danger is that paedophiles could easily get hold of those licensing systems. In the few weeks before I introduced my Bill, three journalists, separately, managed to put a trace on individuals when supposedly there were controls in place.

There were rather anguished cries in my local newspaper from somebody who is meant to be a prominent child protection expert who is tied up with one of the companies to which I have referred. We hear that all the organisations are very responsible—but some organisations that undertake tracking services have told me, "Yes, we want a licensing system."

I raise that in the context of this Bill because I have read schedule 3, which sets out requirements for people who engage in moderating content on services or websites aimed at, or likely to be used by, children. Typically, these will be chatroom moderators, or people moderating an online discussion forum of some kind.

The provisions in schedule 3 extend to people who control access to such services. Once the Bill becomes law, as I hope will happen, every UK-based person employed to do such work by UK-based companies will have to be CRB checked. Potentially they have access to sensitive data about children. At present, it is merely optional that such checks should be carried out.

It occurred to me that if people who are moderating chat-rooms have access to sensitive and private information about children that should be passed on, exactly the same is true of those who are operating child location services. Part of what I am calling for is a licensing system for child location services to ensure that inappropriate people are not tracking children, and are not using such services to be able to trace children. It is essential that people who work for companies that provide child location services—they might easily be able to find the whereabouts of children, or to have mobile phone numbers for children who are being tracked—should have such information available to them. It is therefore essential that such people should be covered by the provisions that in future will cover the moderators of chatrooms.

I urge the Minister to consider whether the provisions can be extended so that at least I can get a small part of the licensing system for which I am calling included in the Bill. There are several issues that I hope will be examined as the Bill is considered. Apart from that, I welcome the Bill and I wish it good speed in its passage through the House.

7.44 pm

Hywel Williams (Caernarfon) (PC): It is a pleasure to follow the hon. Member for Amber Valley (Judy Mallaber). She made an interesting but short speech. I too shall try to be short. The Bill is significant for us in Wales because of the abuse scandals that have occurred in Wales, and the results of those scandals. We had the Ely hospital scandal in the 1960s, which led to the establishment of the all-Wales strategy for people with learning difficulties. There were the child abuse scandals in north Wales, and there were some in south Wales as well. Those scandals led indirectly to the establishment of the Children's Commissioner for Wales. Those were positive moves, but those were achieved at a tremendous cost to vulnerable people who went through a great deal of suffering before the system changed.

The hon. Member for Isle of Wight (Mr. Turner) spoke about predicting danger. I hope that the hon. Gentleman takes this in the best possible spirit, but with hindsight it is easy to see Huntley as someone with a previous conviction who was clearly a danger. Looking forward is clearly more difficult. We should be careful before we put our trust in systems of foresight. They do not work. I say that as a former child care social worker, an educator of social workers and a sometime member of the social services inspectorate. I also did various other jobs in that field. I hope that I am very modest about my abilities to predict, and also about the abilities of my former colleagues.

I, too, welcome the Bill. Ensuring the safety of vulnerable people should be the highest priority for those who care, for those who manage, and for elected Members and for law makers. As I said, I am a former teacher of social workers. I am familiar with the problematic nature of the relationship between someone who cares and someone who receives care. Keeping that professional distance is one of the most difficult things to teach prospective care workers. They might understand the point, acquire some skills and even acquire the proper attitudes to this difficult question, but putting these things into practice is extremely difficult.

It is my experience that people learn most effectively how to keep that professional distance when the highest standards of good practice are in place within the agency. Whatever formal system we put in place to identify people who might be a danger should not lull us into thinking, "That's the job done." We need to maintain a professional culture within care services, which will ensure an awareness of these issues.

I was reminded, as I was listening to hon. Members earlier, that there is always the possibility of making what is called a class mistake. Looking up at the glass screen that we now have in the Chamber, one might imagine that the people on one side of it are all right per se, because they have passed the test. But that does not actually prevent someone from throwing purple flour at the Prime Minister. We must be careful not to be lulled into a false sense of security. We must ensure that organisations' policies and practice on staff recruitment, management and staff development ensure that there is safety. The culture of the organisation is the strongest ongoing safeguard that we can put into care. That is the culture of care, vigilance and clarity about what is expected of organisations and individuals.

I am sure that many hon. Members have people who are dear to them who are in a vulnerable situation. Both my mother and my brother are receiving intensive care, one in a residential situation and the other at home. The Bill's provisions are of the utmost importance to me and also to other hon. Members and those outside this place. My impression is that the present system has worked fairly well, after a fashion, in most circumstances.

When I was teaching social workers, I used to be frustrated by delays in police checks, as they were then, when I was trying to place social workers in agencies. I understand that things have become a good deal better, but I know that there are still delays. As a Member of Parliament, I was approached by a constituent recently who told me that he had been employed as a bus driver to drive vulnerable people around. He was concerned because he had a conviction for assault. He had not been asked about his convictions. He was not caring directly for the people on the bus, other than that he was driving them. He came to see me because he was in dispute with the Criminal Records Bureau because he thought he had been wrongly described as someone who had a conviction for assault, but that is another matter.

The world might have moved on, but there are still some reasons for concern, including, as I told the Minister for Children and Families and Opposition Members, the employment of foreign workers. The individuals whom I have met in my area are largely employed in homes for the elderly, and are of a high standard—they certainly have a strong work ethic and are eminently good employees. However, full information about them is not available immediately, or even after a considerable period. I accept the fact that the Government are addressing the issue, but may I emphasise the fact that it is a growing concern? As has been said, records are not available in some countries and are incomplete in others.

I should therefore be grateful if, in his winding-up speech, the Under-Secretary responded to the point that I made about the onus being on both the employer and employment agencies. This afternoon, I discussed the situation with a home owner who employed people from the Philippines, but had to wait three months for proper checks to be made, which had an impact on the way in which she planned her work force. She wanted to recruit employees, as she was short of people, but she had to delay the process of appointment while those checks were made.

Another problem that emerged from that discussion was translation. We must consider translation costs and the accuracy of records in other languages. I do not know how the Government can crack that nut, but expertise in translation is available, albeit at a price. Hon. Members on both sides of the House have raised the issue of definition. The hon. Member for Basingstoke (Mrs. Miller) asked what is considered frequent and what occasional. In Wales, a well-organised youth movement, Urdd Gobaith Cymru, which consists of about 30,000 members, holds a cultural festival once a year for four days. It is a residential event, and it is the only time that those children go away with the organisation. Even though the festival lasts only four days, that is enough opportunity for someone with ill intent to perpetrate a crime. I therefore share hon. Members' concerns about the definition of "occasional" and "frequent".

I am concerned, too, about the cost of disclosure and the question of who pays. The other day, I was told that that cost would be about £36. I do not know whether that is correct, but such a sum would be a disincentive for an unemployed person who wants to work in the care sector. I therefore hope that the Government will encourage employers to pick up part, if not all, of the cost, as that would be a useful step forward. Once the Bill is implemented, I hope that the Government will make the utmost effort to make people aware of its provisions and persuade them to acquire information. They should sell this hard, because it is important not only for people who are cared for but for relatives who share their concerns.

Will the Minister ensure that in Wales, that selling or persuasion is carried out through the medium of Welsh? Many vulnerable people in care, including people with learning difficulties and older people who have had a stroke and have lost the ability to speak their second language do not have a practical command of English, so I hope that the Government take the issue seriously. I hope, too, that they communicate with the public as effectively as possible, if only to reduce the hysteria that the issue sometimes provokes.

[Hywel Williams]

I said earlier that my brother receives a great deal of care. He has been empowered—I think that is the word—to employ care workers himself. People are allowed to make direct payments, and some of them receive large sums from the Disability Living Foundation. They are encouraged to employ carers and to play a full part in the planning of their care, so it is essential that they have access to the information on their carers' antecedents. The vetting and barring scheme can be accessed in various ways, and local authorities should be able to act on behalf of service users, for whom they have considerable responsibility.

Finally, may I return to the language question? In Wales, a number of organisations operate through the medium of Welsh, including Urdd Gobaith Cymru, youth clubs, church groups, Sunday schools and so on. Their internal paperwork is conducted in Welsh, so can the Government make sure that they can correspond with the board in Welsh from the outset? The Children's Commissioner for Wales has responsibilities for young children, many of whom do not speak English, and he took great care to ensure that from day one a bilingual service was available, which normalised the use of the Welsh language both for the children and for the organisations that work with them. It is much more effective and cheaper to ensure that a fully bilingual service is available from the outset, rather than tacking something on when people like me start to complain. I therefore make that plea to the Minister, and I would be grateful, too, if he wrote to interested Members about systems of accountability, both to the House and to the National Assembly for Wales.

The Bill's aim is laudable. Implementation will be complex, but it must be completed within a short period, and I hope that the Government will take vigorous actions to achieve that. Members on both sides of the House share responsibility for the measure, and we too should take swift action to ensure that there is protection for the vulnerable people to whom we owe such a duty.

7.57 pm

Margaret Moran (Luton, South) (Lab): May I join my hon. Friends in welcoming the Bill, particularly as the Government probably have a proud record of introducing more child protection legislation than any other Government, which is all to the good? I have a sense of déjà vu about much of the Bill. Indeed, it completes unfinished business, as I helped to steer the Protection of Children Act 1999 through the House with my friend and colleague, the former Member of Parliament, Debra Shipley. I remember our meetings with civil servants in the then Education and Social Security Departments, the Home Office and social services: simply getting those officials round the table was a task in itself, but we wished to highlight the need for joined-up thinking in child protection. In those discussions and our debates in Committee, many of the issues that we have discussed today were raised, including the need to join up disparate lists—that has been achieved by the Bill—and the need for joint working by Departments to ensure that child protection measures were consistent and effective. We highlighted the risk of inconsistencies between various agencies, such as the police, education authorities and schools, and the inconsistencies that might become apparent between police authorities in respect of police disclosures. Tragically, in 2004 Bichard highlighted some of the issues that we had identified in discussions about that Bill, and since then it has been proved that some of those issues could and should have been dealt with earlier.

We are all best with the benefit of hindsight, but it is crucial that after all this time we get it right in this Bill. I will be looking to Ministers for assurances that there will be effective working between the Department for Education and Skills and the Home Office. A number of the child protection issues that have been raised in the debate must be dealt with across departmental boundaries.

There is a huge amount to welcome in the Bill. I am particularly pleased about the provisions on employment agencies, which clause 28 refers to as "personnel suppliers". We discussed some of those issues in the context of the 1999 Act. We know that paedophiles are adept at moving swiftly between employers as soon as there is suspicion about their activities. It is therefore essential that a requirement on employment agencies ensures the disclosure and monitoring of their activities.

I am pleased that the Bill requires school governors to be checked. I have never understood why there has been no formal requirement for all governors to undergo a Criminal Records Bureau check. It is true, of course, that most school governors do not have much unsupervised contact with children. Nevertheless, there are occasions when that happens, and governors have a duty of trust in relation to their role in schools, so they must set the highest standards of child protection. For that reason, we need CRB checks of all our school governors.

I might have misread the clause, but it appears to say that no offence is committed regarding the appointment of a governor that takes effect before the commencement of the Bill. Why will we allow some governors to remain unchecked, but require new governors coming on to school governing bodies to be CRB checked? There seems to be no logical consistency in that.

Mr. Dhanda: My hon. Friend makes a good point, but it is worth bearing it in mind that the scheme applies to between 7.5 million and 9 million people, if we include vulnerable adults as well as children. It will not be possible to encompass everybody in one fell swoop, so we are beginning with new employees, new appointments and people who have just changed position.

Margaret Moran: If I have the opportunity to serve on the Committee, we will no doubt continue that debate. We are speaking about relatively small numbers of school governors.

My second question relates to cost. It is not clear to me from the Bill where the cost of those CRB checks for school governors will fall. Thirdly, I share concerns that have been expressed by Members on both sides of the House about the requirement not applying to colleges, given that there are under-16s going through our colleges.

Ministers will be aware of the concerns of children's charities. The Bill is a key piece of child protection legislation, following intensive media attention. It is essential that we introduce the checking and monitoring outlined in the Bill, but keeping children safe in schools and other settings requires much broader action than the improved vetting of staff. It requires safe recruitment, pre-appointment checks and a child protection mindset in all cases and venues where there are opportunities for unsupervised contact with children. A clear understanding of roles and expectations is needed.

Some of the children's charities are expressing concerns that many of us share regarding the decision-making processes of the IBB and accountability. Concerns have been expressed during the debate about under-18s and the need for a commitment to different legislative treatment of those under 18. There are concerns about the complexity of the scheme.

I and many others worry that employers, especially small employers, will not understand how the different regimes in the Bill affect them. There will be a need for good communication and clear guidance if employers are not to fall foul of the legislation inadvertently and allow those who should be checked and monitored to escape because of a lack of understanding. As I asked my right hon. Friend earlier, how will we monitor the extra safeguards required in respect of controlled activity? How will we ensure that the scheme works in practice and that the guidance that she mentioned in her earlier reply is monitored?

I have a particular interest in online child protection issues, and I commend my hon. Friend the Member for Amber Valley (Judy Mallaber) for raising some of the issues on which she and I and many of the children's charities have worked. I am delighted that one of my ten-minute Bills dealing with online moderation has sprung to life in schedule 3. Moderators are entrusted with safeguarding our children in relation to the online world. When parents know a site is moderated, they assume that it is safe, that their children can chat, as they do, and that moderators are overseeing what is going on in the virtual world. In fact, that is probably one of the least safe environments because parents are not necessarily there to see what is going on, unlike the situation outside the school playground.

Several years ago, I became involved in a project called Kidspeak, which worked with most of the national children's charities to set up a discussion site for children who have witnessed domestic violence. It follows on from one of the first online parliamentary projects on survivors of domestic violence. In setting up a website where children can discuss safely their experiences of witnessing domestic violence, it is essential that the child's confidentiality is maintained and their safety is ensured.

I took the view that we needed the best moderators that we could find. I contacted the then e-envoy's office to ask for a list of approved moderators, only to find that the list contained moderating organisations that had done no checks whatsoever on moderators. In other words, the people ostensibly safeguarding the virtual world and the discussions in which children are involved online had been subject to no CRB checks and, in some cases, were being recruited online, so nobody had any idea who the people were. That is important, because we know that adults have many opportunities in the online world to groom children without any intervention or any checking—sometimes such adults disguise themselves as children, but in this case they would adopt the guise of a responsible adult—which can lead to paedophile activity. I am delighted that the Government have seen the wisdom of my ten-minute Bill. More importantly, the safeguards that apply in the real world will also apply in the online world, which is essential.

The Bill introduces safeguards to UK-based moderated sites, but what will happen when the moderators are not employed in the UK? Many websites and internet service providers employ moderators outside the UK, which places them outside the checking and monitoring regime set up by the Bill. That gap might create an issue, because parents might believe that all websites are now safe because all moderators are checked. We should go further, and I therefore ask the Minister to consider whether websites that do not employ UK-based moderators and are not subject to the regime in the Bill should be labelled to allow parents to make an informed choice. At the very least, we should produce guidance for parents on that issue.

We know that convicted sex offenders frequently commit offences not only in this country, but overseas. It is apposite that we are in the middle of the World cup—I am sure that everyone is watching the football on the telly as we speak; they certainly will be tomorrow—because, without any conviction, football hooligans whom the police deem to be unwelcome in a country can have their passports removed. When convicted sex offenders travel from this country to a country in which they deem it easier to carry out their paedophile activities, however, they are not subject to any such restrictions. Convicted sex offenders currently have to notify the police if they travel overseas for three days or more. We should reduce that period, because if someone hops on easyJet at Luton airport, they can be anywhere in three hours, let alone three days. We should include a provision in the Bill to stop such paedophile activity by taking away people's passports. If such provisions apply to football hooligans, why on earth can they not apply to repeat convicted sex offenders?

This Bill and other Home Office legislation can fill some of the gaps on child protection. When my right hon. Friend the Minister for Children and Families responded to my earlier intervention, she said that those who are convicted of accessing online child pornography will be subject to barring under the Bill, which is important. As my hon. Friend the Member for Amber Valley (Judy Mallaber) has eloquently outlined, such a provision would indicate that we are serious about stamping out online child abuse.

As my hon. Friend the Member for Amber Valley has said, child pornography cannot be accessed accidentally, and it is vital that we bring those convicted of such abuse—those caught by Operation Ore—within the remit of the Bill.

Judy Mallaber: Does my hon. Friend think that not only those who have been taken to court, but those who

[Judy Mallaber]

have accepted a caution should be barred? Most of those caught by Operation Ore accepted a caution rather than ending up in the law courts.

Margaret Moran: The fact that someone accepted a caution for accessing child pornography under Operation Ore does not mean that an offence was not committed—there is plenty of evidence to suggest that some of those cautioned were repeat offenders. As my hon. Friend the Member for Amber Valley has said, the child exploitation and online protection centre takes that issue extremely seriously. Tragically, a three-month old baby was abused in a recent case in Hertfordshire, which is adjacent to my constituency, and the conviction in that case was obtained through Operation Ore, because the offenders repeatedly downloaded child pornography. As the CEOP knows, all too often and all too tragically offences in the virtual world translate into actual abuse in our all too real world, which is why we must tackle online child abuse as hard and as fast as we can, and I commend the Bill and the comments by my right hon. Friend the Minister for Children and Families in that respect.

8.17 pm

Anne Main (St. Albans) (Con): It is a great pleasure to follow the hon. Member for Luton, South (Margaret Moran). I support the principle of the Bill, which I welcome as a parent and on behalf of other parents. We need as many measures as possible to help ensure greater protection for children and vulnerable adults, but, like many hon. Members who have spoken today, I am concerned about how we can make the system work. The Government have a history of introducing legislation to protect children and adults, which is laudable, but such legislation is too often not acted upon speedily or not robustly implemented—feet seem to drag.

The Bill has been a long time coming. The then Home Secretary issued an urgent call for measures such as a single central register, which led to a 20-month wait—the supporting computer system is due to go online six years after that urgent call. I know that many members of the public are concerned about the workings of the computer industry. We rely on IT, but we have not demonstrated to the public that we can make the systems work.

Quite properly, parents expect the highest standards from those who care for children at school. They expect assistants to be screened and teachers to be checked in order to weed out those who might wish to prey upon our children. I shall refer to clauses 8 to 17, which specify that it is an offence for a regulated provider—a school—to permit an individual to engage in regulated activities without first making an appropriate check or receiving written confirmation from a supply teacher agency.

I want to focus on supply teacher agencies, because I am concerned how effective the checks will be. As my hon. Friend the Member for Basingstoke (Mrs. Miller) said, the Government recognised that schools must have confidence in the quality of staff whom they receive from agencies in 2002. Some time ago, I worked as a supply teacher and I welcome the checks that have been introduced since then, but too many such checks are not taken up as robustly as they should be. In recognition of the need for supply teachers to be regulated, the quality mark scheme was established. However, that scheme, which was designed to help to weed out poor agencies, is not being used properly by schools. It appears that many schools pay no attention to whether agencies supplying staff have signed up to it. The Ofsted report—it has been embargoed but we can refer to it—says:

"The exact number of teacher supply agencies is not known, but one official from the DfEs estimates the number to be 300 and another estimated it was 1,500; the DTI suggests 'it is in the hundreds rather than thousands'."

We do not even know how many agencies we have. That is another fundamental flaw. They must be properly regulated and we need clarification on that.

It is also worrying that anyone can set up a supply agency as long as they comply with the legislation. A recent report commissioned by the Government showed that 90 per cent. of schools ignore the quality mark scheme designed to regulate supply agencies and said that only 8 per cent. of schools felt that the scheme was a "very important factor". I suggest that there is a marketing issue here. We have heard that information about the Bill must be made available. We also need to get everybody to buy into the need for proper regulation and checks. More than half of all primary and nursery schools and 80 per cent. of all secondary schools use agency supply staff, with 40,000 people a year working as supply teachers. Many work in schools in all our constituencies. Yet Margaret Morrissey of the National Confederation of Parent Teacher Associations has said that she felt, as a parent and a PTA member, that it was "unforgivable" that supply teachers were working with children before checks were completed. A scheme with the best of intentions is not delivering the reassurances that parents deserve. We must ensure that any new schemes deliver a better service.

On a different note, it appears prominently in the media today—as was mentioned by the hon. Member for Luton, South, who is no longer in her place—that under current legislation only three paedophiles have been banned from taking sex trips abroad. That law was hurriedly put in place three years ago following an outcry against people travelling to abuse in other countries and demands that we should stop people with those intentions. Christine Beddoe, director of ECPAT UK, a coalition of children's charities, described that legislation as

"a cumbersome and unwieldy system"

and said that it does not work principally because there is not enough central intelligence and shared information across the police and the judiciary and between countries. People such as supply teachers are coming from abroad to work with our children, but if we cannot get information on, and let people know about, our own paedophiles travelling abroad, how can we have confidence that we will get all these things to fall into place when we want to be able to screen people coming to work with vulnerable adults? The NSPCC has criticised loopholes in the Bill on the lack of vetting for overseas teachers. I understand that the Minister accepts the existence of that loophole and is reviewing

the process. However, like Christine Beddoe, I am worried that the central intelligence does not exist and hope that robust measures will be put in place to address the deficiencies.

I should like an assurance from the Minister that if we support the Bill it will be robustly implemented and that information will be shared between agencies. We do not want any more cumbersome and unwieldy legislation. The public do not want another great idea or strong headline that in the end does not deliver what we all want, which is to protect our children. We all know that paedophiles will seize every opportunity to abuse children, so we need to deal with the detailed nitty-gritty that stops them from finding the casual camp that operates only for five days, or the Urdd Gobaith Cymru that operates for four days over the festival period of the Eisteddfod. Those are opportunities that paedophiles seize upon. Our children are precious. If the Bill is supposed to deliver robust and effective checks for their sakes, I ask the Government to ensure that that happens. Michael Marsh in my constituency abused, was let out and then abused again, and now may well be let out in 2008. I need to know where such people are and whether they are working with my children and those of others. As has been proved by Age Concern, they may well stop abusing children and move on to work in the adult care industry and abuse elderly adults.

I implore the Government to look carefully at the problems and loopholes that are highlighted in the Ofsted report, which many of us will read in full tomorrow having only glanced at it today. I hope that in Committee the loopholes mentioned by my Friend the Member for Basingstoke will be closed and the terminology tightened so that we do not have another unwieldy, cumbersome, useless, woolly piece of legislation.

8.25 pm

Mr. Adrian Sanders (Torbay) (LD): The Bill is a welcome framework for safeguarding previously unprotected groups. I want to speak about another unprotected group on whose behalf I have been raising questions and for whom the Bill may be a solution—foreign language students who pay to stay with unvetted host families in this country.

The foreign language school industry is important for many seaside resort communities. The largest areas of activity are along the south coast in constituencies such as Eastbourne, Bournemouth and my own constituency of Torbay. Some 22,000 young students aged between 12 and 18 visit my constituency every year, and some £12 million a year goes into the pockets of host families. The industry is worth a significant amount to our economy, and it is to protect it in the future that I rise to ask some questions about the Bill.

The students mostly come from European countries, although more recently they have been coming from further afield. The industry was built up on Scandinavian, French and Italian students, then moved towards those from eastern Europe, and now students are coming from the far east and South America. They stay for two or three weeks, sometimes more, with a host family. It is a great way for families to get extra income by stretching the family budget to put an extra meal on the table in return for a small amount of money—perhaps about £90 a week for a single student or £75 a week for two or more students. The host family is expected to look after those young people, act in loco parentis, take them out, show them around and give them a taste of the life and culture of our country. At the end of a visit of two, three or more weeks, the students will perhaps spend a couple of days in London before flying back to their country.

The students are here to improve their English. The companies that run the language courses are mainly permanent language schools. Most are members of the Association of British Language Schools, but some are not. Those that are members have guidelines on the questions that need to be asked of the host families to vet them properly, but not all companies are signed up to those guidelines.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am interested in the hon. Gentleman's comments. Does he believe that his remarks about the vulnerability of foreign students apply to the many students, travelling both ways, who go on traditional exchange visits between schools and twinning associations? How far does he want to extend that concern?

Mr. Sanders: My interest is in those who come here for two or more weeks on an English language course. Teachers and others who accompany those who travel on school exchanges will clearly go through the system for which the Bill provides. Indeed, existing legislation already covers them. Our remit is not for what happens in another country with host families that English students who want to learn a foreign language encounter.

David Taylor: My point is that the hon. Gentleman refers to families who receive students from abroad as part of a formal training system or course, but that his comments also apply to families who receive young people visiting twin towns. Those families may need to be vetted. The teachers are okay; I am referring to the families who are earmarked to receive young people from, for example, France or Italy.

Mr. Sanders: I take the hon. Gentleman's point and the Government may well need to respond to it. However, I am considering the number of exchanges that can be quantified in the available statistics.

When there is little or no checking, some establishments recruit host families on the streets. Another loophole is that nothing stops an individual setting up a school and advertising it on the internet. Without regulation, there is a potential problem.

The police in my constituency have raised several disturbing cases and some potential cases in the past two years. Their view is that something needs to be done quickly. There have been several incidents of convicted paedophiles, known to the police, being identified as acting as host families. Indeed, in one case, a person on the sex offenders register applied to one of the language schools and specified the age and sex of the child whom they wanted to come and stay. In that case, the police could intervene—they found out about it. However, it is not written down anywhere that that is

[Mr. Sanders]

the police's job. We do not know about the cases that do not come to the attention of the police or other authorities.

In another case, a host was found in bed with an under-age student. I stress that such cases are isolated when one considers the many thousands of foreign students who come to these shores. I do not want to give the impression that there is a massive problem, but it takes only one case to do enormous damage to a young person and the reputation of an excellent industry. The foreign language school industry, when properly regulated and following proper guidelines, is such an industry.

I first raised the matter more than two years ago with the relevant Minister, who, at that time, was the right hon. Member for Barking (Margaret Hodge). I requested and was granted a meeting with her to discuss the concerns of the police in my constituency and I brought an officer with me. She was aghast that such potential for trouble existed in seaside resorts and she promised to raise it with the regulatory body of the English language schools. Unfortunately, for one reason or another, that meeting never took place.

I followed the matter up this year, this time requesting a meeting with the Under-Secretary of State for Northern Ireland, the hon. Member for Liverpool, Garston (Maria Eagle). She too was aghast at this potential loophole and concerned that, even if the Bill covered it, it would be some time before the regulations were in place to protect these vulnerable people.

Annette Brooke: I am sure that my hon. Friend will not be surprised to learn that this issue was discussed during the passage of the Children Act 2004. Yet again, however, the very good proposals put forward from the Opposition Benches at that time were not enacted, possibly with serious consequences. I hope that action will be taken this time.

Mr. Sanders: I, too, hope that action will be taken.

I wrote to the then Education Secretary, the right hon. Member for Bolton, West (Ruth Kelly) about the Bill, when it was in its embryonic stages. I pointed out that it stipulated that, in order for people to be vetted, they should be remunerated in the course of their work, and that a commercial consideration should be involved. Host families to foreign language students are effectively paid only expenses, although for many of them it is paid work, particularly in a low-wage area such as my constituency. I asked whether this would therefore come under the definition of work and, if not, whether there would be any scope for interpreting the Bill more widely so as to protect those students. This is my question for the Government: will foreign language students be covered by the Bill, and if not, why not? If they will, how soon will it be before adequate protection can be put in place?

8.36 pm

Mr. Rob Wilson (Reading, East) (Con): I apologise for not being here for the opening speech of the Minister for Children and Families, the right hon. Member for Stretford and Urmston (Beverley Hughes). Unfortunately, I was delayed finalising a lengthy inquiry of the Education and Skills Committee into special educational needs. If any group needs our support and protection, those with special educational needs are right up there at the top of the list.

As the last Back-Bench speaker in the debate—I shall try not to take it personally, Madam Deputy Speaker—I will keep my comments brief and not repeat the points raised by other speakers. I hope that no one would argue that the new vetting and barring scheme for people who work with children and vulnerable adults was not long overdue. Sir Michael Bichard's report made a number of important recommendations and it has taken us too long to get to the point at which we can say, hand on heart, that our children are safe in our schools. Recent local experience has made me particularly conscious of this and I should like to take a few moments to explain why.

When the then Secretary of State for Education and Skills, the right hon. Member for Bolton, West (Ruth Kelly) confirmed to the House in January 2006 that 88 people with cautions or convictions for sex offences had been banned from the classroom, I immediately wrote to my two local education authorities, and submitted parliamentary questions to the Department for Education and Skills about the issue. In both cases, I was seeking assurances that children in my constituency were not being placed in harm's way or at risk.

I immediately discovered anomalies in the system. For example, many teachers in post since before 2002 had not been checked by the Criminal Records Bureau, because the legislation in force at the time did not require such a check. Furthermore, schools that checked teachers and classroom assistants often did not share the resulting information with their local education authority. When they did, the local education authority had to destroy the information after a short period of time under the data protection laws.

One of my local authorities, Wokingham district council, explained that it was difficult to offer any assurance about children's safety, but said that it would spend £60,000 on checking any staff who had not previously been checked—that is, those who had been employed before 2002. The reaction from Reading borough council was, sadly, very political. Its lead councillor for children's services accused me of all manner of things, saying that I could have asked the LEA's director of education these questions—as he had—and been assured that there were no sex offenders in Reading's schools. He also appeared in the local media to assure parents that no child was at risk. However, when I checked with the director of education, it turned out that the police were still making inquiries, and that those inquiries would show that a sex offender who had received a caution was teaching in a primary school in Reading.

The director of education said that he could not assure anybody or any councillor that children were completely safe in local schools, and only last week, Reading borough council was forced to admit that the department was in chaos. Urgent action is being taken to deal with the deep-seated and deep-rooted problems in the local education authority.

I raise that example because it is important to understand that, no matter how good the legislation—as we have heard from many people tonight, this legislation is far from perfect—its implementation is key to its success. In Reading, the lead councillor for children's services has shown himself to be unfit for public office. Assuring parents that there was absolutely no danger to their children when he knew that that was not the case is unforgivable. He played politics and put children at risk in the most diabolical way.

This legislation will only be as good as the councillors and officers who implement it. My experience is that most councillors do not play politics with the lives of children and let us hope that Reading replaces its lead councillor for children's services as soon as possible so that we can have confidence in the Bill and that it will be implemented properly in my constituency. It is a real test of local public confidence.

That said, I support much of this long overdue Bill. In particular, I support the integration of the various lists in one place and the removal of decisions from Ministers to a new independent body. Giving employers access to "real time" checks on prospective employees is also a step in the right direction, but I must sound a note of caution: the success of the legislation will also rest heavily on the IT systems that lie behind it.

We all know that the Government have form on IT systems, so I seek assurances from Ministers about the successful implementation of this IT project. I am also concerned that it is not expected to be operational for four years. If this IT project goes like many of the others, we can add at least several years to that. What assurances can the Minister give on the timely implementation of the IT project? What impact will not having the IT systems in place have on the rest of the legislation and its implementation?

I have two further concerns. One has been raised by Baroness Buscombe in relation to an adult list and a child list—I shall leave it for now as we are short of time and the Government have said that they will deal with it—and there is a long-standing worry about checking overseas workers.

In recent years, there has been a large increase in the number of overseas workers in the care and education sectors, but there is clearly a concern about getting access to the records of those potential employees. I would welcome the Minister's thoughts on how that issue will be resolved by the Government.

The Bill is long overdue, but I hope that it will pass speedily through the House with all-party agreement and support, once the concerns raised in the debate have been addressed.

8.43 pm

Tim Loughton (East Worthing and Shoreham) (Con): We have had rather a good and well-informed debate, but before I get into my winding-up speech, may I make two points?

First, I congratulate my hon. Friend the Member for Basingstoke (Mrs. Miller) on her debut in responding for the Opposition to the introduction of new legislation. Secondly, I anticipate the contribution of the Under-Secretary of State for Education and Skills, the hon. Member for Gloucester (Mr. Dhanda), who is also making his debut in his new role. I offer him my congratulations, and I am sure that we will see much of each other in Committee considering this and other legislation.

As many hon. Members on both sides of the House have mentioned, we all welcome the Bill. Some of us would have welcomed it being introduced rather sooner—sooner after the publication of the Bichard report on 22 June 2004, which is two years ago this Thursday, and sooner after the conviction of Ian Huntley back in December 2003. However, this is important legislation that takes up, as the Minister has said, recommendation 19 of the Bichard report, which is to set up a single, consistent national registration scheme for those working with children and vulnerable adults, with a single protocol and a single set of arrangements for the inclusion of names on two lists.

It is worth pointing out, as hon. Members have done already, that the Bichard report resulted primarily from the horrendous murders of Jessica Chapman and Holly Wells in Soham, Cambridgeshire, at the hands of Ian Huntley. It is right for the Bill to receive cross-party support if it can make a major contribution to the averting of further such outrages. In that context, it should be seen as a fitting and lasting tribute not only to Holly and Jessica but to all the children who have gone before and since, dying or suffering at the hands of paedophiles and child murderers when more could and should have been done to keep them away from children.

It is our responsibility to ensure that we get the Bill right, not forgetting that the other important part of it deals with vulnerable adults—the elderly and infirm, those with mental illness and those with learning disabilities. Various Members mentioned the close link between those who abuse children and those who abuse vulnerable adults.

The opening speech from the Back Benches came from the hon. Member for Blackpool, North and Fleetwood (Mrs. Humble), who made the relevant point that it is important to communicate the thrust of the Bill and what is expected of people. As she said, that applies especially to smaller care homes. She was the only speaker to mention Army training establishments, and the need to ensure that new recruits are not subjected to abuse. She rightly said that we must avoid the witch-hunt mentality, while also ensuring that vulnerable people who need and deserve our support receive due care and attention.

The hon. Member for Bridgend (Mrs. Moon), who is no longer present, spoke from her experience as a former care home inspector. She gave telling and lengthy details of elder abuse that she had seen with her own eyes while inspecting care homes. With the system as it was, she was unable to secure a police prosecution because of the nature of the service users in the home who could have given testimony. We hope that the Bill will remove that deficiency.

As usual, my hon. Friend the Member for Isle of Wight (Mr. Turner)—I am glancing around the Chamber, but I do not think that he is here either—made some telling points, not least when giving graphic descriptions of what dogs do with their

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umbilical cords after giving birth to lovely furry puppies, as happened in his household during the past few days. He said that this was a well-intentioned Bill that attempted to draw lines in shades of grey, and made the pertinent point that it should not interfere with families who were trying to do the right thing by their members.

The hon. Member for Amber Valley (Judy Mallaber)—who, I am glad to say, is present—spoke about a subject that is dear to my heart: abuse over the internet. I have been to Scotland Yard, and have seen the paedophile unit and the extraordinarily graphic images that are downloaded and exchanged on the internet. As the hon. Lady rightly said, every one of those images represents the abuse of a child for profit somewhere down the line. The Bill, and other legislation that is needed, must clamp down on that abuse of technology. She also raised the interesting question of whether the vetting provisions should apply to potential councillors and Members of Parliament. I am sure that someone will bring that up in Committee.

The hon. Member for Caernarfon (Hywel Williams) reminded us that abuse also happens in Wales. He too brought previous experience in social services to the fore. Like many others, he asked how thoroughly we could vet workers from overseas. Earlier, the Minister had helpfully told us that they would be subject to the same requirements as any domestic applicant for a post. The problem is, how sure can we be of the veracity of some of the documentation and the authenticity of some of the qualifications that overseas applicants claim to have? How much communication will there be between our police forces and police forces in those people's host countries?

Let us remember that paedophiles can be the most devious and ingenious of people. These are people who go out of their way to get around the system, and it will be rather easier to do it in this country if they have come from another country. The vast majority of people who come to our country, work in public service and come into contact with children and vulnerable adults are absolutely genuine and have the best intentions; but—just as with some in this country—some do not, and they should be subject to the same rigorous checking as everybody else. We must find new methods of making sure that the system is up to muster.

The hon. Member for Luton, South (Margaret Moran), who is also not present, discussed the issue of online child abuse, which is particularly relevant. I am especially pleased to have been present for the contribution of my hon. Friend the Member for St. Albans (Anne Main), whom we welcome back after her recent spell away. Her absence has certainly done nothing to diminish her forcefulness, as the points that she made in this debate showed. She spoke from personal experience about the need for the proper vetting of supply teachers, given the laxity in the monitoring of supply-teacher agencies and the apparent failure of the quality mark scheme to address that issue. She also mentioned sex tourism.

The hon. Member for Torbay (Mr. Sanders)—he, too, has disappeared before my winding-up speech; I will take that terribly personally—raised the subject of English language schools and exchange students. Will families who play host to exchange students—that happens a lot in my constituency and in other south-coast constituencies—be subject to the checks mentioned? Is it necessary that they be subject to them? We need to investigate that matter further.

Typically, my hon. Friend the Member for Reading, East (Mr. Wilson) had done his homework following pronouncements by the former Secretary of State about what will be required of schools. My hon. Friend made the telling point that implementation will be crucial and will only be as good as the people doing the implementing—be they councillors, council officers or other professionals in the field.

The Opposition will pursue all the points mentioned, and others, constructively, so as to provide positive scrutiny and to ensure that this legislation "does what it says on the tin". However, I should point out that we witnessed some posturing from Government Front Benchers at the beginning of the debate. It would have been useful if all Members had had all the information available to ensure that our debates were as well-informed as possible. An Ofsted report that is very germane to our debate is to be released at one minute past midnight tonight, and such timing must be down to the Secretary of State for Education and Skills. Embargoed copies of it were sent not to Opposition Front-Bench spokesmen—neither my party's nor the Liberal Democrats'—they were sent only to the press. However, the Government have been hoist by their own petard, because the press has leaked that report back to us.

The Government have form in this regard. On Second Reading of the Children and Adoption Bill a few months ago, the Minister for Children and Families mentioned, to further her case, a report that had been released that morning on the internet. That report had not been given to the Opposition or to any other Members of this House, yet it was essential to the matter that we were discussing. Such things must stop. Why is the Ofsted report to be released just after this debate has taken place? Does the Minister not agree that it would have been beneficial to the debate if all of us could have shared in its contents? I do hope that, if any other germane documents come out, they are made available to all members of the Committee as we scrutinise this Bill.

Beverley Hughes: Does the hon. Gentleman not accept that when I made my opening remarks, I said that Ministers would have preferred the report to have been in the public domain before this debate, but that that was not in our gift? I suggest that he talk to the hon. Member for Havant (Mr. Willetts), his party's spokesperson on education, who will then inform him of what he was told this morning by my right hon. Friend the Secretary of State about the efforts that we did in fact make to ensure that Ofsted published the report before now. Ofsted decided, however, not to do so.

Tim Loughton: It is unfortunate that the Department for Education and Skills is unable to persuade Ofsted of the importance of that report to the Bill. It is extraordinary that it is to be released within three

hours of the end of this debate. That is the point that we are making. We have had crocodile tears from Government Members, but they are hoist by their own petard when embargoed copies of reports not made available to Members go to the press instead. It is the press that has leaked them back to Members, who should have had them in the first place.

I shall put down some benchmarks for our scrutiny of the legislation in Committee. First, will the Bill work to keep paedophiles and abusers—potential and known—away from children and vulnerable adults? Secondly, will it maintain a fair balance between the rights of individuals to go about their business unless and until they are proven to be a risk and the safety of vulnerable children and adults? Essentially, is it workable?

Thirdly, are the Government truly committed and on track to producing the structures that are essential to delivering such a vast enterprise? Enforcement is particularly relevant as is the workability of the sophisticated computer system required, which several hon. Members have mentioned? I was glad to hear the Minister mention the importance of the people on the ground who will be putting the Bill into effect. We should also bear in mind the Government's track-record on delivering large-scale public service computer programs, as it is not exactly exemplary.

I read in my local newspaper today that the Sussex police have revealed that the installation of a new computer system is running more than two years behind schedule for the £2.3 million crime and intelligent computer system called Project Nemesis. Time and again, such computer systems leave a lot to be desired, but this one is essential to the success of the project—*[Interruption.]* I note that the Secretary of State is shouting from a sedentary position about other computer programs, all of which pale into insignificance beside the £6 billion—or is it £12 billion?—spent on the national health service computer system, which is years behind schedule and is not guaranteed to work. It is the biggest single computer project that has happened to date, but it is not up and running and it has cost all our constituents as taxpayers an awful lot of money. It has not succeeded yet—*[Interruption.]* Before the Secretary of State gets too excited, he needs to put it all into perspective. Let us not forget that, however proficient a computer system, it will count for nothing unless the quality of data inputted is up to scratch and the resources and professionals in the field are in place to act effectively afterwards.

Fourthly, will the Bill streamline the current chaos over who is responsible for monitoring which paedophile is where, and establish exactly what they are entitled to do? That problem gave rise to the Government's belated urgency, when the worrying revelations about paedophiles working in positions of trust alongside children hit the headlines at the beginning of the year. It was at that point that the public at large started to hear about the POCA list set up in 2000. I understand that, up to the end of last year, some 1,276 persons were listed. People heard about the POVA list set up under the Care Standards Act 2004 and list 99, which has more than 4,000 persons on it. They heard about the sex offenders register, which had grown from 18,513 in 2001 to 28,994 in 2004-05, and about assorted other lists and Criminal Records Bureau check lists and so forth.

All that gave rise at the beginning of this year to rather more questions than the revelations answered. How could anyone listed on one of those lists get a job working in a school, for example? How is someone's name entered on the list and how is it removed from it? To what extent is information shared between the lists? Who is entitled to access the lists in any case and what responsibilities do they then have for employing or sacking such a person? Given that a CRB check is effectively out of date the day after it has been processed, how is information on the lists kept up to date? What role do Ministers have in monitoring or overruling the decision to include or exclude someone from these lists and what discretion do they have to sanction employment in spite of a listing? At what stage is someone's name added to one of the lists and what safeguards are there against vexatious allegations? What appeal mechanism exists for someone who has been wrongly accused and included on a list?

To her credit, early this year, the previous Secretary of State got to grips urgently with the problems relating to persons employed in schools, but many of us were worried that the Government were neglecting problems in other sectors of public service, especially and not least in the health service. Our worries were compounded when a Health Minister, Lord Warner, admitted at the Dispatch Box in another place that he had no idea how many people cautioned or convicted of a sexual offence were working in the NHS, let alone those who came into regular contact with children. He seemed to lack any sense of urgency about finding out the possible level of the problem, let alone doing something to sort it out.

Teachers and teaching assistants are obviously important—that was the main thrust of the complaints made at the beginning of the year—but the problem also involves private tutors, self-employed music teachers, 1.3 million people working in the NHS, doctors, nurses, dentists physiotherapists, social workers, foster carers and so on. We are relying heavily on the Bill to address all the questions and issues that arose at the beginning of the year and more. A lot is riding on it. We need a reliable system that can be more proactive, rather than reactive, to harmful behaviour.

Some improvements were made to the Bill in another place, but a number of issues are still outstanding; we shall seek to raise them in Committee and they are shared by various children's organisations in particular. Many hon. Members have mentioned those shortcomings. Too much of the detail is left to regulation, and given the length of time that the Government have had to think about the issue since the Bichard report, we want to tie them down to putting more of that detail into the Bill.

Liberty has raised some serious, legitimate concerns about the scope for automatic inclusion on the barred list and the need to protect the innocent from ill-founded allegations and to respect people's privacy and so on.

We welcome this belated Bill. We will ask many questions in Committee about exactly what it will mean in practice. We want much more detail and reassurances about the balance of civil liberties against

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protection and proportionality. We want to instil a culture of vigilance, not to provoke an atmosphere of fear and freelance accusations; but the proof of the pudding will be in the eating, and the Bill's effectiveness will rely not just on new boards, new computer systems or new rulebooks, but on the people who are responsible for reporting information, gaining access to its findings and intervening and acting where appropriate.

We will scrutinise the Bill constructively, and I hope that the Government will accept some of the constructive amendments that we want to make. We owe it to all those victims of abuse in the past—young and old—to ensure that the Bill works and is not just another headline.

9.2 pm

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Parmjit Dhanda): I shall seek to take some heat out of the debate by thanking the hon. Member for East Worthing and Shoreham (Tim Loughton) for welcoming me to the Dispatch Box. The debate was opened for the Conservatives by the hon. Member for Basingstoke (Mrs. Miller), who peppered us with quite a few questions, and I am looking forward to hearing quite a few more from her. I gather that we will face each other across the Dispatch Box again tomorrow, as well as in Committee for some time.

One of the hon. Lady's opening questions was about the IBB's role and to what extent Parliament will have influence over its powers. The barring board will be independent and make its own decisions. Sir Roger Singleton is assisting with decisions on list 99, and we hope to build on that work. An expert panel has been set up already with the IBB. I am sure that one of the things that we will discuss at great length in Committee is the IBB's role and how those decisions are made, as was the case in another place, but I will be impressing on hon. Members on both sides of the House that it is very important to allow the IBB to get on with its job in an unfettered way.

The hon. Lady spoke passionately about vulnerable adults at the beginning of her contribution. I agree with her in that the Bill is not just about children, but about vulnerable adults. In that context, she mentioned family relationships and the method of scrutiny, and the barring that will be used when someone employs or utilises a member of their family. It is not the purpose of the Bill to intrude on family relationships, and we do not intend to do so.

Bob Spink (Castle Point) (Con): On that subject, does the Minister agree that elderly people who use the direct payment scheme need to be protected and informed better, and that that is a gap in the legislation at the moment, which I generally welcome? I hope that that matter will be dealt with in Committee.

Mr. Dhanda: I totally agree. We will work with local authorities to ensure that advice is available to people receiving direct payments, so that they have the option to make that choice and to make that check if they wish to do so.

David Taylor: Does the Minister recall the series of programmes entitled "Britain's Secret Shame", which revealed to many people the extent of elder abuse that exists, sometimes within the family? Opposition Members have made that point. If the Bill is not going to tackle that—and I understand why it might not—might that not strengthen the need for an older people's rights commissioner in England to prosecute and to promote their interests, as we are seeing in Wales and elsewhere?

Mr. Dhanda: My hon. Friend makes an important suggestion for debate. We have had that conversation on a few occasions, and I am sure that he will continue to make the point on other occasions, but I do not think that it is germane to this debate.

The hon. Member for Basingstoke talked about those involved in controlled activity and what recourse there would be against those who do not establish measures to ensure that barred people are working with secure measures in place. The power of deregistration is there, and could be used if they do not employ people in an effective way, and with those safeguards. She talked about terminology, as did many hon. Members. I entirely accept that point. I am sure that we will return to it in Committee, because it is a complex Bill and many complex terms within it need to be fleshed out.

My hon. Friend the Member for Blackpool, North and Fleetwood (Mrs. Humble) made an excellent contribution. She said that the IBB must look at all the information that is available to it. That is a key change being brought about by the Bill, which will allow more information than ever before to be presented by people who are in a position to bar. It will be about not just convictions but cautions and allegations, which the IBB can consider as well, so that was a relevant point.

Mr. Stewart Jackson (Peterborough) (Con): I congratulate the hon. Gentleman on making his ministerial debut tonight. Is not the Achilles heel of the legislation that we are focusing on domestic issues and domestic security checks? As he may know, more than 200,000 people have come from the EU accession countries over the past two years. If he listened to the "File on 4" programme yesterday, he would know that there are no feasible checks being made on those from the EU8 accession countries. More to the point, the UK Government have exempted themselves from the pilot project to share criminal information about EU subjects. What does he think of that?

Mr. Dhanda: The hon. Gentleman makes a pertinent point, which I will come to later, because it was made by hon. Members on both sides of the House.

My hon. Friend the Member for Blackpool, North and Fleetwood mentioned posts in day centres that are not covered. In clause 14, there is a range of areas that are not covered as of now, but are covered by a sunset clause. The idea is to cover those other areas over time. As I said earlier, there are between 7.5 million and 9 million people involved in work with children or with vulnerable adults in one way or another, so it will not be possible to legislate to cover all those people in one fell swoop. It will take time.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) made a similar point to the hon. Member for East Worthing and Shoreham about Liberty and its views on an absolute bar. Last night I read the briefing from Liberty, but I disagree about where we are legally; it is possible to have an automatic bar without the right to make representations. Indeed, the British public would certainly express their opinion to us if, for example, we did not automatically bar child rapists without the right to make representations. Those are just the sort of people whom we want to reach with an auto-bar, without the right to make representations. We are talking about a shorter list of bars than those under list 99, but there will be other provisions—a bar with right to make representations and a discretionary bar in respect of under-18s.

The hon. Member for Mid-Dorset and North Poole mentioned clarity of terms and the need to flesh some of them out. That happened in Committee in another place, and we shall have further opportunities to do it in Standing Committee. She also mentioned costs. The cost of the scheme is between £16 million and £18 million a year for the first five years, with start-up costs of about £16 million over the first three years.

My hon. Friend the Member for Bridgend (Mrs. Moon) made a passionate speech about her constituency, and circumstances that had occurred there. She pointed out that we need an effective communications strategy to explain to people what the Bill will mean to them. I can assure her that we intend to have one. She also said that the Bill should be proportionate, and that we do not want people to be barred for applying sun cream. That is part of the reason why an independent panel of experts will make the decisions, and it is right and proper that such people should be involved.

My hon. Friend asked whether there would be a single system to cover England and Wales. There will. Furthermore, similar legislation is being planned in Scotland. There will be legislation that mirrors ours in Northern Ireland too, so we shall be able to work closely together across the countries. Like me, she pointed out that, over the last 12 months, the CRB blocked 25,000 inappropriate employees. That is in stark contrast to the number of headline-grabbing cases of mistaken or duplicate identities, which accounted for only 0.03 per cent., so I thank my hon. Friend for making that point so cogently.

The hon. Member for Isle of Wight (Mr. Turner), who is not in the Chamber, made some interesting points during the debate. I agreed with his point about scrutiny. As he said, the Bill has been well scrutinised and we shall continue to look at it closely. He asked whether under-age sex—for example, between a 14-year-old girl and an 18-year-old boy—should result in an auto-bar. I am content that a discretionary approach is best for under-18s—children—rather than a one-size-fits-all structure.

The hon. Gentleman also mentioned school governors. They will be covered by the scheme, but we will not work retrospectively straight away. We will deal first with new appointments and cases where someone has moved from one post to another.

My hon. Friend the Member for Amber Valley (Judy Mallaber) raised three issues in a concise but effective speech. She referred to child pornography, and I can confirm that there would be an auto-bar with right to make representations for those convicted of such offences. She asked whether councillors and Members of Parliament should be vetted. The scheme applies to people with day-to-day, regular, frequent involvement with children or vulnerable adults. I am sure that, as has been said, we will return to that in Committee, but it is not entirely germane to the legislation.

Along with my hon. Friend the Member for Luton, South (Margaret Moran), my hon. Friend the Member for Amber Valley made a point about chat rooms, which we also intend to take a closer look at in Committee. The matter has been discussed in another place, but there are some issues involved—not least whether we would be giving false security to parents who feel it is okay for their children to go into a chat room because they think that it is moderated, but who are not aware that it is not really moderated, because the moderator is in another country and hence not under our jurisdiction. Those are all issues for another day, and I am sure that we will discuss them in Committee.

Judy Mallaber: Will my hon. Friend meet me to discuss the particular point that I raised about extending the provisions requiring CRB checks of chat room moderators to those who work with electronic child location services that are used to track children? On child abuse images, will the provisions cover those who have accepted a caution and therefore accepted their responsibility for having downloaded images, or only those who have been taken to court?

Mr. Dhanda: As I said earlier, cautions and allegations are part of the Bill and things that the IBB can consider, as well as convictions. I am happy to meet my hon. Friend to discuss the matter in more depth later.

Bob Spink: Will the Minister give way?

Mr. Dhanda: I want to make a little progress, because I know that I am close to my agreed time.

My hon. Friend the Member for Luton, South—she is experienced in these issues and has tabled a ten-minute Bill on online moderation—asked about CRB checks for governors, and whether there would be a fee attached. I can assure her that there will be no charges for volunteers, and governors come under that heading.

The hon. Member for St. Albans (Anne Main) talked about agency staff. I can assure her that agency staff are covered by the Bill and that an agency will be breaking the law if it employs a barred person. Those concerned are subject to the same fines—and even imprisonment—as anybody else if they break that law.

The hon. Member for Torbay (Mr. Sanders) made a point about students from abroad who come to this country. I can confirm that if the carers for those students are frequent carers, they will also be covered by the Bill.

The hon. Member for Reading, East (Mr. Wilson) made a good point about implementation and I agree

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that implementation is key. I have already met people from the Home Office and the Department of Health to talk about that.

The hon. Member for Peterborough (Mr. Jackson) made a point in an intervention about overseas staff generally. That is a fair point, and we will return to it in Committee, although the CRB is extending its work and is able to make checks in 21 countries. I accept that, in a global world and a global economy, that will become a bigger and bigger issue. I am happy to revisit the matter in Committee.

The hon. Member for East Worthing and Shoreham made a pertinent point at the beginning of his contribution, when he mentioned Holly and Jessica and the importance of making this a Bill that will ensure that circumstances such as those in Soham can—we hope—never occur again. We all share that hope and aspiration, which is why I am particularly grateful to my hon. Friends in the other place, and also to members of the Opposition, who have done a good job in refining the Bill. There have been some concessions along the way. We are in a much stronger position now. The Bill is good and effective, and I look forward to working with Members from both sides of the House to help to ensure that it becomes an Act. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

SAFEGUARDING VULNERABLE GROUPS BILL [*LORDS*] (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(6) (Programme motions),

That the following provisions shall apply to the Safeguarding Vulnerable Groups Bill [*Lords*]:

Committal

1. The Bill shall be committed to a Standing Committee.

Proceedings in Standing Committee

2. Proceedings in the Standing Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 13th July.

3. The Standing Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of any Message from the Lords) may be programmed.—*[Mr. Heppell.]*

Question agreed to.

SAFEGUARDING VULNERABLE GROUPS BILL [*LORDS*] [*MONEY*]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a) (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Safeguarding Vulnerable Groups Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenditure incurred by the Secretary of State in consequence of the Act, and

(b) any increase attributable to the Act in the sums payable under any other Act out of money so provided. —*[Mr. Heppell.]*

Question agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Northern Ireland

That the draft Water and Sewerage Services (Miscellaneous Provisions) (Northern Ireland) Order 2006, which was laid before this House on 5th June, be approved. —*[Mr. Heppell.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Income Tax

That the draft Partnerships (Restrictions on Contributions to a Trade) Regulations 2006, which were laid before this House on 27th April, be approved. —*[Mr. Heppell.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Lord Chancellor

That the draft Lord Chancellor (Transfer of Functions and Supplementary Provisions) (No. 3) Order 2006, which was laid before this House on 17th May, be approved. —*[Mr. Heppell.]*

Question agreed to.

Nuclear Waste (Scotland)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Heppell.]*

9.20 pm

John Robertson (Glasgow, North-West) (Lab): I welcome the opportunity to debate a matter of absolute importance. It is fortuitous for someone who has such a large speech that we have managed to acquire extra time for the debate. I have warned the Minister that that will give me the opportunity to clear the air on a variety of subjects. I know that he will answer my questions, so perhaps I will give him a little bit of extra time to allow him to do so. As you know, Madam Deputy Speaker, I am known for my consideration of others, and tonight will be no exception.

Our future energy policy is of paramount importance to this country. However, I wish to further the debate in the context of responding to many arguments against nuclear build. I emphasise that waste and nuclear build must be treated as two separate issues. That has not been made clear to the general public, but it is a vital point that must be addressed.

Angus Robertson (Moray) (SNP): Will the hon. Gentleman give way?

John Robertson: The hon. Gentleman cannot possibly have a question about my opening remarks. If he is going to be helpful, I will allow him to get in. Is he going to be helpful?

Angus Robertson: I will be, as I always am to fellow Robertsons. The hon. Gentleman says that build and waste disposal are two separate issues. However, the First Minister of Scotland, Jack McConnell, says that that is not the case. He thinks that it is absolutely essential to know what will happen regarding waste disposal before one talks about build. Is the hon. Gentleman disagreeing with the First Minister?

John Robertson: Once again, if the hon. Gentleman had waited until I had got into my speech, his questions would have been answered, although I am not saying whether that would have happened on the first or 31st page. If he is willing to wait, I guarantee that he will get his answer—perhaps somewhat sooner than later.

Misinformation and scaremongering seem to be regarded as legitimate and acceptable by environmental groups in their attempts to frighten and mislead the public and thus encourage the population to reject nuclear energy. The propaganda is continuous and unrelenting, and, unfortunately, it creates the best headlines in the media. The best example of the media trying to exploit division on nuclear energy was seen in a BBC news article that was published on 12 May 2005. The First Minister was quoted as saying:

"The Scottish Executive has the power to stop nuclear power stations being built whatever the Westminster Government decides."

The waste in question seems to appear out of thin air, instead of being the result of nuclear plants that are operating in Scotland and the UK for the benefit of the Scottish and British economies. Nuclear energy has provided more than 50 per cent. of Scotland's electricity needs since the first plant at Chapel Cross was opened. Hunterston, Torness and, of course, the experimental fast breeder reactor at Dounreay all contribute not only to power generation, but, substantially, to the economic well-being of thousands of workers involved in the nuclear industry and their families.

If the communities in those areas were asked, I am sure that they would give their approval to new nuclear build on existing sites. The highly skilled workers should be applauded for their contribution to electricity production and the benefits that their endeavours have brought in terms of strengthening the local and national economy. The workers and their families know that any incident, however small, will be reported in the most sensationalist way by the press and media. If those reports were correct, working in a nuclear power station would be the most dangerous job on the planet, but workers, families and communities know the industry and they know that, without proper safety procedures, any industry can be dangerous: ask those who live alongside and who work in the nuclear industry—they are the real test. The workers are sick of hearing about the dangers and the threat of Armageddon. We should applaud them for the contribution they make to our nation—and by that I mean the United Kingdom.

On 12 July, the nuclear workers campaign will lobby Parliament. I support the campaign and have arranged a meeting with the Prime Minister so that the workers can relay their concerns about meeting the UK's future energy needs. The workers will then head to No. 10 Downing street with a petition signed by more than 10,000 people who live around the nuclear sites. We must applaud the workers for their efforts. Nuclear is their livelihood and that of their communities and we must help to protect it.

However, headlines such as "Nuclear plans could generate rift" seek to present tensions not only between the Scottish Parliament and Westminster, but within the Scottish Executive. The media have latched on to a statement by the First Minister that the Scottish Executive will not agree to planning consent for new nuclear build until a solution to our nuclear waste legacy is in place. According to reports emanating from the Committee on Radioactive Waste Management, geological disposal could be some way off. I ask both the First Minister and the Under-Secretary of State for Scotland to clarify their positions, acknowledging the situation in respect of planning permission and accepting that the Scottish Executive could prevent the building of any new nuclear power plant. It will also be important to know their views on the recommendation when it is published by CoRWM.

I realise that the Scottish Parliament may not have a majority in favour of nuclear build at present, but we need a public debate on our energy choices. In my opinion, confidence in the public when faced with the facts would win the day. It is clear that the Scottish Parliament wants the rest of the country to look after the waste. My view is clear: regardless of the time span, if there is agreement to a long-term solution, that should be sufficient to resolve the problem.

[John Robertson]

I am aware that there are those in other political parties who, regardless of CoRWM's report and the adoption of a solution to the disposal of nuclear waste, will oppose new nuclear power stations. I am also aware that our coalition partners in Scotland have indicated that nuclear energy will be an issue in the 2007 Scottish Parliament elections. I say to them: let battle commence—I look forward to it. But let us have less rhetoric and more truth.

Angus Robertson: Of the 33 potential high-level waste dump sites in the United Kingdom, 22, or 67 per cent., are in Scotland and, interestingly, 15 of those 22 are in Liberal Democrat-held constituencies. Is the hon. Gentleman surprised that not a single Scottish Liberal Democrat MP is here to hear this important debate between the Labour party, which is now in favour of nuclear waste dumps in Scotland, and the Scottish National party, which is opposed?

John Robertson: It is usually us saying that the Scottish National party does not turn up for debates. It makes a pleasant change to have a go at another party. I shall go into detail about the sites and the so-called sites that the hon. Gentleman mentioned.

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Gentleman on securing this important debate, to which I am listening with huge interest. He rightly states that half of Scotland's electricity comes from nuclear plant. We are all aware of the increasing importance of carbon-neutral generation. If nuclear plants were phased out, and without new nuclear build, how would Scotland replace that carbon-neutral generation with alternative carbon-neutral generation?

John Robertson: I thank the hon. Gentleman for his contribution. I understand where his error comes from. Scotland contributes to the national grid and is a supplier, not a receiver. In effect, we could close two power stations in Scotland and still meet today's output. But as with other nuclear power stations—Torness and Hunterston—that were decommissioned, their output would have to be replaced. The figures that we have at present do not take into consideration the 1 per cent. increase that is expected in electricity needs for the country in each successive year. We would have a problem in Scotland if no nuclear build went ahead, as will probably happen.

If, God help us all, we ended up with a completely independent country, the Government would have to decide whether they should build nuclear power stations. Thankfully, I know that people in Scotland are not that stupid. It is likely that we will continue on our current path.

Nuclear waste management has been an issue since the first reactor was commissioned in England in 1956. At the end of 2005 there were 443 nuclear power plants in operation throughout the world. There were 103 in the United States alone, with another 25 under construction in Japan, India, South Korea, China and Finland. Environmental groups, whose views are often reflected in media reports, state that the majority of the public are against the idea of new build. I believe that the jury is still out on public opinion and that once the issues are in the public domain the vast majority will recognise the benefits in security of supply and a reduction of carbon dioxide emissions. That is essential if we are to meet our environmental obligations.

The fact still remains that even if those who are entirely against nuclear power were successful in preventing new nuclear build, the disposal of nuclear waste will remain an issue facing not only the United Kingdom, including Scotland, but each of the 32 countries currently using nuclear energy to enhance their energy portfolio. The establishment of CoRWM by this Government was a necessary decision, even if it was a difficult one. It has created an opportunity for the most comprehensive and wide-ranging public debate on possible solutions for the disposal of our existing nuclear waste legacy.

The Government acted, and should be congratulated on acting where successive Governments failed, to seek a solution to the nuclear energy legacy. From as far back as 1976 the Royal Commission on Environmental Pollution advised against the expansion of nuclear power until a safe method was found to contain radioactive waste, but nothing was done. With the establishment of Nirex in the 1980s, it was hoped that a solution could be found for radioactive waste disposal. To its credit, it began examining the best method for disposal and was involved in substantial research into various options, including shallow disposal methods. Unfortunately, it did not manage to involve the public in an open and transparent debate. This failure led to widespread opposition and a change of course in 1987 led to Nirex investigating the solution of a deep repository for all types of low level and intermediate level waste. Its investigation was extremely comprehensive, with more than 500 potential sites being considered for their suitability for the disposal of low level and intermediate level waste. Those are the sites to which the hon. Member for Moray (Angus Robertson) referred.

In June 2005, Friends of the Earth issued a press release, "Secret N-Waste Dump Sites Revealed", which said that 537 locations throughout Britain had been identified as potential sites for disposing of the UK's radioactive waste, but it failed to mention that those sites were considered for the disposal of low level and intermediate level waste. It failed to mention, too, that the investigation was completed in 1991, and that the only area selected by Nirex to develop an underground rock laboratory to ascertain site suitability was near Sellafield. After planning permission was refused, that application was the subject of a public inquiry, after which the application was rejected.

That is typical of the way in which the debate has been handled in the past. It is time to tackle the scare stories, myths and misinformation head-on. I urge the Government to ensure that the debate on nuclear energy and the disposal of waste is conducted in an open, transparent and factual manner. I am confident that, if the facts on climate change, security of supply and the reduction of CO_2 emissions are made clear to the public, they will support our policies on nuclear energy and nuclear waste disposal. It is of fundamental importance that we inform the general public of why the UK may support the replacement of existing

nuclear power plants, but that information should be based on fact, not the misinformation in two recent Friends of the Earth press releases.

Friends of the Earth tried to make a story out of nothing in another press release to further its opposition to nuclear power, just as the hon. Member for Moray did earlier. The fact that 537 sites had been investigated did not mean they were suitable for the disposal of nuclear waste, but Friends of the Earth did not let the truth get in the way of a good scare story. It warned that many sites could be considered in future. It arrived at that conclusion because, when Nirex was asked whether the geology had changed, the answer was "no". Friends of the Earth made the logical deduction that, as geological change had not occurred, those sites could be considered in future. It had forgotten that the issue was first considered in 1991, when all the sites were rejected, and only one was the subject of an application. Ministers denied the argument advanced by Friends of the Earth, but that was irrelevant to the organisation. It had decided that it would make a good story in support of its opposition to nuclear power. The media swallowed that story hook, line and sinker.

In that press release, Friends of the Earth claimed to support action to achieve the safe, long-term management of existing radioactive waste but, amazingly, it did not indicate what method it supported. I doubt whether it would support anything. Instead, it offers rhetoric, with little regard to the energy needs of the people of this country. What can we do with existing nuclear waste, and when will Friends of the Earth provide the solution that it allegedly supports? Doing nothing is not an option, so how does Friends of the Earth suggest we deal with our nuclear legacy? What solutions does it support and what is its policy on a long-term solution to nuclear waste? Can my hon. Friend the Minister assure the House that Friends of the Earth and its cohorts will not delay the planning permission required to meet the needs of the nation?

In another press release, dated 27 April 2006, Friends of the Earth calls for urgent action to safeguard Britain's highly dangerous nuclear waste. It suggests that, in the short term, that must mean secure interim storage, but it fails to indicate where and what type of storage facility that would be. Without a proper constructive proposal, it claims that this is a better long-term solution than dumping the waste deep underground, where it claims experts have warned that the waste will leak from the containers. Is the Minister aware of experts claiming that nuclear waste will leak from containers if we adopt deep geological disposal? If so, how could any responsible Government take such a decision? Or is this another attempt to mislead and misinform? I look forward to my hon. Friend's response.

Let me give the Minister another gem. In the same press release, Friends of the Earth claims that nuclear power is inherently dirty and dangerous, and that the solution to Britain's nuclear waste problems must involve rejecting calls for new nuclear power stations. There we have it—let us reject nuclear power, and the waste disappears. How on earth can any responsible body come to such a conclusion?

As we have some extra time tonight, there are some other myths that I draw to the Minister's attention. Myth No. 1: nuclear energy is expensive. It is, in fact, one of the least expensive energy sources. In 2004, the average cost of producing nuclear energy in the United States was less than 2 cents per kilowatt-hour, comparable with coal and hydroelectric power. Advances in technology will bring the cost down further.

Myth No. 2: nuclear waste will be dangerous for thousands of years. Within 40 years, used fuel has less than one thousandth of the radioactivity that it had when it was removed from the reactor. It is incorrect to call it waste, because 96 per cent. of the potential energy is still contained in the used fuel after the first cycle. Now that the United States has removed the ban on recycling used fuel, it will be possible to use that energy and to reduce greatly the amount of waste that needs treatment and disposal. Last month, Japan joined France, Britain and Russia in the nuclear fuel recycling business. The United States, I believe, will not be far behind.

Myth No. 3: nuclear reactors are vulnerable to terrorist attack. The 6 ft-thick reinforced concrete containment vessel protects the contents from the outside, as well as from the inside. Even if a jumbo jet crashed into a reactor and breached containment, the reactor would not explode. There are many types of facilities that are far more vulnerable, including liquefied natural gas plants, chemical plants and, dare I say it, numerous political targets.

British Nuclear Fuels Ltd took the unprecedented decision to issue a full statement regarding a report that predicted very serious consequences for the public if the high level waste tanks at Sellafield were to be targeted by hijacked aircraft. None of the authors of the report has access to the current engineering and construction information that is necessary to undertake a credible study of the likely consequences. For that reason, BNFL considers that the conclusions are unsubstantiated, entirely speculative and significantly exaggerate the consequences—nothing new there.

It is accepted that nuclear fuel can be diverted to make nuclear weapons. This is the most serious issue associated with nuclear energy and the most difficult to address, as the example of Iran shows, but just because nuclear technology can be put to evil purposes, that is not an argument for banning its use. Over the past 20 years, one of the simplest tools, the machete, has been used to kill more than a million people in Africa, far more than were killed in the Hiroshima and Nagasaki nuclear bombings combined. What are car bombs made of? Diesel oil, fertiliser and cars. If we banned everything that can be used to kill people, we would never have harnessed fire.

Imagine if the ratio of coal to nuclear were reversed, so that only 20 per cent. of our electricity was generated from coal and 60 per cent. from nuclear. That would go a long way towards cleaning the air and reducing greenhouse gas emissions. Every responsible environmentalist should support a move in that direction.

A public debate about radioactive waste is important. Public confidence will not be restored unless there is confidence in the institution that

[John Robertson]

manages the consultation and debate and develops policy. New institutions are required that have independence, authority, transparency and accountability. They should be formed as soon as possible, and there is no need to wait until the consultation process is completed in 2007.

Such institutions would be required to manage a three-step process. First, they would need to run a public consultation to elicit the values, priorities and wishes of the electorate. Secondly, they would need to conduct detailed analysis and obtain technical advice to formulate waste disposal policy. Thirdly, they would need to implement that policy. A waste management commission should be created to undertake the first two roles. A separate waste management executive will be required to undertake the third role, and its relationship with the liabilities management authority and the waste management commission will need to be clearly defined.

International involvement, especially through the European Union, is an essential element of future research on the problems of radioactive waste. Although this debate concerns Scotland and the UK, I recommend that relations with European and other international collaborators, including the USA, should be explored in parallel with the present consultations.

With the events of 11 September in mind, we must advocate an urgent safety review, which should take into account the possibility of extreme terrorist intervention. Nuclear energy is the only large-scale, cost-effective energy source that can reduce emissions while continuing to satisfy the growing demand for power, and these days it can do it safely.

The issue of nuclear waste should be subject to significant discussion and consultation independent from any new build that may occur. Nuclear waste exists today, and it will exist in the future. Even if no new nuclear power stations were commissioned, and even if the existing nuclear power stations closed tomorrow, we would still have to deal with nuclear waste in the years ahead. In my view, nuclear power is the safest and most regulated energy source in the UK, and it produces no CO_2 emissions.

We have the highest safety standards in the UK, and we should ensure that every country shares them—Chernobyl would not have happened if our standards had been applied. Let us tell the world how safe our industry is and dispel the myths constantly perpetrated by those who wear blinkers and who refuse to acknowledge the way forward.

I shall now discuss a nuclear success story, Three Mile Island. The concrete structure did exactly what it was designed to do—it prevented radiation from escaping into the environment. Although the reactor itself was crippled, there was neither injury nor death among the nuclear workers or nearby residents. Three Mile Island was the only serious accident in the history of nuclear energy generation in the United States.

In a press release, Friends of the Earth states that security specialists have warned the Committee on Radioactive Waste Management that

"it is our unanimous opinion that greater attention should be given to the current management of radioactive waste held within the UK, in the context of its vulnerability to potential terrorist attack. We are not aware of any UK Government programme that is addressing this issue with adequate detail or priority, and consider it unacceptable for some vulnerable waste forms, such as spent fuel, to remain in their current condition and mode of storage."

I would be grateful if the Minister were to respond to these points.

In previous contributions, I have often referred to Professor James Lovelock. This evening, I want to introduce a new name into this important debate, because an article by Patrick Moore in the energy review May 2006 Holyrood supplement has caught my attention. Many, especially the environmentalists among us, will have heard of Patrick Moore, the co-founder of Greenpeace. In a very forthright article, he makes many points with which I agree. Many people in the past, himself and myself included, felt that nuclear energy was synonymous with nuclear holocaust. While he does not want to underestimate the very real dangers of nuclear technology in the hands of rogue states, he feels that we cannot simply ban every technology that is dangerous. That was the all-or-nothing mentality at the height of the cold war, when anything nuclear seemed to spell doom for humanity and the environment. After 30 years, his view has changed, and the rest of the environmental movement needs to update its views too.

It is refreshing to see that many distinguished individuals with such impeccable green credentials recognise the need for honesty and are urging their compatriots to recognise the realities that this planet now faces. Being an eternal optimist, as everyone knows, I live in hope that environmentalists such as James Lovelock, Stewart Brand, Bishop Hugh Montefiore and Patrick Moore, who have all faced the realities of climate change and come to the same conclusion, may convince those who think that being green means that they must oppose nuclear energy to see the error of their ways or to open their eyes and accept that nuclear energy can and should play a major role in protecting the earth's climate.

The danger that the planet faces not only in Scotland and the UK, but internationally, is highlighted when we examine the damage that burning fossil fuel creates. For example, 600 coal-fired electric plants in the United States produce 36 per cent. of US emissions and nearly 10 per cent. of global emissions of CO_2—the gas primarily responsible for climate change. Today, 103 nuclear reactors are quietly delivering 20 per cent. of America's electricity. Eighty per cent. of people living within 10 miles of these plants approve of them, and that does not include the nuclear workers. I believe that the community support is similar within areas of the UK.

Of course, wind and solar power, which are intermittent and unpredictable, have a role to play, but they cannot replace big base-load plants such as coal, nuclear and hydroelectric. Natural gas, a fossil fuel, is too expensive already, and its price is too volatile to risk building big base-load plants. Given that hydroelectric resources are built pretty much to capacity, nuclear is, by elimination, the only viable substitute for coal. It is that simple.

The 600-plus coal-fired plants in the US emit nearly 2 billion tonnes of CO_2 annually—equivalent to the

exhaust from about 300 million automobiles. In addition, the Clean Air Council reports that coal plants are responsible for 64 per cent. of sulphur dioxide emissions, 26 per cent. of nitrous oxides, and 33 per cent. of mercury emissions. Those pollutants are eroding the health of our environment by producing acid rain, smog, respiratory illness and mercury contamination. That is not to say that we should not invest in research and development into clean coal technology. In fact, I believe that that is a must for the Government, and I would encourage more in-depth R and D into all energy supplies.

Let me conclude by urging the Minister to implement the proposals from CoRWM, taking in to account all the caveats. Urgency in implementing a solution to the nuclear waste legacy is vital. Reprocessing may need to be reconsidered, along with identification of deep geological disposal sites. I have explained why I believe that waste should be taken separately from new build, which, if it happens, will add only about 10 per cent. to the waste that we already have over the next 60 years. However, we have that waste and we must do something about it.

I reiterate a few of my questions. What can be done with existing nuclear waste? Are the Government aware of the views of experts who claim that nuclear waste will leak from containers if we adopt deep geological disposal? If so, what will they do about it? I ask my hon. Friend the Under-Secretary to answer those questions and the others that I asked. I hope that I have been positive in suggesting some solutions.

Mr. Speaker: I call John Cairns—sorry, David Cairns.

9.54 pm

The Parliamentary Under-Secretary of State for Scotland (David Cairns): My name is John David Cairns—how clever of you to know that, Mr. Speaker. It is obviously how one gets to become Speaker. That is enough crawling for now—I shall press on with my speech. *[Interruption.]* I am sure I can get more in, including a reference to an excellent visit that I made to your constituency on Friday, Mr. Speaker.

I congratulate my hon. Friend the Member for Glasgow, North-West (John Robertson) on securing an important debate. Given the energy review next month and the final recommendation and report by the Committee on Radioactive Waste Management, we shall hear much more about it in the approaching weeks and months.

My hon. Friend has a reputation as an expert on the issue and a considerable background in the subject. He seldom misses an opportunity to discuss issues around the civil use of nuclear technology. Indeed, I recently turned on my television, bleary eyed on Sunday morning, only to see him on the "Heaven & Earth" show, which I had hitherto assumed was reserved for bishops. However, my hon. Friend was on the programme, showing his expertise on the subject of our debate. I understand that it received more e-mails on the topic that he introduced than on the travails of the Church of England, which was the other topic that day. He is an acknowledged expert and he speaks with great authority.

I want to try to tackle directly the questions that my hon. Friend asked in the context of where we are now on managing radioactive waste safely, the CoRWM report and the forthcoming energy review. It is important to deal with the title of the debate, which is about the effect of UK Government policy on nuclear waste management in Scotland.

Policy responsibility is clearly devolved to the Scottish Parliament and Executive, but it is also characterised by widespread joint working between Whitehall Departments and their counterparts in the various devolved Administrations as well as bodies such as the Nuclear Decommissioning Authority. Technical expertise in Government on handling nuclear waste is shared across several Administrations but joint involvement and the Administrations working together go much further than that.

Joint working is currently focused on the managing radioactive waste safely programme, which updates policy on radioactive waste in the United Kingdom. The title of the programme goes some way towards addressing the first of my hon. Friend's questions. Managing radioactive waste safely is the No. 1 priority and when Ministers make decisions on such matters, safety will be the paramount consideration. Those who question the safety of some methods of disposal such as those that my hon. Friend mentioned have every right to make their case, but Ministers will be guided by the science and putting safety first.

The central focus of the managing radioactive waste safely programme has been the long-term management of the long-lived wastes, which display higher levels of radioactivity. That led to the joint decision by UK and devolved Administration Ministers in 2002 to establish CoRWM. There is also joint oversight of the activities of the Nuclear Decommissioning Authority and joint participation in the current review of handling low level waste.

The long-term management policy for higher activity wastes will be decided by the UK Government and the devolved Administrations in the light CoRWM's final recommendations. As we have not yet received them and have only the interim report, it is difficult for me to comment on the specific recommendations that might emerge from that. The Government will respond once CoRWM has produced its final report, which is expected in July.

As I have said, responsibility for nuclear waste in Scotland is devolved. However, the picture is of considerable joint working with the Scottish Executive on the part of the Department for Environment, Food and Rural Affairs and the Department of Trade and Industry as the main Whitehall policy Departments involved. My hon. Friend has recognised the significance of such co-operation in selecting his topic for debate and in his speech this evening.

A joint approach involves concerns and priorities from all sides being considered together in the search for a common approach that meets the needs of all parts of the country. This is not a question of the Government imposing a view on how the Scottish Executive should use their devolved powers; it is about working with each other to address the shared problem of what to do about nuclear waste.

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

[David Cairns]

Motion made, and Question proposed, That this House do now adjourn. —*[Mr. Heppell.]*

David Cairns: Thank you, Mr. Speaker. I assume that I should now carry on as normal. That is the first time that that has ever happened to me. It provided a bit of excitement to jazz up my speech.

As I was saying before I was so pleasantly interrupted, this is not about one part of the Administration foisting a view on another part. It is about the acknowledgment that we face a common challenge, and that we need to work together. To those of us who believe in devolution, this sort of joint working demonstrates how we can benefit from the diversity within the United Kingdom by making the effort needed to reach common understanding.

Angus Robertson: The Minister has talked about joined-up working, but what about joined-up thinking? The hon. Member for Glasgow, North-West (John Robertson) said that he believed that new build and waste disposal were separate issues. The First Minister of Scotland, Jack McConnell, has said that they are not. What is the Government's position on this? Is it the same as that of the Scottish Executive and of the First Minister, or as that put forward by the hon. Gentleman?

David Cairns: The hon. Gentleman slightly caricatures the position that my hon. Friend has taken. Of course those issues are separate to the extent that we have nuclear waste today, and, irrespective of whether we make any decision about new nuclear build, we have to deal with that nuclear waste. That issue would be on the table irrespective of whether there were a possibility of new build. However, because there is the possibility—and it is only a possibility—of new build nuclear power stations, or of extending the life of the existing ones, there will clearly be a link between what we do with the waste that comes from those and whatever decisions are taken about the legacy waste. However, the positions are different to the degree that, irrespective of any decision that we take on new build nuclear power stations, we have to deal with the legacy waste. The First Minister fully accepts that.

John Robertson: Does my hon. Friend accept that the existing waste will not be stored in two separate places, one north of the border and one south of the border? The solution will be a British solution, rather than a Scottish, English or Welsh one. Is it not therefore important that, while we should talk to our colleagues north of the border, we should realise that CoRWM is putting forward a British solution rather than a Scottish one?

David Cairns: My hon. Friend is tempting me to comment on the final recommendations of the CoRWM report, which we simply do not have. However, it is up to the Scottish Executive to decide how they wish to progress their own response to CoRWM. In my view, which I have reiterated throughout my speech, this is clearly an area in which there has been a considerable degree of joint working. I am also clear that CoRWM is reporting to the Government as well as to the Ministers in the Scottish Executive.

I want to tell the House why that is the case, and to set out why the Scottish Executive have responsibility for this matter. Part II of schedule 5 to the Scotland Act 1998 reserves the topic of nuclear energy and makes it clear that this reservation includes nuclear safety, security and safeguards. All these are the responsibility of UK Ministers throughout the whole country. Exception (b) to this provision in head D4 of schedule 5 provides that, notwithstanding this general reservation of nuclear energy, the subject matter of the Radioactive Substances Act 1993 is devolved. Section 2 of this 1993 Act defines radioactive waste, and provisions from section 13 onwards provide for the regulation and disposal of radioactive waste. It follows, therefore, that all aspects of dealing with radioactive waste in Scotland are matter for the Scottish Parliament.

The disposal of radioactive waste is a devolved matter. Any future decisions on the disposal of radioactive waste in Scotland are for Scottish Executive Ministers. I should add for completeness that the detailed definition of radioactive waste in the 1993 Act includes nuclear waste, in the sense of substances that have been irradiated by exposure to a nuclear reaction in a reactor or as part of the construction of a reactor. That is significant because the dismantling of decommissioned nuclear reactors is consequently one of the major sources of nuclear waste by volume, and produces a good deal of the higher activity wastes, which are the concern of CoRWM.

Turning to the particular types of waste in Scotland, we have waste from our power stations and from other uses. As the Executive recognises, Scotland has to be engaged as part of the solution, not just part of the problem. The provisions for managing existing waste in Scotland are a matter for the Executive. There is no high-level waste in Scotland. Spent power station fuel is taken to Sellafield and the activity of previous high-level wastes at Dounreay has decayed.

Pending a long-term management option for intermediate-level wastes, interim arrangements are in place for them to be stored at the sites where they are created. Such interim storage facilities are built at sites as and when required in line with decommissioning plans.

That goes to some of the points that my hon. Friend the Member for Glasgow, North-West raised, such as the confusion that exists, whether it is deliberate as he believes or otherwise, over handling different levels of radioactive waste and those who perhaps seek to portray the low levels of radioactive waste as being on a par with the very high levels of waste, which obviously involve different sorts of management. That confuses the issue. I think that he is quite right, and during his speech he teased out the different grades of waste that are involved.

John Robertson: Going back to the point that my hon. Friend has made and which I clumsily made about the fact that the high-level waste goes down to Sellafield, which is south of the border, does that mean that if the Scottish Parliament and Executive decided

that they wanted to control all their waste, we would have to ship high level waste back from Sellafield to Scotland for them to deal with?

David Cairns: My hon. Friend is encouraging me to speculate not only on what the outcome of the CoRWM report will be and the Scottish Executive's response to that, but on what the implications will be for us of the Scottish Executive's response to a report that has not yet been published. He will forgive me if I do not go down that road, although there is clear recognition—I want to come on to this in a moment—by the First Minister that there is a problem in Scotland of dealing with this waste.

The First Minister is showing leadership in tackling the issue and not running away from it, like those who would simply wish the waste away. Let us get ourselves a magic wand and wish it all away. Let us wish away the waste that will come from decommissioning Hunterston B and Torness. Let us wish away the waste from Dounreay and Chapel Cross. That luxury is affordable to those who are in opposition and never have to take such decisions, but those in government, whether in the Scottish Executive or here, have to take such decisions. We recognise that we cannot simply wish away the radioactive waste.

We all have to deal with the radioactive waste issue. Waste from various sources already exists and we need to ensure that we manage it appropriately. Considerable quantities of existing waste in Scotland come from the decommissioning of nuclear power plants, which have been an important part of Scottish industry and served Scottish electricity users well over several decades. There will be substantially larger volumes of such waste in Scotland as decommissioning proceeds and in time takes in the stations at Hunterston B and Torness, which are still operating.

A recent study estimated that the volume of intermediate and low level radioactive waste in Scotland will grow from about 14,000 cu m in 2004 to 54,000 cu m by 2014, and continue to grow thereafter as Hunterston B and Torness move into decommissioning.

There is this legacy of waste in Scotland, but it is a devolved responsibility as to how it should be handled in the long-term. It will have to be addressed by the Administration in Edinburgh, but there have been important considerations in the Scottish Executive in agreeing, first, with UK Ministers to set up CoRWM and continuing co-operation, ongoing, through the managing radioactive waste safely programme.

We are at the stage where CoRWM is about to finalise its recommendations, and all involved will need to consider how they wish to respond. Some critics appear to consider devolved responsibility in this area is simply the power to keep saying no. That is not how responsible government works. There is a problem about what to do about legacy waste in Scotland—it is a devolved problem—and the devolved Administration will have to address it. However, the First Minister is well aware of the position. He said in the Scottish Parliament on 18 May:

> "I believe strongly that nuclear waste has an impact not just on people today but on future generations. It is an issue that we in Scotland need to address because we have to be part of the solution, not just part of the problem... we have to acknowledge that we in Scotland have a duty to deal with that issue in order to protect future generations".

That is a sensible approach which we would expect from the First Minister. It is for everyone in the United Kingdom Government and the Scottish Executive to continue to work jointly in responding to CoRWM, and to work in other ways towards agreement on a shared approach to the handling of all types of radioactive waste from all parts of Britain.

My hon. Friend asked a couple of other questions. He spoke about the planning regime, which is also devolved in Scotland. The energy review, however, will consider the planning regime not in the context of nuclear new build, but as it applies to all forms of electricity generation. We are aware that, not just in Scotland but particularly in Scotland, some of the most controversial aspects of the planning regime revolve around onshore wind generation. Every application for onshore wind generation itself generates, in the first instance, enormous public concern and many objections. Incidentally, the Opposition parties here that demand more and more forms of renewables are often the same parties that object to every planning application and permission in the country.

My hon. Friend asked about the vulnerability of nuclear installations in an age of global terrorism. That is an important and serious question, and one that needs to be addressed now rather than in the context of nuclear new build. Any prospect of nuclear new build is still some years away, and we are dealing with the threat of global terrorism today. My hon. Friend would not expect me to go into detail about the security arrangements to ensure that our nuclear installations are protected, but they are in place. They have been thoroughly reviewed since 11 September, and are the subject of continuing reviews. There have been no terrorist incidents at our nuclear installations so far, but my hon. Friend is right to keep us abreast of the need to ensure their safety when there is an ongoing terrorist threat.

As I said at the outset, we are in a holding position. We await the final outcome of the energy review, which is expected some time next month, and we await what will be said about how we are to provide the energy that our country needs without wrecking the planet in the process. "How do we do that?" is a simple question; answering it is more complex, but that is the task with which the energy review must grapple. We also await the final report from CoRWM, which is dealing with the legacy of waste from which we simply cannot run away. We have to deal with it, because it is here and no amount of wishful thinking will dispose of it. We can deal with it only by making decisions based on the science and the recommendations of CoRWM. It is for CoRWM to make the recommendations and, ultimately, it will be for Ministers to make the decisions.

Unfortunately, we have already heard a recitation of an old list of sites from a survey carried out many years ago. We need a public debate on the siting of any deep geological disposition, if that is the recommendation of CoRWM and if it is what Ministers decide. There is no secret list of sites, and there is no plan to dump nuclear waste in Scotland or anywhere else. The whole

[David Cairns]

CoRWM process has been about a grown-up consideration of this issue, based on the science and moving forward from CoRWM into the months—and, indeed, years—ahead, because many of these decisions will not be implemented for many years to come. So we have the time to take forward this issue in a considered manner that is rooted in the science and free from the hysteria that often marks this debate, but on the very clear understanding that it is not an issue that we can duck. We need to deal with it, irrespective of the outcome of the energy review and of the future of nuclear power in this country.

I finish by once again congratulating my hon. Friend on continuing to raise these important issues. His speech this evening is weighty and important contribution to a very significant debate, to which we will doubtless return in the months ahead.

Question put and agreed to.

Adjourned accordingly at fifteen minutes past Ten o'clock.

House of Commons

Tuesday 20 June 2006

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

MESSAGE FROM THE QUEEN

DOUBLE TAXATION RELIEF

The VICE-CHAMBERLAIN OF THE HOUSEHOLD reported Her Majesty's Answer to the Address, as follows:

I have received your Addresses praying that the Double Taxation Relief (Taxes on Income) (Botswana) Order 2006, and the Double Taxation Relief (Taxes on Income) (Japan) Order 2006, be made in the form of the drafts laid before your House on 20 April 2006.

I will comply with your request.

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

National Performance Targets

1. **Dr. Vincent Cable** (Twickenham) (LD): How many whole-time equivalent NHS staff are employed in monitoring and reporting on national performance targets; and how many there were in 1996. [78460]

The Secretary of State for Health (Ms Patricia Hewitt): The data are not held centrally. However, we are committed to reducing the number of national targets. That number has reduced from 28 in 1996 to 20 for the current three-year planning round.

Dr. Cable: If the Secretary of State cannot answer the question directly, does she accept that the need for constantly collecting information and reporting on targets is a significant contribution to the doubling of management staff since she took office, as opposed to a 30 per cent. increase in medical staff? Is she aware that if management staff had increased at the same pace as medical staff, there would be 12,000 fewer and the NHS would have saved about £500 million a year—a large part of its deficit?

Ms Hewitt: No, I do not agree, and the hon. Gentleman is absolutely wrong. The proportion of the NHS budget that is spent on management and senior management has gone down. It was 5 per cent. and it has gone down to below 4 per cent. in the latest figures. There are 10 nurses now for every manager, as there should be. The hon. Gentleman's implication that good health care does not require good management is nonsense. I have great respect for him and he ought to know better than to suggest that.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): In respect of reducing national performance targets still further, will my right hon. Friend be cautious about reducing performance targets in relation to mental health, since there is evidence already that mental health is regarded as a rather low priority by many primary care trusts? For example, the Milton Keynes PCT is targeting mental health services in trying to get within budget.

Ms Hewitt: I understand my hon. Friend's concern about the impact of the overspending in a minority of organisations on the rest of the service, including on mental health services. The Minister of State, my hon. Friend the Member for Doncaster, Central (Ms Winterton) this morning launched a further document on the improvements that we need to continue seeing in mental health services specifically. I think she would agree that simply adding constantly to the number of national targets is not always the best way to ensure that local staff and local hospitals can respond in the best way possible to the needs of their local community, and ensure that they are delivering the best health care within the substantially increased budgets that we have given them.

Tony Baldry (Banbury) (Con): How does the Secretary of State justify the Oxford Radcliffe Hospitals NHS Trust losing 600 NHS posts, including managers? She might like to reflect on the fact that on Sunday some 5,000 of my constituents, along with Labour councillors and representatives of Unison, the Transport and General Workers Union and the GMB, all gathered together to express concern about what is happening to the health service in Oxfordshire, and to the Oxford Radcliffe Hospitals NHS Trust in particular.

Ms Hewitt: Of course I understand the concerns that the hon. Gentleman raises, which are reflected among his constituents and among the staff and their unions. Let me reassure him, and particularly the staff, who face a very anxious time, that the Oxford Radcliffe and any other hospital in a similar situation will do everything it can to avoid compulsory redundancies and to support staff to be redeployed, where necessary, to new jobs. Does the hon. Gentleman accept, however, that with medical technology changing, and with huge and unacceptable variations in the quality of care and the value that is given to patients by different hospitals, it must be right to expect hospitals to use new medical technology and best practice to become as effective as possible in their use of resources? That means difficult decisions in some places, but we should have the courage to take them, and he should have the honesty to support them.

Mr. Lindsay Hoyle (Chorley) (Lab): At the previous Health questions, I raised a problem involving staff at NHS Direct. I was promised a meeting with a Minister, but it has not taken place and I cannot understand why. In addition, the chief executive of NHS Direct has still not responded to my correspondence. I wonder

whether the Secretary of State will ensure that a meeting takes place quickly. Jobs are going down the road, which is not good enough, and it is time for the Department to be put into order.

Ms Hewitt: I am extremely sorry that my hon. Friend has received neither a reply nor a meeting, although I understand that my noble Friend Lord Warner, the Minister with responsibility for health service reform, had to attend a debate in the other place when that meeting should have taken place. Another date and time that suits my hon. Friend will be organised as quickly as possible, and I will ensure that that meeting happens and that he gets a reply to his letter.

Steve Webb (Northavon) (LD): The Secretary of State will be aware that the monitoring of performance targets is undertaken not only by NHS staff, but by patients' groups. Will she therefore urgently investigate the case of Queen Mary's hospital in Sidcup, which has had problems with hygiene in the past and which has reportedly cancelled two inspections by its own patients' forum—it has told the patients' forum that it cannot investigate hygiene by using torches to look under beds? Will she investigate that refusal to participate?

Ms Hewitt: Of course I will examine that specific case, of which I was not aware. The Healthcare Commission routinely inspects all health care providers to make sure that they are raising standards to the highest possible level. The hon. Gentleman has made the extremely important point that inspecting and reporting on the quality of care, which requires a certain amount of management time, is essential if we are to give patients the best possible care, which is what we all want.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): I support good management in every establishment. Good management has contributed wonderfully to the stupendous improvements that we have enjoyed in our health service in recent years. [*Interruption.*] I am pleased that those who have not enjoyed the great care that we get in our hospitals have avoided the experience, but if they had had the great misfortune to be ill, they would have been cared for magnificently in our NHS. My local hospital trust meets its performance targets, which still need to be refined. I say that where there is bad management, it should be cured hospital by hospital. The blanket approach has resulted in my local authority paying £500,000 for a benchmarking exercise, which cannot be explained simply by the current cuts.

Mr. Speaker: Perhaps on future occasions the hon. Gentleman will take half the time to ask his question.

Ms Hewitt: My hon. Friend rightly refers to the exceptional improvements in many aspects of NHS care. Indeed, he might have been thinking of the improvements in accident and emergency that have got rid of those appalling trolley waits, which was a direct result of our target. The benchmarking exercise to which my hon. Friend refers is one of many ways in which every hospital can examine its own performance to see where it can do even better and improve its care to patients. My hon. Friend supports such improvements, and we will ensure that they continue.

Anticholinesterase Drugs

2. **Paddy Tipping** (Sherwood) (Lab): What recent representations she has received on the prescribing of anticholinesterase drugs to people in the early stages of Alzheimer's disease. [78461]

The Minister of State, Department of Health (Andy Burnham): Ministers have received a number of representations on the availability of those drugs in the context of the drugs' ongoing appraisal by the National Institute for Health and Clinical Excellence. I have also recently met representatives of the Alzheimer's Society, the Royal College of Psychiatrists and the Royal College of Nursing to hear their views.

Paddy Tipping: In those meetings, did the Minister note the strong feeling among patients, carers and clinicians that the early prescription of these drugs leads to a higher quality and longer life? All those people believe that early prescription slows long-term decline—what is the Minister's view?

Andy Burnham: I am aware of those strong feelings. It is crucial that the appraisal process is carried out properly, and, as my hon. Friend knows, the process is still ongoing. Independent clinical experts should be the ultimate arbiters, but it is also right that the strength of feeling among patients throughout this country is voiced through their parliamentary representatives, which my hon. Friend has done today.

Ann Winterton (Congleton) (Con): Is it not morally wrong that people with dementia are prevented from having the relatively inexpensive drugs that will prevent their dementia from getting worse? Preventing people from having those drugs is a false economy, because when dementia deepens, the cost of looking after the patient is much greater.

Andy Burnham: The National Institute for Health and Clinical Excellence was set up to take on the difficult questions that we face in judging the clinical effectiveness of treatments against their cost-effectiveness. The hon. Lady would perhaps be the first to complain if that judgment was being made by Ministers. It is important to make it clear that existing patients will not be affected and will continue to receive these treatments. However, we all want the process to be conducted fairly and, ultimately, an independent judgment to be made on the evidence.

Joan Walley (Stoke-on-Trent, North) (Lab): Having been to local meetings of people concerned about the use of these drugs, I know that it is a huge benefit for people to able to have them in the early stages of Alzheimer's disease. When my hon. Friend speaks to NICE, will he ask it to consider the contribution that the drugs make to a more independent, less stressed, and perhaps even happier life?

Andy Burnham: The NICE process has been undertaken with unprecedented thoroughness. My hon. Friend refers to the early stages of the disease, and the use of drugs at that time is precisely the issue that is being examined in depth and will be considered during the appeals process. I am sure that the strength of feeling that she represents will be heard, but ultimately it is right that an independent judgment is made by experts in that illness.

Sir Nicholas Winterton (Macclesfield) (Con): May I declare an interest in that I am patron of the east Cheshire branch of the Alzheimer's Society and therefore take a huge and close interest in this subject? Does the Minister accept that society has a duty to enable those who suffer from Alzheimer's, even those in the early stages of the disease, to have the best quality of life that is available to them, and that that means the use of the most advanced drugs? Will he ensure that the best drugs are available to give those with Alzheimer's the best quality of life that this House would wish them to have?

Andy Burnham: Of course, there will be no division between Members in wanting to ensure that people get the best quality of life that they can. That is precisely what NICE is considering in terms of the difficult judgment that must be made. As a former Chair of the Health Committee, the hon. Gentleman will know that a balance must be struck between the available resources and the benefits that this treatment can offer. We have collectively asked NICE to investigate these difficult questions for us, and we all have a duty to support it through this difficult process and ultimately to consider fairly its recommendations.

Mr. David Kidney (Stafford) (Lab): Does it worry my hon. Friend that if the NICE guidance is implemented there will be less support in future for patients in the early stages of Alzheimer's? Can he at least give assurances about the things that matter to those patients and their carers: early identification of Alzheimer's cases; more support for the patient, the family and the carer; and more research into finding treatments that will be effective in the early stages of the disease?

Andy Burnham: I can certainly assure my hon. Friend on his last point. Research into those matters is hugely important. Of course, I am not a clinician, which is why it is important that the NICE appraisal process carefully considers questions about the early stages of Alzheimer's and makes its judgment on whether there is evidence to support the arguments that he and other hon. Members are making. It is right that that process should be allowed to run its course, and it would be wrong for me to prejudice it. I am pleased that my hon. Friend and other hon. Members have expressed their points of view, and I am sure that they will be heard beyond this House.

Mr. John Baron (Billericay) (Con): Despite what the Minister says, he will have to accept that NICE has confirmed that these drugs are clinically effective but that people will now have to wait longer before receiving them. That is not only harsh but contradicts the Government's own policy of early diagnosis and intervention. Given that, last year, the Government asked NICE to re-examine whether its model of cost-effectiveness took full account of the complexities of this case, particularly the impact that withdrawing those drugs would have on carer time and quality of life, is he completely satisfied that NICE has addressed those specific concerns; and if not, what further action does he propose to take?

Andy Burnham: The hon. Gentleman must accept that the appraisal process that NICE has gone through is extremely detailed and that it has examined all the available evidence. Indeed, the appraisal process continues—it is right that it should do so and that the questions that he identifies are properly considered. However, is it right for us to second-guess the independent experts? Is it right that we should set up NICE only to undermine—

Mr. Speaker: Order. It is best to answer the question.

Obese Children

3. **Chris Bryant** (Rhondda) (Lab): How many children in England are estimated to be (a) obese and (b) morbidly obese. [78462]

The Minister of State, Department of Health (Caroline Flint): The main source of data on childhood obesity is the health survey for England. According to the latest survey, 19.2 per cent. of boys and 18.5 per cent. of girls aged two to 15 were classified as obese. We are unable to provide estimates for morbid obesity in children, as there is no specific definition above which a child can be considered morbidly obese.

Chris Bryant: Does not that show that we have a virtual epidemic of obesity that affects our young children? However many positive messages parents and schools try to convey about exercise and eating healthily, the real problem is that advertisers pump out negative messages day after day about eating junk food and having drinks that are not good for children. Will my hon. Friend make representations to Ofcom to ban advertising junk food to children, not only during the day but during the programmes that they watch, including "Coronation Street"?

Caroline Flint: My hon. Friend is right to highlight concerns about obesity in children. He is also right to make the point about parents making informed choices. That is why we have worked to encourage the industry to introduce front-of-pack labelling and asked for the consultation about the promotion of high fat, high salt and high sugar foods to children. The consultation ends on 30 June, so everyone has time to make their views known. The options include a 50 per cent. reduction in the number of advertisements that promote high fat, high salt and high sugar foods and drinks to children. There is a healthy debate on the issue and I urge everyone inside and outside the House to make their views known.

Dr. Andrew Murrison (Westbury) (Con): Given that, over the past decade, childhood obesity in some groups has nearly doubled and that British children are getting fatter faster than children anywhere else in Europe, does the Minister share our alarm at February's National Audit Office report, which suggests that poor co-ordination, inadequate leadership and a tendency to apply myriad initiatives that lack a credible evidence base can be blamed for the complete failure of that important aspect of Government public health policy?

Caroline Flint: Of course, the problem has been developing over the past 20 years. Children do less exercise, the Playstation is often more important than the bicycle and parents obviously have to make choices. The NAO report made some suggestions for improvement, and several matters have been improved since it carried out its first research. We now have clearer guidance to clinicians on outcomes at general practitioner surgeries, we have provided a weight loss guide and obesity care pathways to primary care clinicians and we are examining options for treatment programmes. That is happening as well as all our work with the food industry on labelling, reformulation and, of course, promotion. The hon. Gentleman would agree that the subject is complex. The Government, the health service and the food industry have a role to play but so have the public in making the right choices for children.

Alternative Medicine

4. **Norman Baker** (Lewes) (LD): If she will make a statement on her policy on access to alternative medicine in the NHS. [78463]

The Minister of State, Department of Health (Andy Burnham): Provision of complementary and alternative therapies on the NHS is a matter for primary care trusts and local NHS service providers. The Government believe that decisions on individual clinical interventions, whether conventional, complementary or alternative, are for local determination.

Norman Baker: I hear the Minister and sympathise with his philosophical position. However, therapies such as acupuncture and Alexander technique are proven to be effective and cost-effective, but access on the NHS is difficult, with hurdles all over the place. What steps will he take to ensure that such therapies, which are proven to work, are available on the NHS to people who want to use them? Will he ensure that comparisons between conventional medicine and alternative therapies are made on the basis of sound science rather than of prejudice?

Andy Burnham: The hon. Gentleman knows that we have provided more information about the available complementary therapies. Recent figures show that around 50 per cent. of GPs are making such therapies available to patients and evidence shows that people are getting access to those services. Of course, they should always be based on the evidence available and a balance must be struck. However, locally, the matter is for clinical decision and it would be wrong to mandate such treatment or to rule it out from the top down. It is for doctors to decide.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Minister is absolutely correct in saying that, when NHS budgets are under such severe pressure, patients, clinicians and taxpayers are best served only by treatments whose efficacy can be shown to be based on solid evidence. Is it not the case that too many homeopathic and other treatments are not subject to the rigorous testing that is routine for pharmaceutical products? As a result, they can produce known adverse effects, or show no demonstrable or discernable benefits whatever. Is not that a bit of a con?

Andy Burnham: I agree that such treatments or therapies should be prescribed or made available to patients on the advice of a clinician, and that that judgment should be made in the best interest of the patient. When there is doubt about the evidence base for a treatment, people should err on the side of caution.

Mr. Nicholas Soames (Mid-Sussex) (Con): There is a great deal of controversy in the health service about the benefits or otherwise of alternative therapies, but, given that some people feel strongly that they have substantial benefits, should not the Government give primary care trusts some form of guidance on this issue? Perhaps it could take the form of a code of best practice to advise on how best to provide treatments to which many people attach the greatest possible importance.

Andy Burnham: The hon. Gentleman makes a reasonable point. There are obviously strong views at either end of this argument. Some people are passionately in favour of the availability of complementary medicines, but some senior clinicians recently wrote in the newspapers that they were very much opposed to them. It seems to me that the right ground in this case is the middle ground—

Steve Webb (Northavon) (LD): The third way.

Andy Burnham: The middle ground, not the third way. We should encourage people to use local clinical discretion. Although we have made more information on this subject available, not least through the Foundation for Integrated Health, we need local decision making.

Gloucestershire Strategic Health Authority

5. **Mr. David Drew** (Stroud) (Lab/Co-op): How much was allocated to the Gloucestershire strategic health authority in 2005-06; and if she will make a statement. [78464]

The Secretary of State for Health (Ms Patricia Hewitt): Allocations to the West Gloucestershire, Cheltenham and Tewkesbury, and Cotswold and Vale primary care trusts totalled more than £561 million in 2005-06—an increase of about 30 per cent. over the past three years.

Mr. Drew: I thank my right hon. Friend for her response, and I apologise for the typo in the question. It should of course say "Avon, Gloucestershire and Wiltshire

strategic health authority", but that somehow got lost in translation. It would, however, be much easier if we were just dealing with Gloucestershire. The letter that the Minister of State, my hon. Friend the Member for Don Valley (Caroline Flint), sent to the hon. Member for Tewkesbury (Mr. Robertson), whom I see in his place, concluded by saying:

"However, we would expect the new organisations to inherit the liabilities and obligations of predecessor organisations."

If that is the case, would it not be appropriate to have complete transparency within a strategic health authority such as Avon, Gloucestershire and Wiltshire, so that we can understand exactly where the deficits have come from? There is a great deal of unfairness involved in offloading deficits on to areas that have not created them, and the people involved believe that they are quite within their rights to feel let down.

Ms Hewitt: My hon. Friend is absolutely right about the need for transparency, but there was no such transparency in the past. Underspending areas, often in much poorer parts of the country, were constantly bailing out overspending areas of the NHS, which were often in the better off and healthier parts of the country. We are creating the transparency that my hon. Friend mentioned, as well as asking each strategic health authority to ensure that its area returns to balance. Where an organisation is overspending, and particularly if it is going to take more than a year to get back into balance, other organisations will have to hold back on the improvements that they want to make. However, that all needs to be open, transparent and understood. In particular, the organisations that are overspending need to take decisions—difficult though some of them will be—to ensure that they give their patients the best possible care within the substantially increased budgets that we are continuing to give them.

Mr. Laurence Robertson (Tewkesbury) (Con): In the letter to which the hon. Member for Stroud (Mr. Drew) referred, which followed a two-hour Adjournment debate that I had last week, the Minister of State, the hon. Member for Don Valley (Caroline Flint), attempted to explain the position with regard to the recovery of the financial position. There is a great deal of confusion surrounding this issue, however. The question to which we are trying to get an answer is: do trusts have to achieve a month-by-month balance towards the end of this year, or do they have to have a full-year balance, including the historic deficits? If the Secretary of State could answer that one question, it would clear up an awful lot of confusion. The answer will determine the degree and the level of the cuts that the primary care trusts will inflict on everyone.

Ms Hewitt: I had an opportunity to read the report of the two-hour debate—an extensive and excellent debate—on the health service in Gloucestershire to which the hon. Gentleman referred.

The national framework that we have set out is quite clear. We will return the NHS as a whole to financial balance by the end of March next year. Within that, we would like all overspending organisations to achieve a monthly balance between income and expenditure, again by the end of March next year. Some will not be able to do so, but overspending in one organisation will have to be matched by underspending in another.

The proposals for Gloucestershire and the wider region have not yet been finalised. Not only is local consultation taking place on the proposals that are being made, but discussions are continuing between the strategic health authority and my Department so that we can be satisfied that the proposals will achieve the best possible patient care and return the region to balance as quickly as makes sense. I know that the hon. Gentleman and other Members representing the area will continue to participate in those discussions.

Mr. Andrew Lansley (South Cambridgeshire) (Con): Does the Secretary of State realise that primary care trusts in Gloucestershire are currently planning not only to recover deficits and restore balance this year, but to do so after having their budgets top-sliced so that Gloucestershire is contributing to deficits in Avon and Wiltshire as well? That could have substantial consequences for services in Gloucestershire. As the hon. Member for Stroud (Mr. Drew) is aware, the closure of Stroud maternity unit is being contemplated. Will the Secretary of State tell us whether she intends the PCTs to go beyond restoring financial balance and initiate a cut such as that closure?

Ms Hewitt: I have made it very clear that we expect each of the regions to establish financial balance. Within that, there must be discretion for specific areas and organisations. I have spelt that out, and we repeated it most recently in the report on the financial situation that I published alongside the chief executive's report.

What the hon. Gentleman has said reflects the fact that not only has there been overspending in Gloucestershire, despite substantial increases in the budgets, but there are even larger problems in Avon and Wiltshire—many of them deep-seated problems that have been continuing for years. For far too long, those organisations have expected other parts of the NHS to bail them out.

None of the proposals has been finalised. The plan for Stroud maternity unit needs to be considered on the basis of what will give women the best and safest maternity services within the budget that is available to that health community. I hope that instead of continuing to pretend that an unlimited sum is available and difficult decisions never have to be made, the hon. Gentleman will support the NHS in every part of the country, helping to ensure that it can provide the best possible services for patients and the best value—

Mr. Speaker: Order. I must ask the Secretary of State to allow another question.

Mr. Lansley: Thank you, Mr. Speaker.

The Secretary of State is trying to resolve the situation in a single year. The point is that Gloucestershire is prepared to try to resolve its financial deficits; what it objects to is having to contribute this year, on top of that, to the resolution of deficits in other places some of which have been around for years, and will be around for years.

I return to the question. We have asked the Secretary of State repeatedly to avoid short-term, financially driven cuts that will be to the long-term detriment of the service. In her manifesto, she said

"By 2009 all women will have choice over where and how they have their baby".

Thousands of women in Stroud and related areas want to be able to choose to have their antenatal care or delivery at Stroud maternity unit. Will the Secretary of State promise that in 2009 they will be able to exercise that choice?

Ms Hewitt: Those are decisions that need to be made locally and on the basis that the best and safest care is provided to all patients, within the available budget. As I understand the current proposals, Gloucestershire SHA will contribute some £6.5 million to the regional reserves, with somewhat more being drawn down in that county to compensate for the overspending in its health service. In the maternity services, continuing support will be given to providing home births for those women who choose them and for whom they are safe, although midwife-led care must also be available as part of the broader service. Those difficult decisions will be made locally, in the context of the Government's very generous national settlement.

End-of-life Care

6. **Helen Jones** (Warrington, North) (Lab): What plans she has to improve end-of-life care. [78465]

The Secretary of State for Health (Ms Patricia Hewitt): In the White Paper that we published in January, entitled "Our Health, Our Care, Our Say", we set out proposals for making further improvements to end-of-life care, so that many more people are able to choose where they are cared for at the end of their lives, and where they die.

Helen Jones: I am grateful to my right hon. Friend for that answer. There is no doubt that there is good practice in the hospice movement and in some parts of the NHS, and that there are good palliative care consultants, but will she say what steps she is taking to ensure that the lessons learned, and the expertise developed, in those settings are shared with other parts of the NHS? In particular, how is that experience being used to help those dealing with patients who wish to spend their final days and weeks in their own homes?

Ms Hewitt: My hon. Friend is absolutely right. Part of what we are doing is to establish everywhere end-of-life care networks that draw on the expertise available in some parts of the NHS and in the Marie Curie cancer care programme. We will continue to develop the training programme that has ensured that many more community-based staff are trained in palliative care. We must ensure that more palliative care and hospice services are available, both in the community and in people's homes. In that way, the majority of people who would prefer to die at home or in a hospice will no longer be forced to die in hospital, which is where most people die at present. That is another example of the shift of care from hospitals into the community, which is the best care that we can offer patients.

Bob Spink (Castle Point) (Con): I thank the Secretary of State for the help that the Government have given recently to plug the short-term funding gap for children's hospices. Will she say something about how we can get together with the Association of Children's Hospices to develop a fair, sustainable and long-term funding policy for hospices?

Ms Hewitt: The hon. Gentleman raises an extremely important point, and I am delighted that we have been able to make that funding available over the next three years, beginning in this financial year. It will ensure that the children's hospices will be able to continue their excellent work. My hon. Friend the Under-Secretary will continue to work with the children's hospice movement to ensure that the right services are provided for terminally ill children, whether that be in a hospice or in their own home.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): I also thank my right hon. Friend for the £27 million that has been announced for children's hospices, but end-of-life care is not just about making the end of life as caring as possible. It should also be about exploring all possibilities to prolong quality of life. Will she agree to meet me as soon as possible to discuss the case of my constituent, Kath Withington, who has been denied the Tarceva drug, even though her consultant and GP recommended it? People who may be in their last months or weeks should have access to all the treatments that might prolong their lives.

Ms Hewitt: I am always happy to meet my hon. Friend but, on the more general point, it must be right that we ensure that NICE evaluates drugs, and that the drugs it recommends are available right across the NHS. However, we must not try to substitute ministerial decisions for NICE's recommendations. We played our part in establishing NICE, and in speeding up the evaluation of the growing number of new drugs now available.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): The Secretary of State speaks of palliative care being provided in the community. Much of it is provided in small community hospitals, such as Steppingley hospital in my constituency but, unfortunately, many such hospitals are under threat of closure or have already closed due to NHS deficits. Is not the best way to give good, compassionate, end-of-life care in the community to make sure that the beds and nurses are there to provide it?

Ms Hewitt: The greatest need is for palliative care to be available in people's own homes, because that is where the largest number of people would choose to die if they were given the choice, as I believe they should be. In the case of community hospitals, yes, there are parts of the country where the local NHS is looking at the number of community hospitals and at whether they can be better organised. In the White Paper, we made it clear that they should not be making short-term decisions, because of current financial problems, which may have to be reversed in future years; they should look instead at how to make the best possible use of existing, and

new, community facilities to ensure that they are getting the best care for patients, much of which can now be delivered outside hospitals—not only in community hospitals, but also in patients' own homes.

Kensington and Chelsea Primary Care Trust

7. **Ms Karen Buck** (Regent's Park and Kensington, North) (Lab): What representations she has received in respect of the management of Kensington and Chelsea primary care trust's deficit. [78466]

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): Since March 2005, Health Ministers have received two letters in respect of the management of Kensington and Chelsea primary care trust's deficit, both of which came from my hon. Friend. In addition, the chief executive of Kensington and Chelsea primary care trust met Sir Nigel Crisp, the former chief executive of the NHS, on 16 December 2005.

Ms Buck: My hon. Friend is aware that Kensington and Chelsea PCT has an ambitious programme for recovering a deficit that is rooted—in this case—in past financial mismanagement under previous managers. My concern is that in addition to the underlying deficit the PCT is subject to the top-slicing that applies to all London PCTs. In the interests of transparency, and because that additional pressure is causing difficulty for social and mental health services, will my hon. Friend explain how much has been generated by top-slicing in London, where that fund is being held and when PCTs and others will have the opportunity to learn how that resource will be ploughed back to help authorities struggling with their deficit?

Mr. Lewis: The strategic health authority was asked to come up with an appropriate plan for London, to deal with the overall situation, and it was felt right that Kensington and Chelsea contribute 3 per cent. of its budget to help tackle the deficit. My hon. Friend is right to say that the consequences of the contributions made by that PCT and others should be open and transparent. The SHA should make absolutely clear how much money it has received from the process, how it intends to spend the resources and the consequences for patient care throughout London. I urge her to engage in dialogue with the SHA about how that information can be put into the public domain as soon as possible.

Eye Examinations (Children)

8. **Mr. Douglas Carswell** (Harwich) (Con): What steps her Department is taking to ensure that children receive regular full eye examinations. [78467]

The Minister of State, Department of Health (Caroline Flint): Free sight tests are available under the NHS for children under 16, and for those in full-time education aged 16 to 18. Sight tests allow the opportunity to review all aspects of eye health, including investigations for signs of disease. Information about the extensive arrangements for providing help with NHS optical services and other health costs is set out in leaflet HC11, "Are you entitled to help with health costs?".

Mr. Carswell: Last year, 2.8 million children received an NHS eye test, which is less than a quarter of the almost 12 million children who are entitled to a free eye test. How does the Minister think those figures reflect on her Department's ability to implement its promises and ensure the good health of our children?

Caroline Flint: That does not necessarily mean that all children need an eye test. It would be a waste of money if we expected people to have eye tests when they do not need them. We provide every parent with a personal child health record, which gives them information about what to look for in terms of their child's eyesight. The booklet "Birth to five" is provided for all first-time parents and gives advice and information. As part of the national service framework, we want to develop an orthoptist-led programme for pre-school vision screening, which ensures that eyes are working and developing normally. In those ways, we are making sure that when children have a problem, or are perceived to have a problem, they receive an eye test as required.

Mr. Kevin Barron (Rother Valley) (Lab): I accept the fact that all children may not need eye tests, but may I ask whether the Government have ever conducted any surveys to make sure that no children have fallen though the net, as they obviously will not know whether they need an eye test? In my childhood, such testing used to take place in schools.

Caroline Flint: My right hon. Friend is right about the measures that we should put in place to see whether children require a more extensive eye examination, which is why, as part of the national service framework for children, young people and maternity services, we have developed, as I said, an orthoptist-led programme of pre-school vision screening to check whether children's eyes are developing normally and whether there are any developmental problems that require a more extensive eye test. That is a better screening procedure, but if parents have any worries, they can use the information that we give every parent after the birth of their child to make sure that they follow up any problems. If they are in doubt, they should seek an eye test, which, of course, is free.

Mr. David Heath (Somerton and Frome) (LD): There is a lot of talk about preventive medicine, but I do not remember a generic campaign on the need for regular eye tests ever taking place. If we wish to make an early intervention in eye disease or an early diagnosis of systemic disease, and if we are concerned about road safety or industrial safety later in life, eye tests are essential. Is it not time that the Department of Health encouraged everyone—and not just children—to have regular eye tests?

Caroline Flint: Of course we encourage them to do so. The research results of the last national campaign, I believe, did not receive a good evaluation, so we offer targeted support. As I said, every parent receives a personal health record for their child that includes information and advice so that they can find out whether there are any problems with their vision. All new parents receive a booklet, "Birth to five", which explains problems to which they should be alert, including problems in their child's vision. The national service framework,

too, deals with pre-school screening and vision development. Our approach is targeted, and it includes a review of local optical services that gives primary care trusts a greater role in identifying people who do not take up the opportunity to have their children's eyes tested so that they can target communities where such tests are needed. I hope that that review will give PCTs greater opportunities and flexibility to work with opticians and others to provide the service that the hon. Gentleman would like.

Mr. Bob Blizzard (Waveney) (Lab): After an eye examination, some children may need an eye operation, but hospitals in different parts of the country are paid different rates by their PCTs for performing the same operation. Why do we need those differential rates, as costs are uniform and there are national contracts on pay and conditions for consultants, nurses and all other staff in "Agenda for Change"?

Caroline Flint: Those different rates are the primary reason why we have looked at the tariff, as we wish to make sure that there is a level playing field for health services. Clearly, we can look at the issues that my hon. Friend has raised, but may I add that we introduced free eye tests for everyone over 60? I am pleased to say that, for people of advancing years, the wait for cataract surgery is three months or less.

Tim Loughton (East Worthing and Shoreham) (Con): I have to say that that was an extraordinarily complacent answer. If we do not test children's eyesight, how can we know the extent of the problem? There is poor take-up of eye tests among school-age children, and, after their eight-month check, only 50 per cent. of children have their eyes checked before starting school, so it is more likely that sight defects will emerge as the visual system develops up to the age of seven, which can lead to permanent visual loss and subsequent problems keeping up at school. Why, therefore, did the hon. Lady's Government fail to support Conservative amendments to the Health Bill in another place, which would have ensured that all children receive a proper eye examination before they start school?

Caroline Flint: I am not sorry that the hon. Gentleman does not like my answer, because I would not expect him to do so. I thought that I gave a comprehensive answer, as I explained the information that we give to parents, the pre-school screening programme that we have developed, and the local services developed by PCTs based on need. We are thus meeting the needs of both children and adults in the community. I am incredibly short-sighted and use both contact lenses and glasses, and my children, too, wear glasses. As a parent, I acted when the problem emerged, and we must make sure that parents have the right information so that they can act. Pre-school screening will help, but I do not see the sense of paying for unnecessary, full eye tests if they are not required.

Mr. Brian Jenkins (Tamworth) (Lab): When I was at school, it became obvious to me, and to the teachers, when I needed to be sent for an eye test. I was sent for a test after being moved from the back of the class further and further forward, until I got right up to the chalk board; no one sent me for one before then. However, I am still disappointed in some respects. How much research has been done into the effects on young developing eyes of old-style cathode ray tubes and new LCD and plasma screens? If tests have been done showing that long exposure to such screens has a detrimental effect on young eyes, can we let parents know as quickly as possible, because many of them would like to limit exposure to that risk?

Caroline Flint: I will write to my hon. Friend with any information that I can supply on what research has been done. However, it is common sense to say that too much time spent in front of a screen is not good for anyone—not only for their eyesight but for their general well-being, given the lack of physical activity. Less is more, I would say.

Pennine Acute Hospital Trust

9. **Paul Rowen** (Rochdale) (LD): If she will make a statement on the financial position and proposed job losses at the Pennine Acute Hospitals NHS Trust. [78468]

The Minister of State, Department of Health (Ms Rosie Winterton): The 2005-06 provisional outturn figure for the Pennine Acute Hospitals NHS Trust is a £56,000 surplus. However, I am aware that the trust faces a challenging financial situation in the current financial year, and it is in discussion with the strategic health authority on how to achieve efficiency savings.

Paul Rowen: On 7 June, the Secretary of State said that

"overspending occurred in better-off areas"—[*Official Report*, 7 June 2006; Vol. 447, c. 254.]

Can the Minister explain why the Pennine acute trust, which covers Rochdale, Oldham and north Manchester and has huge health service needs, is predicting an overspend of £28 million, despite, as she said, having balanced its books last year?

Ms Winterton: Obviously, the trust will have benefited from the massive investment that has gone into the NHS generally. However, one of the trust's problems has been higher than average costs associated with delivery of services. That is why it is getting particular help in looking at how it can make efficiency savings. When payment by results is introduced, difficulties will arise unless it can reduce some of its current costs by making some of the changes to service delivery that have been made in other parts of the country, so that services are delivered in the most effective manner without patient care being compromised.

Jim Dobbin (Heywood and Middleton) (Lab/Co-op): The Pennine Acute Hospitals NHS Trust is the second largest hospital trust in the country, serving four district general hospitals and covering 10 constituencies and a population of some 700,000. In addition to the problem highlighted by the hon. Member for Rochdale (Paul Rowen), there are two or three more that need to be considered, including the reconfiguration of that very large trust and board appointments. I want to put on the agenda the independent Appointments Commission

and the problems that it is raising in different parts of the country. I should be glad if my hon. Friend expedited the meeting that we have requested for the 10 hon. Members served by the Pennine Acute Hospitals NHS Trust.

Ms Winterton: I know that my hon. Friend has pressed the case on his constituents' behalf about the issues that he has just raised. His persistence has led to a meeting being arranged within, I think, the week, and I look forward to discussing all the issues that he has raised with him and his colleagues.

Health Trainers

10. **Ms Diana R. Johnson** (Kingston upon Hull, North) (Lab): What progress has been made in recruiting health trainers. [78469]

The Minister of State, Department of Health (Caroline Flint): Nearly half the NHS has signed up to the health trainer scheme. Currently, 228 NHS health trainers are recruited to the programme, of which 206 are now in, or have completed, training. I was delighted to launch the Hull health trainer partnership in March with my hon. Friend the Member for Kingston upon Hull, North (Ms Johnson).

Ms Johnson: I thank the Minister for that answer. Will she join me in congratulating Hull on the pioneering way in which it has looked at the role of the health trainer? It has not just moved health professionals into the role of health trainers, but has recruited people from the local community who can really get alongside those groups that it has been hardest to reach in the past.

Caroline Flint: I endorse my hon. Friend's comments. I met Paula Tomlinson, who is a Hull health trainer, in Hull and when she attended an event at No. 10. She said:

"People are starting to recognise us as Health Trainers and are coming forward with lots of things that are affecting their health, not just physical health but also mental health too. People are recognising the support we can give and trusting us."

I am pleased that there are plans to get customer care assistants working in the scheme, and also community wardens. We are looking to them being part of a wider group of health trainers, in addition to those within the health services.

Dr. Richard Taylor (Wyre Forest) (Ind): Will the Minister assure the House that NHS training budgets will not be selectively or excessively targeted in the drive to reduce NHS deficits?

Caroline Flint: We continue to invest in training—more than ever before. Health trainers are a support for people in communities who need additional help with healthy choices for their lifestyles. I am really pleased that we are going to be on target and to have 1,200 of them in the NHS in the next year or so. That is a credit to those who care as much about prevention as treatment.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): Is it not the case that, in the long term, this initiative not only promises to be cost-effective and to save the health service money, but to offer long-term improvements in health care for our population?

Caroline Flint: I think that it does. There is a substantial amount of evidence that underpins the interventions of NHS health trainers. We have "Health Behaviour Change: A Guide for Practitioners" and various other pieces of work. We have had health psychologists in the Department working with us to ask why those most in need of our support are sometimes deterred from seeing GPs or others. The initiative is about a practical way to tackle the health inequalities that exist in too many of our communities. So far, it seems to be working well, but, of course, we will evaluate the programme as it develops and expands.

David Simpson (Upper Bann) (DUP): Will the Minister tell us the likely impact that the new immigration arrangements will have on the number of medical students being recruited and encouraged to come to the United Kingdom, given that they state that permits will be for only two years?

Caroline Flint: I am not sure that that question has anything directly to do with health trainers. I am happy to write to the hon. Gentleman about what health trainers are about. I understand that extensive consultation is going on with the different organisations that are concerned about the matter.

Nurses (Gateshead, East and Washington, West)

11. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): How many nurses were employed in the Gateshead, East and Washington, West constituency in 1997 and at the most recent date for which figures are available. [78470]

The Minister of State, Department of Health (Ms Rosie Winterton): In 1997, there were 1,131 nurses employed in the NHS organisations in the Gateshead, East and Washington, West area. The current figure is 1,462. That is an increase of 29 per cent.

Mrs. Hodgson: I thank my hon. Friend for that answer. That is excellent news. I am sure that she will be aware that I recently tabled a written question about the number of nurses nationally in various periods since 1979. I was astonished by the answer, which proved categorically that in nine years we have done much more than the Tories did in 18 years to increase the number of qualified nurses in my constituency and nationally. Does she accept that when people ask where the money goes, we should shout from the rooftops that it goes on increasing staff numbers and pay, which is a major part of recruiting? Does she also—

Mr. Speaker: Order. The Minister has the gist: the hon. Lady is very pleased with the situation.

Ms Winterton: As it happens, I could not agree more with my hon. Friend, particularly about shouting from the rooftops about some of the changes that have been made and the improvements in the pay and number of nurses. It is important to add one other thing: we have

also managed to reform the way in which nurses work, giving them extra responsibilities and making sure that there are new posts, such as nurse consultant posts. All that means that—when she talks about recruitment and retention—under a Labour Government, we have made it easier not only to go into nursing, but to stay in nursing. We can all be proud of that.

New Pharmacies

12. **Jeremy Wright** (Rugby and Kenilworth) (Con): What plans she has to review the operation of control of entry regulations governing new pharmacies. [78471]

The Minister of State, Department of Health (Andy Burnham): The Secretary of State for Health announced a review of progress on reforms to the control of entry system for NHS pharmacies in England in a written ministerial statement on 13 June 2006, along with a wide-ranging three-month public consultation.

Jeremy Wright: I think the Minister for that answer. He will realise that it is sometimes difficult and expensive for smaller community pharmacies to set up in business. When the review takes place, will he ensure that as much help as possible can be given to such pharmacies, perhaps in particular by looking again at the exemptions to the control of entry regulations and allowing pharmacies that comply with those exemptions to open for 80 hours a week, instead of 100 hours, so that people can continue to get their medication from not only supermarkets and large chain pharmacies, but smaller community pharmacies?

Andy Burnham: The hon. Gentleman may be aware that the issue provoked considerable debate in the last Parliament. The proposal at the time was for the Office of Fair Trading to take away all controls of entry to pharmacies. The Government adopted a different approach by retaining the ability of primary care trusts to control their pharmacies' position, but did not rule out innovation in local pharmacy services when possible. It is my guess that the arrangements have served us quite well, but we will find out when we see the results of the review that has been commissioned.

School Record Keeping

3.31 pm

The Secretary of State for Education and Skills (Alan Johnson): Protecting children is paramount. In January, my predecessor asked Ofsted to investigate vetting practices in schools, colleges and local authorities. Ofsted has today published its report, which is available in the House of Commons Library. I thank the chief inspector for this thorough and diligent piece of work.

The report shows that all those involved in the recruitment of staff are committed to child protection, that they almost always demonstrate good practice, and that, crucially, vital checks on prospective employees are being carried out—there were 700,000 last year alone. However, Ofsted is equally clear that not enough is being done in our schools and colleges to keep proper records of what, when and against whom checks are being made. We will act quickly, but carefully, to tackle the failings that Ofsted has identified.

We are writing to all schools and local authorities today to set out clearly the measures necessary to strengthen the system. Copies of those letters will be placed in the House of Commons Library. I am asking all schools to make sure that they have the records that they need to demonstrate that they have checked the identity, qualifications and any criminal record of their staff. To be absolutely sure that that happens, I will lay regulations to that effect.

Secure, reliable and up-to-date records must be maintained in an accessible location. If schools do not have a record that a check has been made, a further full Criminal Records Bureau check will have to be conducted and a record kept. My Department and the CRB will work together to ensure that that takes place as speedily as possible. I want similar processes to take place in colleges, so we will work with the Association of Colleges to take that forward. To ensure compliance, Ofsted will check that adequate records and systems are in place as part of its regular school inspection regime.

Ofsted has also reported that there were complications associated with recruiting teachers from overseas. Head teachers currently seek a certificate of good conduct in addition to proof of qualifications and identity. As Ofsted points out, when there is any doubt, schools err on the side of caution and do not appoint the applicant. That has to be the right approach, but I am announcing today that I will go further than Ofsted recommends and lay regulations to ensure that schools and local authorities also complete a CRB check on all staff recruited from overseas. The procedures for overseas staff must be exactly the same as those for UK-based staff.

Agency staff also need particular attention. Supply agencies are under a duty to ensure that the staff that they supply are properly checked and suitable to work with children, including CRB and list 99 checks. That should not depend on a request from the school. I am asking for this information on agency staff also to be included in the exercise that each school must undertake to establish clear records. To make all of this clear, we will tighten regulations so that schools are legally required to obtain confirmation from agencies that CRB checks have been carried out, and to keep a record of this, just as they do for permanent staff.

The Safeguarding Vulnerable Groups Bill, currently before the House, will go further still, making it a criminal offence for supply agencies to supply staff without having made the appropriate checks. I know that head teachers already have a very heavy workload, but these are matters that we all agree are paramount. The local safeguarding children boards and directors of children's services will provide schools with local support, ensure that the right training is available and keep the Department informed of progress. I will be more assertive, to use the words of Ofsted, in influencing head teachers and governors to undertake the online safer recruitment training, as Ofsted has recommended.

The report also says that schools, colleges and local authorities need clearer guidance. We have been preparing revised guidance, which we will put out for consultation in the next few weeks. That will ensure that all schools and colleges have the information in one place. It will make their responsibilities crystal clear, while clarifying issues such as arrangements for employing staff while checks are being completed and processes for volunteer staff, including school governors. We are writing to directors of children's services and the Learning and Skills Council to ensure that this revised guidance is properly implemented.

I would like to update the House on the list 99 review, following progress since my predecessor, my right hon. Friend the Member for Bolton, West (Ruth Kelly), last made a statement on 1 March. First, I remind the House that she introduced a number of measures in response to public concerns that arose in January. As well as commissioning the Ofsted report that I have just mentioned, she announced that she would make it mandatory for all schools to check all new employees against the CRB; would accept advice from Sir Roger Singleton's panel of experts on decisions to put people on list 99, as a precursor to the independent barring board to be introduced in the Safeguarding Vulnerable Groups Bill, subject to the will of the House; and would widen list 99's scope, so that anyone convicted of cautioned for a sexual offence against a child would be automatically included on the list, as well as anyone convicted of a serious sexual offence.

The House will recall that there were a number of cases where Ministers or officials had decided not to include an individual on list 99. I can tell the House that all but one of those has been reassessed by the police as not posing any threat to children. Of the one individual who is being considered further, he has been visited by the police, is not working with children and has not been identified as an immediate cause for concern.

My right hon. Friend referred also to 32 cases of individuals who were on the sex offenders register, but had not previously been referred to the Department by the police. All of those individuals have now either been, or are being, thoroughly investigated—22 have already been barred and the remaining 10 are still being investigated. They have all been visited by police, are not working with children, and remain subject to the ongoing monitoring that is associated with inclusion on the sex offenders register. Sir Roger Singleton continues with his work, for which I thank him, and I will keep the House updated on progress.

[Alan Johnson]

All Members of the House are equally strongly committed to guarding and protecting our children from those who seek to harm them. We need eternal vigilance to protect children from those whose nature is to manipulate and deceive, and it is our responsibility to ensure that the system is as robust as possible and that any failings are addressed as soon as they are identified.

With today's changes, the system will be stronger still, producing greater trust and confidence in our schools and colleges, to ensure that our children are safe and secure. Those whom we represent expect nothing less.

Mr. David Willetts (Havant) (Con): I welcome the new information from the Secretary of State and the publication of the Ofsted report, which the Government rightly commissioned six months ago. We also welcome the further measures that he is announcing today. However, does he agree that parents have genuine cause for concern from the Ofsted report?

The report surely shows extraordinarily poor standards of record keeping in our schools, but the problems go way beyond that. Indeed, for the Secretary of State to entitle his statement "School Record Keeping" does not really do justice to the scale of the problem, responsibility for which must be shared throughout the world of education. Local authorities are criticised in the report, and there is clearly an enormous loophole with teacher supply agencies. The report says that

"in effect, agencies do not have to carry out CRB checks on staff unless schools request that they do. This is not tight enough."

Incidentally, it is absolutely extraordinary that the Department for Education and Skills, which is dependent now on teacher supply agencies, seems to have no idea how many there are. The report states:

"The exact number of teacher supply agencies is not known, but one official from the DfES estimated the number to be 300 and another estimated it was 1,500".

That is surely something that we will wish to pursue on another occasion.

As well as local authorities and teacher supply agencies, the Department is strongly criticised for unclear and confusing guidance. Let me quote again from the Ofsted report:

"Recent communications from government clouded matters relating to CRB and there is some confusion. Guidance is not sufficiently comprehensive to give local authorities and schools a clear steer about their respective responsibilities."

The picture painted by the report is very worrying indeed, yet the previous Secretary of State said that:

"we can give the public an absolute assurance that the process is as robust as possible to ensure that the risk to children is minimised."—[*Official Report*, 19 January 2006; Vol. 441, c. 978.]

Does the Secretary of State agree that his predecessor did not have the information to make that assertion? Does he feel able to repeat that assurance today, in the light of the information in the report? I fear not.

Of course, we must be careful about how we talk about this very sensitive subject—I know personally of the dangers of vigilantism and lynch mobs because of the notorious riots in 2000 in Portsmouth, which is very close to my constituency—but the only way to restore public confidence in the system is for lessons to be learned. The Secretary of State was quite right that schools must take their responsibilities more seriously. Local authorities must provide clear guidance and support and do their fair share of record keeping. However, whereas the report makes five recommendations for schools and two for local authorities, it makes six for the Department for Education and Skills. Therefore, the Department must take its share of responsibility for the confusion described in the report. It rushed out guidance on 19 January and then issued another letter to clarify that guidance on 26 January—no wonder schools were confused.

Often in the House, we warn about the dangers of floods of instructions and initiatives from Whitehall. That is not mere political rhetoric—the report shows what happens when schools are deluged with sometimes contradictory guidance. The Department's letter of 19 January listed no fewer than 11 separate items of guidance, dating back to 1996. One of those items in 2002 specifically said that, because of the backlog of cases, teachers could go ahead and recruit staff without the completion of normal checks with the Criminal Records Bureau. That advice was necessary because of a backlog of cases, but may I ask the Secretary of State about his announcement today that schools without proper records will need to do new CRB checks? That could cover 90 per cent. of schools. Can he say how many schools will be affected? Is he confident that the CRB will be able to deliver? He also announced Criminal Records Bureau checks on teachers from abroad. Will he tell us how those checks can be effective in view of the difficulties of obtaining information from some other countries?

The additional measures that the Secretary of State has announced today are welcome, but does he not recognise the dangers of yet more complexity? What schools need is simple, straightforward, consolidated guidance, instead of having to turn to so many different documents. We will strongly support the Secretary of State if that is what he finally achieves, but is there not a danger of confusing schools with yet more short-term instructions, together with yet more consultation on draft guidance, which will mean schools facing months, if not years, of continuing uncertainty?

Why has the Department been so slow in implementing the Bichard report, which is two years old this week, especially when we were told two Home Secretaries and two Education Secretaries ago that it would be implemented urgently? What we need above all is a single authoritative list of those not suitable to work with children. Only when that is achieved will the concerns of parents finally be tackled.

Alan Johnson: I thank the hon. Gentleman for his welcome for the report and my statement. I agree that parents should be genuinely concerned about today's report, which I do not think makes comfortable reading. Of course, my predecessor commissioned the report precisely because we wanted to be sure not just that checks were being made, but that there was a clear record of such checks. In that context, I hope that the hon. Gentleman will agree that it is reassuring when Ofsted says that it is "highly likely"—not just probable or likely, but highly likely—that those checks had taken

place. The simple fact is—I shall respond to the hon. Gentleman by emphasising that the procedures apply to 100 per cent. of schools—that unless we have a clear record of staff being identified, qualifications being checked and any criminal records being established, we cannot be absolutely sure that all the checks have taken place.

The hon. Gentleman mentioned agency staff. If I understood him correctly, he was talking about the number of agency staff, but Ofsted referred to the number of agencies and no one was absolutely clear about that. There may be some ambiguity in that agencies spring up all the time. He said that agency staff formed a large proportion of the schoolteacher population. They comprise 3 per cent., of which only 1 per cent. come from the traditional recruitment agencies of local authorities. About 2 per cent. would classify themselves as agency staff, but they are known to the school—perhaps ex-teachers who have retired but been called back in—and the school trusts them implicitly. The total is 3 per cent.

The hon. Gentleman referred to DFES guidance and I completely accept the criticism. We cannot stand at the Dispatch Box and say that it is absolutely right for schools, local authorities and colleges to be criticised, but not the DFES. Six recommendations were made, which the DFES will follow. Some were fairly minuscule—like me being more emphatic or assertive with certain education authorities, which I will be—but others were very serious. The fact that the guidance was not viewed as being clear amounts to a very serious recommendation that we must act upon. I fully accept that.

I want to make the point that we are talking about a situation of continuous improvement. I accept that there may be a danger of having too many pieces of guidance, which should be brought together. In January, the tremendous concern led to a desperation to act very quickly, but my right hon. Friend the Member for Bolton, West did a tremendous job in just 10 days of putting people's minds at rest. We now have the ability to reflect carefully on the recommendation and try to be clearer in our guidance.

I have to be clear about another important aspect of schools going through the checks: we are asking for 100 per cent. of schools to go through the process. The report showed that in 55 out of 58 schools, records were not kept in an accessible place for Ofsted to see in order to demonstrate that staff had been clearly identified and their qualifications or any criminal record checked. That must now happen. What we are saying to schools is that they may well have that information, but they need to compile it on the register. If the schools do not have the CRB check, the individual teacher or member of staff may have it. The staff will all receive a copy of their CRB check, so the school should ask them for it. If not, perhaps the local authority has it. If they cannot find the CRB check by those methods, they will need to go through the CRB checking procedure again. I realise the amount of work that that will place on schools. We have to do it as quickly as possible, but we must be sure that we do not disrupt the system. Nevertheless, schools, head teachers and everyone in education will agree that that needs to be done. The Ofsted report must be treated seriously, and to do so we must ensure that those records are put in place.

Sarah Teather (Brent, East) (LD): I welcome the fact that the Secretary of State has come to the House and made the statement so promptly. I also welcome the Government's decision to set up the Ofsted review, which would inevitably open up the Government to some criticism. It was the right decision and we on the Liberal Benches welcome that. My predecessor, my hon. Friend the Member for Kingston and Surbiton (Mr. Davey), always tried hard to work constructively with the Government on the issue because it is so sensitive and so difficult. I will try to continue with that tone. However, I have a number of concerns, to which I hope the Secretary of State will respond.

The right hon. Gentleman recognised the need for consolidated guidance and I hope he will achieve that, but does he recognise that the problem for schools is guidance overload? It can be difficult for schools to discern the difference between new guidance and old guidance that has been updated. In addition to issuing consolidated guidance, as I hope he will, will he look in general at the way in which the Department issues guidance to schools and ensure that it is always clear and that schools can see what is new and what is old?

The Secretary of State recognised that many supply teachers are provided not through agencies, but through informal contacts with schools because they are retired or because, after an initial contact with an agency, a school may develop a relationship with a particular supply teacher so that they can come in at short notice. Will his guidance deal specifically with that and make it clear who is responsible for ensuring that CRB checks are kept up to date and carried out regularly, particularly for short notice cover?

The right hon. Gentleman said that he wanted existing regulations to apply also to further education colleges. That is to be welcomed, especially as I hope that the Government will encourage more young people to use the services offered by FE colleges, but that opens up a gap in the system. Will he be clear that the regulations will apply to both teaching and non-teaching staff at colleges, as already happens with schools, and that the CRB checks required will be enhanced, not just basic? There appears to be a discrepancy with the Safeguarding Vulnerable Groups Bill, and I should be grateful if the Secretary of State would look into the matter.

The Ofsted report highlighted ambiguities in the way in which guidance is issued to schools that control their own employment practice, such as foundation and academy schools. Will the guidance make it clear who is responsible for checking foundation or trust-appointed governors? As we heard when we debated the Education and Inspections Bill, the Charity Commission is responsible for CRB checks on trustees for new trust schools, but who will be responsible for ensuring that those checks are kept up to date and carried out regularly? That is not clear.

Very large numbers of people are likely to come on to a school campus to provide out-of-school clubs under the extended schools programme. Who will be responsible for undertaking CRB checks, and who will

[Sarah Teather]

pay for them—the school or the voluntary group? What support will head teachers get to help them to cope with the enormous increase in the burden of paperwork for those schools?

Lastly, Ofsted highlighted difficulties for head teachers in reporting soft information about staff causing concern, because of employment law. It is right that head teachers should be cautious about that. What changes will the Government make to the system to boost confidence and make sure that delicate and difficult information is passed on correctly so that it can be used appropriately?

We will make every effort to work constructively with the Government and I hope they will be open with us at all stages about the information that they have.

Alan Johnson: I thank the hon. Lady for her constructive approach, which the hon. Member for Havant (Mr. Willetts) also adopted. Consolidated guidance would be excellent, and I will do everything I can to ensure that we have not only clear guidance, but consolidated guidance. The teaching unions to which I have already spoken are concerned that teachers are getting so much guidance that it is difficult to keep up, which was also an implied criticism made by Ofsted.

The responsibility for CRB checks in foundation schools, voluntary aided schools and voluntary controlled schools always comes back to the school. A local authority might make checks, too—it has a responsibility to keep proper records—but that does not detract from the belt-and-braces approach by which the school should make sure that a proper check has taken place. The school is where parents will ask teachers and head teachers for reassurance and where Ofsted will conduct its inspection, and the matter comes down to the school on every occasion.

I will look into the point about colleges—I think that an enhanced CRB check is required, but I will write to the hon. Lady because there are complications around colleges that do not exist in schools. Similarly, the provision on extended schools was a specific recommendation by Ofsted, which we need to examine, but it seems to me that the responsibility for CRB checks once again lies with the school, although providers of services in the extended hours will have an equal responsibility. Nevertheless, Ofsted has highlighted that point and we need to respond to it.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that the report is good, that it should be taken seriously and that all our systems must be improved? I am delighted that that seems to be his attitude, but does he agree that that approach must be balanced by common sense about what is really going on in our schools? I hope that he, like me, believes that children in this country are taught in safe environments by expert teachers whom everyone in the community can trust. Over many years, there have been very few incidents of children being actively at risk in our country. Will my right hon. Friend join me in getting the balance right because some elements in our media will whip up hysteria, which is dangerous, damaging and frightening for parents and everyone involved in education?

Alan Johnson: The whole House will agree with my hon. Friend, who has a distinguished record in this area. Since January, the House has handled the issue in an exemplary way and has not suggested that children in this country are in jeopardy to an extent that is not reflected in reports, and least of all in today's report. I also think that it would be strange and unusual if the media were not to take a deep interest in the matter. We are discussing the safety of children when they are at their most vulnerable, which is why, as my hon. Friend has said, we must maintain a balance, but I have no complaints about the press and the media maintaining a careful focus on the issue.

Sammy Wilson (East Antrim) (DUP): Has the Secretary of State discussed the proposals with the Secretary of State for Northern Ireland to ensure that they are implemented in that part of the United Kingdom, too? That is especially important because recently it has been revealed that many schools do not record teachers' criminal records. Indeed, it is sometimes only when a teacher moves from one school to another that a CRB check is carried out. Will the Secretary of State say whether teaching unions have expressed opposition to schools keeping records of teachers' criminal records?

Alan Johnson: The provision applies to Northern Ireland and I will discuss it with the Secretary of State for Northern Ireland. We are meeting teachers and all other interested parties—I shall avoid the dreadful term "stakeholders"—tomorrow to go through all those ideas, but the initial reaction, which I have seen, to the Ofsted report was measured. Everyone in education understands the importance of checking. Schools will not be checking criminal records—they will be checking with the CRB whether checks have been carried out and recording the fact that that has happened. Everyone in education is clear that that is the right way forward—they might have some concerns about the detail, but the principle is widely shared.

Joan Walley (Stoke-on-Trent, North) (Lab): I echo the plea for balance made by my hon. Friend the Member for Huddersfield (Mr. Sheerman) and welcome the Secretary of State's statement. In view of what I have said about apparent loopholes in legislation, can he assure the House that the issue of a local authority member who is on the sex offenders register is being considered and will be incorporated into the guidance that is about to be issued?

Alan Johnson: I believe that the Safeguarding Vulnerable Groups Bill will tackle that, but I will take my hon. Friend's point into account and consider what interim measures we need. Many of these measures, such as the Singleton body, pre-empt what will be in the Bill.

Annette Brooke (Mid-Dorset and North Poole) (LD): Given that Ofsted inspections are not necessarily that frequent—indeed, it is good if they are not—does the Secretary of State think that it would make sense for the local authority to have a duty to make checks across all the schools within its boundaries more regularly?

Alan Johnson: The hon. Lady makes an excellent point that I have been considering myself. My initial view was that local safeguarding children boards should oversee this, but perhaps local authorities

should be involved as well. We certainly cannot wait until the next Ofsted inspection to ensure that the records are in place. I am still thinking through who would be best to oversee this.

Helen Jones (Warrington, North) (Lab): I welcome my right hon. Friend's statement, which strikes the right balance between doing what needs to be done and avoiding unnecessary panic. May I ask him particularly about safer recruitment training? Should undertaking that training be a requirement of appointment for a head teacher, or at least for the chair of the governing body? Since the prime responsibility of a school is to ensure that its children are safe, should not we make it a condition of appointment that all heads undertake such training?

Alan Johnson: My hon. Friend makes an interesting point. That was not Ofsted's recommendation—it asked me to be more assertive. I suppose that I could be more assertive by introducing regulation; I will consider that. My own view is that we should regulate only where it is absolutely necessary—

Mr. Willetts: Hear, hear.

Alan Johnson: Perhaps I will reflect on that. I think that, if we explain this properly to teachers, through their unions and through the debate that we will have tomorrow, my being assertive will be enough, but if not, we might have to consider regulations.

Mr. John Redwood (Wokingham) (Con): How many countries have long-standing and accurate registers of the kind that we would accept? Does the Secretary of State see problems as regards teachers who came to this country from overseas some years ago without the benefit of any such register or check? What is his advice to schools that employ such people?

Alan Johnson: The right hon. Gentleman raises an important and difficult issue. Twenty-one countries are part of the Criminal Records Bureau wider international check—the overseas information service. Fortunately, among those 21 are seven of the eight countries that give us the most teachers, including South Africa, New Zealand and Australia. Curiously, America is not one of them. That allows for a checking mechanism. The certificate of good conduct is a method that has been used, but Ofsted has found a couple of cases involving local authorities where those records were not as stringent as they should have been. We need to work harder in these areas. Ofsted said that everyone to whom it spoke errs on the side of caution. That is absolutely right. There need to be identity checks on overseas staff, whichever country they come from, to be absolutely sure that they are who they say they are and that their qualifications are accurate. They will now have to undergo the CRB check. In several countries, records are not good. We need to work more closely with the Home Office and the Foreign Office, and with our international partners in the European Union and elsewhere, to ensure that we get this right. It is a reciprocal process, because British and UK people go abroad to teach, and everyone needs to be assured that there are proper checks.

David Taylor (North-West Leicestershire) (Lab/Co-op): Having had some experience of a distressing case in my constituency, I congratulate the Secretary of State on his announcement, which might have prevented the case from occurring. He said that head teachers had a heavy work load, which is a fortiori the case in small schools. Will he reassure the House that the arrangements will be effective but not administratively burdensome? Could the local education authority play a role in providing the necessary secure intranet access? As the hon. Member for Brent, East (Sarah Teather) said, small schools often have arrangements with individuals locally. What is the minimum amount of time between the use of occasional cover staff that would be necessary to trigger a further check?

Alan Johnson: My hon. Friend is right that teachers have a heavy work load. Nevertheless, I am sure that they will be convinced of the need to implement the proposals. We will provide help, not only through the local education authority, but from the Department and the local safeguarding children boards. Assistance will be available. Together, we can ensure that we act quickly.

Adam Afriyie (Windsor) (Con): I welcome the moderate and measured tone in which the statement has been made and my question is in the same spirit. The Secretary of State mentioned one of the criticisms of the Department. Will he identify the other four or five and say what he is inclined to about them?

Alan Johnson: Yes. Four recommendations are that we should: provide clear guidance; make a clear and specific statement about checks on school governors, which I mentioned; provide clearer guidance on schools' responsibilities when employing staff from abroad or through supply agencies, which I covered in the statement; and provide guidance on suitable employment practices for those who are not checked or are awaiting checks—that refers to "sight and sound". If a school is waiting for a CRB check on a teacher, other member of staff, or a volunteer who is helping children to read, the rules are clear: that person must stay within sight and sound of another teacher and not be left alone. The fifth recommendation is to speed up the handling of cases of misconduct that are reported to us and the sixth is the one that I mentioned about my being assertive.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): I thank my right hon. Friend for the prompt and sensible response to today's Ofsted report, but will he reassure hon. Members that pupil referral units and home hospital education services—indeed, any organisation involved in educating and training our young people—will also have to keep those records?

Alan Johnson: Yes, I will. Indeed, the Protection of Children Act 1999 list and the protection of vulnerable adults list were set up precisely for those purposes.

Paul Rowen (Rochdale) (LD): Will the Secretary of State clarify his statement about requiring schools to check with supply agencies that the CRB check has been done? I ask because there is a case in my constituency of a vulnerable adult for whom an agency supplied a carer. The CRB check was given over the phone and it

[Paul Rowen]

subsequently transpired that the worker had a heroin record. When the responsible adult phoned, the records had disappeared. Will the right hon. Gentleman ensure that, when supply teachers go into schools, they bring with them a copy of their CRB check so that the school can have physical proof before a teacher starts work?

Alan Johnson: Yes, I can confirm that. The hon. Member for Havant also referred to agency staff. The Ofsted report states that the six agencies that it visited all checked with the CRB. It made the point that there was some confusion in schools, for the reasons that the hon. Member for Rochdale (Paul Rowen) mentioned. Schools thought that someone else, perhaps the local authority, was checking, and there is no stringent requirements on them to do that, although we believe that the 1973 Department of Trade and Industry regulations, updated in 2003, make it clear that all agencies must undertake a criminal record check. The words that schools must take

"all other reasonably practicable steps to confirm that the work-seeker is not unsuitable for the position concerned"

must refer to checking with the CRB. For the absence of any doubt, we will put that in Education Act regulations so that the schools must seek proof to complete the register, on the compiling of which Ofsted has insisted.

Mr. Brian Jenkins (Tamworth) (Lab): I congratulate my right hon. Friend on his statement today. Will he seriously consider the difficulties that we might get into with supply teachers and peripatetic teachers? Local colleges use many part-time workers. Will he revisit the role that the local education authority can play in this scenario? Many supply teachers work in schools within one local authority area and rarely stray across the border, so the authority could be the one central key player in this regard.

Alan Johnson: My hon. Friend is right, although many local authorities have their own supply agencies. He also mentioned colleges. I referred in my statement to working with the Association of Colleges to find a system that we can be sure will replicate in colleges the action that we are taking in schools. In schools, it is clearly the responsibility of the school; in colleges, the situation is more complex, which is why I want to tackle the issue with the Association of Colleges.

Mr. Andrew Turner (Isle of Wight) (Con): While we may draw some comfort from the number of countries with whom we have effective reciprocal arrangements, does the Secretary of State accept that clause 7 of the Safeguarding Vulnerable Groups Bill provides that it is an offence for someone who is barred to seek, secure or apply for an engagement working with children? Would it not be appropriate to extend that prohibition to anyone from overseas who has committed a criminal offence that would have secured their barring in this country?

Alan Johnson: The hon. Gentleman has raised an interesting point, but that matter is probably best left to the Bill's Standing Committee. There are complications involved in his suggestion, but it is something that we can discuss as the Bill goes through the House.

Point of Order

4.11 pm

Nick Herbert (Arundel and South Downs) (Con): On a point of order, Mr. Speaker. Yesterday at Home Office questions, I asked the Home Secretary whether he had read a report by the head of finance of the Association of Chief Police Officers, which warns that police force amalgamations will contribute to a funding gap equivalent to the loss of 25,000 police officers. The Home Secretary replied that he had not read the report, but that he had

"discussed it in detail with the authors".—[*Official Report*, 19 June 2006; Vol. 447, c. 1061.]

He also said that the example that I had given was the "worst and most extreme" option. The author of the report is Dr. Tim Brain, the chief constable of Gloucestershire, who yesterday confirmed that at no time has the Home Secretary discussed the report with him. Indeed, he has not met the Home Secretary. He also confirmed that the figure of 25,000 police officer losses cannot be regarded as worst case.

The Home Secretary has already had to apologise to you, Mr. Speaker, and to the House for providing misleading information relating to foreign national prisoners. He has also made the extraordinary concession to the Leader of the House that Home Office answers are not always factual. I appreciate that the Home Secretary's serial incompetence is not a matter for you, Mr. Speaker, but is it not a serious matter when he, even inadvertently, misrepresents a report that is of the greatest concern to all hon. Members and our constituents? Will you offer him an opportunity to come to the House to correct his mistake?

Mr. Speaker: I think that the hon. Gentleman is trying to put the matter on the record. That is one thing, but he will understand that the Chair cannot be drawn into these arguments. There are occasions on which a Minister is due to come back and rectify a matter, but the hon. Gentleman has not only pointed out a mistake that the Minister has made; he has made an attack during a point of order. The best thing that I can do is not to be drawn into the matter at all.

Orders of the Day

Children and Adoption Bill [*Lords*]

[Relevant documents: The Fourth Report from the Constitutional Affairs Committee, Session 2004-05, HC 116, on Family Justice: The Operation of the Family Courts; the Government's response thereto, Cm 6507; and the Sixth Report from the Committee, Session 2005-06, HC 1086.]

As amended in the Committee, considered.

New Clause 3

PARENTAL RESPONSIBILITY PRIOR TO ADOPTION ABROAD

'(1) At the end of section 84 of the Adoption and Children Act 2002 (c. 38) insert—

"(8) Subsection (4) does not prevent an application being made if the court gives leave to make it."

(2) At the end of section 141 of the Adoption and Children Act 2002 (c. 38) insert—

"(7) Rules made in respect of proceedings under section 84 of the Act may prescribe—

(a) conditions in respect of which the court must be satisfied before granting leave under subsection (8); and

(b) for the court to permit the applicants to take the child who is the subject of the application out of the UK for such period or periods and subject to such conditions as the court thinks fit."'.—*[Annette Brooke.]*

Brought up, and read the First time.

4.13 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following amendments: No. 2, in clause 9, page 13, line 21, leave out subsection (3) and insert—

'(3) Before making an order in the case of a country or territory which is a Convention country, the Secretary of State shall consult the Hague Conference.'.

No. 1, in page 13, line 29, at end insert—

'(c) the central authority in the country or territory to which restrictions are to apply.'.

No. 22, in page 13, line 33, at end insert

'to include regular reviews on why that declaration should still apply'.

No. 4, in page 13, line 38, at end insert—

'(9A) The Secretary of State must establish an appeals procedure to consider appeals against the decision to impose special restrictions on adoptions from abroad.'.

No. 23, in clause 10, page 14, line 17, at end insert

', and

(c) prescribed organisations involved in adoption.'.

Annette Brooke: We are back here discussing these matters after a three-month gap. That is a long time and I am not sure why we had such a long break from our deliberations on the Bill. We discussed new clause 3 briefly in Committee in a clause stand part debate. The new clause was not actually tabled, and I wanted to revisit it to ensure that all the issues were covered.

4.15 pm

In Committee, we learned that only about 300 international adoptions a year involved the United Kingdom. The new clause refers to something even more unusual: foreign adoptions of United Kingdom children. It is supported by both the British Association for Adoption and Fostering and the Intercountry Adoption Centre. In Committee, I said that I firmly believed that the child's interests should be paramount. In her response, the Minister said

"we have come to the settled position that the 10-week provision is right, striking the balance between safeguarding children and having a requirement for adopters".—[*Official Report, Standing Committee B*, 14 March 2006; c. 38.]

I respect that as a general position, but feel that there should be discretion to take into account special circumstances that, in some cases, might lead to a different judgment in relation to the child's best interests. As some of us will argue later this afternoon, the child's best interests must be served by examination of each individual case. That is what the new clause attempts to secure.

Section 84 of the Adoption and Children Act 2002 provides for the High Court to be able to make an order granting parental responsibility to applicants who are not domiciled or habitually resident in the United Kingdom when they wish to take a child out of the country for the purpose of adoption. Section 84(4) imposes a requirement for the child to have lived with the applicants for at least 10 weeks before an application may be made under the section. A similar provision in section 46 prescribes various minimum periods for which the child must have lived with the applicants before an application may be made for an adoption order, but the section also allows for the court to give leave for some applications to be made before the usual period has expired. The requirement for the 10-week minimum period is of course designed to safeguard the child, and to ensure that the child and adopters have time to become acquainted with each other before the jurisdiction. However, as the applicants will by definition be habitually resident in another country, it will often be not merely difficult but impossible for them to live in this country for a minimum period of 10 weeks with the child before making an application, possibly having to remain here for still longer pending the outcome of the application.

It is most likely that, when someone wants to adopt overseas a child from this country, there will already be some connection—probably, but not necessarily, a blood relationship. In some circumstances, the child may already be well acquainted with the proposed adopters—for example, having spent holidays with them—but the existing provision in the Adoption and Children Act does not allow any flexibility or exercise of discretion. The new clause and amendments would allow flexibility, but permit rules of court to provide further safeguards if that were thought necessary.

It is important to bear it in mind that section 84 applications can in any event only be made in the High Court. It is not suggested that a final order under section 84 should be made before the child has lived with the applicants for at least the 10 weeks required, nor that it would always be appropriate or helpful for the child to be permitted to leave the country with the prospective adopters without a period of living with them. But if the court is to be able to achieve the outcome that best meets the child's needs, it is essential that it can consider all the circumstances and form a view on whether sufficient other safeguards are in place to permit the child to leave the jurisdiction. Without that, some children may be deprived of the possibility of secure family life with members of their extended family, or with adopters who share aspects of their heritage and culture, given that the 10 weeks may constitute an impossible barrier in some cases. I do not believe that it should be waived solely on the ground that it is an insurmountable barrier, but we need flexibility in such situations to make sure that the child's interests are best served.

In most cases, a child would be placed overseas with someone related by blood, but in others the child would be placed with a person living abroad who was not a close relative. For example, the restriction on removing a child under section 85 of the 2002 Act applies to any child who is a Commonwealth citizen or habitually resident in the UK. The legislation that applied before the 2002 Act was introduced imposed a similar restriction in respect of children who were British or Irish citizens. Some children may be habitually resident in this country who not only are nationals of another country but have strong links with that country. For them, it would be most appropriate to be adopted in that other country.

In other cases, according to the BAAF, a local authority has tried to place a child with a family who have already adopted his or her older sibling but who have moved abroad. In extremely rare cases, the risks posed by a birth parent may be so great that one reason for seeking a placement outside UK jurisdiction is to ensure the safety of the child and of the proposed adopters. In proposing new clause 3, I am asking not for anything absolute but for flexibility, so that judgments made in the High Court are in the child's best interests.

I am sure that the Conservative spokesman will present the arguments for the remaining amendments in the group in great detail, but I want to place it on record that my party is broadly supportive of all of them. As I said in Committee, I am sure that every politician and member of the general public is concerned about trafficking in children and other unethical practices, but we must also consider the plight of children in some countries in the developing world. We must focus on the welfare of the child and have regard to the UN convention on the rights of the child, so that the best interests of the child can be served. That may be achieved by allowing the child to live with a family in this country.

It is easy to understand and support the action that the Government have taken on Cambodia, but the remaining amendments in the group would help to provide a more balanced approach. In no way do they run counter to the best interests of the child, and their arguments for an appeals process, a review and recourse to the Hague convention seem compelling.

Today, I read again the *Hansard* report of our Committee proceedings, and I note that the Minister made various pledges to provide more information on the very high cost of overseas adoption. I hope that the House can be updated on when that information might be available, if is not so already.

Tim Loughton (East Worthing and Shoreham) (Con): As the hon. Member for Mid-Dorset and North Poole (Annette Brooke) said, here we are again, at last—almost three months after we ended our discussion of the Bill in Committee. However, we are now able to deal with the large amount of business that was left unfinished then.

I have a deal of sympathy with new clause 3. Many technical deficiencies have emerged from the woodwork since the Adoption and Children Act 2002 came into force. We all supported that very comprehensive legislation, but the Government would do well to address some of the implications that have flowed from it. One area of difficulty arises from the problems with placing a UK child with adopters—such as suitable relatives, for example—in another country, where that is in the best interests of the child. However, to meet the terms of the 2002 Act, families may be required to spend as much as several months in the UK. That would appear to be excessive, and not in the interests of the child. That would be wholly impractical for some prospective adopting families from overseas who had work commitments or other children at school in their home country, so I certainly have some sympathy for the hon. Lady's proposal. I shall be interested to hear the Government's response and to learn whether they acknowledge that there is a genuine problem and whether they are prepared to accept the new clause or to revisit the problem, perhaps in regulation if that is possible.

Similar problems have emerged for British expatriate workers who adopt while they are in China. I do not know whether the Minister has been lobbied on the matter, as I have; my letter to her former colleague remains unanswered. The British adoption support group for China has been formed to deal with the problem that the Chinese authorities apparently require the British Government, through the Department for Education and Skills, to issue an approval letter to all prospective adopters to guarantee that the adopted children will be granted citizenship and UK passports. I think that is quite right, but the Department for Education and Skills will grant approval letters only to adoption applications filed by UK-registered adoption agencies and local councils, to which expats have no access because they are obviously not habitually resident in the UK while they are working overseas. In the spirit of the new clause, will the Minister undertake to look at the problem and, at the very least, to reply to my letter, which is now more than two months old? I know that she has received direct representations from expats working in China who have come up against that problem.

The other amendments are familiar to Members who were in Committee. Amendment No. 2 deals with the procedures whereby the Secretary of State can seek to suspend inter-country adoptions from a particular country. We agreed with that proposal in Committee; it is a tightening up exercise that the Secretary of State already has power to institute, but the amendment would bring the process into mainstream legislation and make it easier for the Secretary of State to take action where it is deemed that a country's procedures for adoption fall well short of the expected standards. There may be suspicions of child trafficking, for example, as was the case with Cambodia, which is one country—if not the only one—on the suspended list for inter-country adoption. There is some merit in our status, and that of several other countries, as signatories to the Hague conference convention. The amendment would cover countries that have signed up to the rules set out in the convention and that should, therefore, be entitled to be subject to a slightly different process. For some reason, the Minister has declined to respond to that suggestion in the past, asserting:

> "There may be situations where a requirement to consult could have unfortunate implications for the welfare of those children by triggering a rush to adopt."

However, inter-country adoption is, by its very nature, a slow, cumbersome and often expensive process for most adoptive parents, so that fear is rather overdone. Surely, as part of the process, we should have as much openness as possible about the fact that suspension is being considered, allowing adopters going through the process to make alternative arrangements or to reconsider their application. It would be helpful to include in the Bill a provision that a convention country and its authorities should be one of the statutory consultees.

4.30 pm

Amendment No. 1, too, deals with the process used to put a country on the banned list. I am sure that we all agree that, before banning or suspending a country from inter-country adoptions, the Government should consult all interested parties as widely as possible. As well as the Department of Health in the UK and the Welsh Assembly, as stipulated in the Bill, the Government should speak to the relevant body or Government Department in the country that is to be placed on the suspended list. The Bill is deficient, as it fails to make that requirement. What is the Government's interpretation of the phrase, "contrary to public policy", in clause 9? Proper and transparent consultation is required if we are to suspend countries for the right reasons. We must monitor their suspension and make sure that prospective adoptive parents who are trying to adopt in that country are kept in the loop and informed of their entitlements.

It is a big step to put a country on the suspended list, as that prevents UK citizens from adopting children from that country. Cambodia, for example, has about 670,000 orphans under 18, which is 5 per cent. of its population. Some 30,000 of those orphans are children under 15 who are orphaned by AIDS. The UK has a role to play adopting children who cannot find suitable homes in their own country, so it was a big decision to add Cambodia to the suspended list, just as it will be a big decision to add other countries in future. The process must be clear, transparent and properly accountable.

Amendment No. 22, too, deals with the process for keeping countries on the suspended list. It stipulates that there should be regular reviews of the reasons for the regulation of a suspended country to determine whether they still apply. We teased out a little detail from the Government on Report, but we need to know how much evidence they require to prove that the system in a prospective country for adoption is not working properly and that child trafficking, not genuine adoption, is taking place. What burdens and parameters of proof will be set? At what stage will a potential adopter be forced to abort the process of adoption from a country that is added to the list, and when can it be

resumed if that country is removed from the list? Again, transparency is required if we are to make sure that everyone is happy and satisfied that the Government have taken appropriate action.

The penultimate amendment in this group is amendment No. 4, which stipulates:

"The Secretary of State must establish an appeals procedure to consider appeals against the decision to impose special restrictions on adoptions from abroad."

Clause 9(9) says:

"The restricted list and the reasons are to be published in whatever way the Secretary of State thinks appropriate for bringing them to the attention of adoption agencies and members of the public."

We have granted the Secretary of State an enormous blank cheque, as the provision does not specify how he will make that decision, how it will be communicated and consulted on, and how it can be reversed if the situation changes. It is therefore right to have proper checks and balances in the Bill and to establish the appeals procedure that amendment No. 4 seeks. The Bill must establish an appeals procedure to consider appeals against decisions to suspend, and against decisions not to permit individual applications to proceed, thereby ensuring transparency in all aspects of the decision-making process. It should be possible to bring together a group of people—independent of the Government, the agency and the applicants—with the relevant knowledge and expertise to form a properly constituted, working appeals procedure. We have raised this issue in Committee, but I hope that the Government will respond more favourably at this stage.

Finally, I turn to amendment No. 23, which would require the review process to include prescribed organisations. The Bill stipulates that the Government should consult only the National Assembly for Wales and Government Departments in Northern Ireland. But as we said in Committee, there is a whole host of other agencies and organisations in the UK involved with adoption—headed by the British Association for Adoption and Fostering, with which we and the Government are well familiar—that have something to say, rightly, and a good deal of expertise that needs to be consulted.

We need to make sure that, if these important decisions are to be made barring adoptions from certain countries, they are taken on the basis of considerations that are entirely dictated by the welfare of the children involved, and not on the basis of political considerations or of the state of diplomatic relations with certain countries. They must be based purely on what is in the best interests of the children who are prospectively to be adopted. That is why we are asking for a wider remit to consult other organisations whose only interest is promoting the cause of adoption for children for whom adoption is in their best interests, and which are without any political slant or international prejudices that might colour the Secretary of State's decision.

The five amendments in my name and of other Opposition Members are constructive amendments aimed at improving the nature of this part of the Bill, which we support and have done all along. We are trying to put more detail in the Bill, which should provide more safeguards for those involved in the international adoption process, in the interests of transparency and fairness and ultimately, therefore, of the children whom this part of the Bill is all about.

The Parliamentary Under-Secretary of State for Education and Skills (Mr. Parmjit Dhanda): This group of amendments seeks further clarification on our proposals for inter-country adoption and I welcome the opportunity to provide it. The amendments cover a wide range of related topics, including the process for imposing special restrictions on particular countries, the determination of the fee for inter-country adoption casework—although that issue has not been touched on in our debates, it is dealt with in the amendments—and arrangements for safeguarding children adopted abroad from this country. They raise different issues, and I will try to deal with each in turn.

As they stand, sections 84 and 85 of the Adoption and Children Act 2002 prevent children from being removed from this country for the purposes of adoption abroad unless certain conditions have been met. The aim of those provisions is to help to prevent the abduction of, and trafficking in, children, and to ensure the development by affected children of secure attachments with their prospective future legal parent. I am sure that Members will agree that we should do nothing to weaken that safeguard unless we are satisfied that it is absolutely necessary to do so.

New clause 3 would allow the current minimum cohabitation period of 10 weeks to be waived, as the hon. Member for Mid-Dorset and North Poole (Annette Brooke) said. I did not serve on the Standing Committee, but the hon. Lady did, and I am sure that she will recall that we explained the rationale behind the requirement for an appropriate period of cohabitation in section 84 and why that means that the period of cohabitation must take place in the United Kingdom. However, I shall briefly rehearse some of that rationale.

Until an order is made under section 84, the local authority retains parental responsibility for the child, and hence remains responsible for the child. In the parallel situation of a domestic adoption, no application for an adoption order may be made unless the child has been living with the prospective adopters for 10 weeks. A similar requirement therefore applies to applications for an order under section 84, which allows the local authority to monitor and assess the placement and to step in immediately and directly if there are any problems. That is part of our reason for not wanting the 10-week period to be waived. Obviously, the local authority would not be able to monitor or take action as directly or as immediately if the child were outside the UK. The requirements in section 84 therefore give the same safeguards and protection to children placed with prospective adopters who intend to adopt the child outside the UK as are given to children placed with domestic adopters.

Various reports and information must be made available to the court when considering an order under section 84, including reports and information arising from a review of the placement. It is important that the court has information on the success, or otherwise, of the placement before making an order that authorises the prospective adopters to remove the child from the country, and to distance the child, in every sense, from its birth family. The proposed measure would limit the information available to the court, and a report of the assessment of the placement is a significant, if not pivotal, piece of information.

Having carefully considered the arguments previously put on this issue, we continue to believe that it would not be appropriate to water down such an important safeguard. There can be no justification for a lower standard of safeguarding for children placed for adoption outside this country than applies for domestic adoptions. We therefore do not support the new clause. I understand that last December the period in question was six months, and it has subsequently been reduced; it is now 10 weeks. We feel that that is appropriate and proportionate, and we do not as yet have any evidence to the contrary, although we would always consider such evidence, if it were offered.

Amendment No. 1 would require the Secretary of State to consult

"the central authority in the country or territory to which restrictions are to apply"

before making a declaration. The Hague convention requires contracting states to designate at least one central authority to discharge functions in respect of inter-country adoption. As it stands, clause 9 requires the Secretary of State to consult the devolved Administrations in Wales and Northern Ireland before making a declaration of special restrictions. Adoption is a devolved policy area, and that requirement is entirely reasonable, as a declaration will have a direct effect on those countries. Such consultations are undertaken relatively often and are not a significant cause of delay.

One of the concerns that caused us to introduce the Bill is child trafficking, which appears often to be fuelled and assisted by corruption and improper financial gain. That was one of the specific areas of concern that led to the introduction of a temporary suspension of adoptions from Cambodia, which I know was thoroughly discussed in Committee. Sadly, corruption and the lure of improper financial gain will be present in some countries that may be placed on the restricted list at all levels up to, and including, the central authority. Indeed, in some cases the central authority could even be the main cause of such problems.

In such circumstances, consulting the central authority could pose significant risks to children by triggering a rush—the hon. Member for East Worthing and Shoreham (Tim Loughton) mentioned this—to process adoptions much more quickly, before the special restrictions are introduced. We are not suggesting that that will be a feature of all situations where a country is placed on the restricted list. Indeed, information gathered from the central authority may be of significant value in a number of cases. However, a requirement in primary legislation to consult in each and every case is clearly not appropriate, so I am sure that the hon. Gentleman will understand that we cannot accept the amendment.

4.45 pm

Amendment No. 2 would require the Secretary of State to consult the Hague conference on private international law before making an order to impose special restrictions on a country that had ratified or acceded to the Hague convention. I assume that the intention is for the Secretary of State to consult the permanent bureau, which acts as the secretariat to the Hague conference, rather than the 65 member states that make up the conference. When concerns are raised regarding a Hague convention country, they should indeed be raised with the permanent bureau, which would generally expect to act as a mediator to help to resolve the situation. It can and does do that. In 2003, the permanent bureau convened a meeting of contracting states to discuss with Guatemala how concerns about adoptions from that country could be addressed.

We have a good working relationship with the permanent bureau and we understand that it would both expect and—importantly—be happy to be consulted. I can therefore reassure the hon. Gentleman that amendment No. 2 is not necessary, because we already use the mechanisms of co-operation managed by the permanent bureau. However, for the same reason that relates to amendment No. 1, there might conceivably be cases in which we will need to act quickly and do not want to risk the delay of consulting the permanent bureau. We would therefore not want a statutory obligation to consult in all cases—in case one of those exceptional circumstances should arise.

Amendment No. 4 would require the Secretary of State to establish a procedure to consider appeals against the decision to introduce special restrictions. It is only right that there are appropriate checks and balances on the powers of the Secretary of State, but I can assure the hon. Gentleman that they are in place without the need for the amendment. First, following the recommendation of the House of Lords Delegated Powers and Regulatory Reform Committee, clause 9(4) was amended to provide that the Secretary of State's declaration that special restrictions will apply shall be made by order. That means that the order that declares that special restrictions are to apply is subject to the usual parliamentary scrutiny and could be annulled under the negative procedure in Parliament.

Secondly, when special restrictions are in place, it would also be open to anyone to make representations to the Secretary of State, which he would have a duty to consider. Clause 10 requires the Secretary of State to keep the special restrictions under review and, if he no longer has concerns over practices in the relevant country in connection with adoption, the restrictions must be removed. The consideration of representations would form part of the review of a restricted country and consideration of its removal from the restricted list. Thirdly, the introduction of special restrictions is an administrative decision made by the Secretary of State and, as such, will be subject to the supervisory jurisdiction of the High Court. Application for a judicial review is therefore also available as a course for challenging the Secretary of State's decision to introduce special restrictions. As we know, that has happened; there has been a challenge in the past.

Clause 11 already provides a mechanism for individual prospective adopters to argue that their application should proceed, despite the special restrictions. Cases will be decided on their merits after consideration of the prevailing circumstances and the best interests of the child concerned. Several examples of that were fleshed out in Committee. Given all the protections that are in place, there is no need to add a statutory framework for appeals.

I am happy to say that amendment No. 22, which would require regular reviews of decisions to impose special restrictions, is not necessary. Clause 10(1) will

explicitly require the Secretary of State to keep under review whether any country on the restricted list should remain as such.

Tim Loughton: Yes, clause 10(1) will indeed oblige the Secretary of State to keep the matter under review, but it will not oblige him to publish his findings. We do not know the form that the internal review might take. We are trying to make the point through the amendment that a much more transparent system is needed so that people who wished to adopt, or whose prospective adoption was interrupted by a suspension process, could be kept fully in the loop. The amendment would mean that everyone could be assured that the reasons for suspending a country were valid while the suspension was in place.

Mr. Dhanda: The hon. Gentleman makes a fair point. It is in the interests of the Secretary of State and all of us to ensure that these matters are in the public domain and are fleshed out as far as possible. The Bill's provisions are sufficiently strong for us not to require anything further in statute. The hon. Gentleman asked a specific question about China, to which I will ensure he gets a quick response. I understand that the Department for Education and Skills has been in dialogue with its Chinese counterparts and we are hoping for a conclusion to be reached sooner rather than later.

Amendment No. 23 would require that before revoking a declaration of special restrictions, the Secretary of State would have to consult prescribed organisations involved in adoption, as well as colleagues in Wales and Northern Ireland. As I have said already, there are good administrative reasons why consultation with the devolved Administrations is appropriate when making or revoking declarations of special restrictions. There might well be occasions when organisations involved in adoption that might know something about the circumstances in the relevant country would be consulted before revoking a declaration, but that will not be necessary in every case, so we should not put a blanket provision in the Bill. There is a commitment that such consultation will take place when we can glean additional information that will give us more knowledge of what is happening on the ground to assist the Secretary of State to make a decision.

As I said at the outset, I am grateful to the hon. Members for Mid-Dorset and North Poole and for East Worthing and Shoreham for giving me the opportunity to clarify our position on an important, yet not uncomplicated, set of provisions. I hope that I have been able to offer sufficient reassurance about our intention to be transparent, which is especially important in this area of work, and our use of the provisions. We will be guided at all times by the objective of safeguarding children, which we all support. On that basis, I hope that the hon. Member for Mid-Dorset and North Poole will withdraw the new clause.

Annette Brooke: I will not press new clause 3 to a Division. I take heart from the Minister saying that the matter can be kept under review because I am sure that if the appropriate agencies have such evidence as is feared, they will feel able to contact the Minister directly. I am not entirely convinced that the transparency and openness will be as great as Opposition Members would like, but, with those few comments, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 4

PRESUMPTION IN FAVOUR OF CO-PARENTING

'After section 1(1) of the Children Act 1989 (c. 41) insert—

"(1A) In respect of subsection (1)(a) the court shall, unless a contrary reason be shown, act on the presumption that a child's welfare is best served through residence with his parents and, if his parents are not living together, through residence with one of them and through both of them being as fully and equally involved in his parenting as possible."'.—*[Tim Loughton.]*

Brought up, and read the First time.

Tim Loughton: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: New clause 9—*Reasonable contact: no order principle*—

'After section 1(5) of the Children Act 1989 (c. 41) insert—

"(6) The "no order" principle in section 5 shall be construed subject to section 1A of this Act whereby it shall be presumed that making an order for reasonable contact with the parents is, in the absence of good reason to the contrary, better for the child than making no order at all."'.

New clause 11—*Provision as to family assistance orders*—

'In the circumstances where a family assistance order is made, the officer concerned will proceed on the presumption that the child's interests are best served through reasonable contact with both his parents unless good reason to the contrary is shown.'.

New clause 12—*Reasonable contact: welfare checklist*—

'After section 1(3)(g) of the Children Act 1989 (c. 41) insert—

"(h) the desirability of reasonable contact between the child and the non-resident parent in the absence of good reason to the contrary."'.

New clause 13—*Presumption of reasonable contact*—

'After section 1(1) of the Children Act 1989 (c. 41) insert—

"(1A) In respect of subsection 1(1) above and subject to the welfare of the child, the court shall act on the presumption that the child's interests are best served through reasonable contact with both his parents in the absence of good reason to the contrary."'.

New clause 16—*Extended family: desirability of contact*—

'After section 5 of the Children Act 1989 (c. 41) insert—

"5A Extended family: desirability of contact

(1) Where an order with respect to a child is made by the court the court must take into account the desirability of contact between the child and his extended family.

(2) Subsection (1) will not be taken into account by a court if it conflicts with any welfare requirements in Section 1."'.

New clause 17—*Non-resident parents*—

'After section 1(3)(g) of the Children Act 1989 (c. 41) insert—

"(h) the importance of sustaining a relationship between the child and a non-residential parent."'.

New clause 18—*Statutory objectives*—

'(1) In discharging their respective functions in connection with any proceedings in which the court is considering whether to make provision about contact with a child—

(a) the court;

(b) the Children and Family Court Advisory and Support Service; and

(c) the parties' legal representatives (if any)

must, so far as is reasonably possible, act in a way that is compatible with the objectives set out in subsection (2).

(2) The objectives under subsection (1) are—

(a) the welfare of the child;

(b) reduction of the risk of harm;

(c) reasonable contact; and

(d) post separation parenting.

(3) The welfare of the child applies in all respects as set out in section 1 of the Children Act 1989.

(4) "Reduction of the risk of harm" means that the safety of children and other persons involved in contact arrangements should be assessed and planned for and the danger of violence should be minimised.

(5) "Reasonable contact" means the promotion of ongoing contact between a child and his parents and other family members to an extent that is reasonable having regard to the facts of the individual case.

(6) In having regard to post separation parenting the court, the Children and Family Court Advisory and Support Service and the parties' legal representatives (if any) shall promote the desirability of co-operation between parents in the making of arrangements for any child contact.

(7) In applying these objectives the court, the Children and Family Court Advisory and Support Service and the parties' legal representatives (if any) shall have regard to the contribution that mediation may make to achieving them.'.

New clause 19—*Applications for contact orders (grandparents and family carers)*—

'(1) In the event of an application to a court for an order permitting contact with a child by—

(a) a grandparent of the child; or

(b) a relative with whom the child has lived for a period of at least one year,

the application may be made without the leave of the court.

(2) The period of one year mentioned in subsection (1) need not be continuous but must not have begun more than three years before, or ended more than three months before, the making of the application.

(3) The Secretary of State may by regulation amend section 10 of the Children Act 1989 in accordance with the provisions of subsections (1) and (2).'.

New clause 24—*Presumption of reasonable contact in the absence of good reason to the contrary*—

'After section 1(1) of the Children Act 1989 (c.41) insert—

"(1A) In respect of subsection 1(1) above, subject to good reason to the contrary and where the safety of the child is not an issue, the court shall act on the presumption that the child's interests are best served through reasonable contact with both of his parents whether or not he is resident with either parent.

(1B) In determining what "reasonable contact" is in respect of subsection (1A) the court shall have regard to the desirability of—

(a) contact facilitating a positive and fulfilling relationship between the parent and the child;

(b) frequent contact;

(c) contact lasting for lengthy time periods;

(d) contact with siblings; and

(e) contact with extended family."'.

New clause 25—*Default contact arrangements*—

'Schedule (New Schedule 1) (which makes provision for default contact arrangements) has effect.'.

New schedule 1—*Default contact arrangements*—

1 (1) This Schedule applies where two persons having parental responsibility for a child under the age of 14 years are at the commencement of this Act living or thereafter commence to live in separate households from each other.

(2) In this Schedule the "resident parent" means that person with parental responsibility for a child specified under sub-paragraph (1) who is principally resident in the same household as the child; the "non-resident parent" shall mean the other person, with whom the child does not reside.

(3) The provisions of this Schedule are entirely without prejudice to the responsibility of the resident and non-resident parents in any case to which this Schedule applies to make such agreed arrangements for contact with the child as they may decide are appropriate in the child's best interests.

(4) In any case to which this Schedule applies in it shall be the responsibility of both the resident and the non-resident parents—

(a) to endeavour to reach agreement as to such arrangements for contact or,

(b) if they are to give effect to the default contact arrangements set out in paragraph 4 below, to endeavour—

(i) to ensure that the default contact arrangements operate smoothly;

(ii) to reach agreement as to the detailed implementation of the default contact arrangements; and

(iii) to reach agreement as to such variations to the default contact arrangements with regard to dates, times and delivery and collection arrangements as may be appropriate to suit the circumstances and commitments of the child, any sibling of the child, the resident parent and the non-resident parent.

(5) On any application to a court for contact with any child the way in which the resident and non-resident parent have each discharged the responsibility set out in paragraph 1(4) shall be a circumstance which it shall be relevant for the court to consider.

2 In any case where the resident parent and the non-resident parent commence living in separate households after the commencement of this Act they shall be deemed to have agreed upon such separation to the arrangements for contact between the child and the non-resident parent set out in paragraph 4 below ("the default contact arrangements") and such arrangements shall be put into effect from the date of such separation unless and until either—

(a) the resident parent and the non-resident parent have agreed alternative arrangements for such contact; or

(b) a court otherwise orders.

3 In any case where the resident parent and the non-resident parent are already living in separate households at the commencement of this Act they shall be deemed to have agreed at the date of such commencement to the arrangements for contact between the child and the non-resident parent set out in paragraph 4 below ("the default contact arrangements") and such arrangements shall be put into effect unless and until either—

(a) the resident parent and the non-resident parent have agreed alternative arrangements for such contact; or

(b) a court otherwise orders.

4 The default contact arrangements to which paragraphs 2 and 3 above refer shall be as follows—

(1) In the case of an infant under one year old, the child shall visit the non-resident parent every Sunday between 9 a.m. and 5 p.m.; and the resident and non-resident parents shall share responsibility for transport of the child between their homes.

(2) In the case of any child who has attained the age of one year but is not yet in full-time education, the child shall—

(a) stay with the non-resident parent on alternate weekends from 10 a.m. on Saturday until 5 p.m. on Sunday;

(b) visit the non-resident parent from 2 p.m. until 5 p.m. every Wednesday;

(c) stay with the non-resident parent for seven weeks' holiday per year, on dates to be agreed between the resident and non-resident parents or, in default of such an agreement, determined by a court; and

(d) the resident and non-resident parents shall share responsibility for transport of the child between their homes.

(3) In the case of any child in full-time education who has not yet attained the age of fourteen years, the child shall—

(a) stay with the non-resident parent on alternate weekends from after the child finishes school on Friday until 6 p.m. on Sunday;

(b) visit the non-resident parent from 4 p.m. until 6 p.m. every Wednesday;

(c) stay with the non-resident parent for seven weeks' holiday per year, of which at least ten days shall be in the Christmas school holidays, ten days shall be in the Easter school holidays; and the balance in the summer school holidays, the precise dates to be agreed between the resident and non-resident parents or, in default of such agreements, determined by a court; and

(d) the resident and non-resident parents shall share responsibility for transport of the child between their homes and/or the child's school.

5 This Schedule shall not apply in circumstances where allegations of child abuse are made in such form as the Secretary of State may by order prescribe.'.

Tim Loughton: We come to the guts of the main part of the Bill. In the absence of any signs to the contrary, I shall speak, first, generally to the thrust of the new clauses before going into detail.

New clause 4 goes to the heart of the principle that we think should be set out in the Bill. If the Government agreed to the principle that is enshrined in the new clause, they would, at a stroke, remove the major objections to why the Bill, in its current form, will not work and why it will prove to be a damp squib, as we have warned all along. The principle is clear: it is that a child's welfare and interests are best served by both his parents being as actively involved in his upbringing as possible unless there are good reasons to the contrary that pose a risk to the safety of that child. That rider runs through every amendment that the Opposition have tabled to the Bill throughout all stages of its consideration.

The new clause and the associated new clauses are not about parents' rights. We have not once addressed the Bill in terms of parents' rights. The new clauses are not about treating a child as some accessory or commodity whose ownership should be tightly defined and whose diary should be artificially prescribed on a rota basis between each of his parents. The new clauses are not about compromising the paramountcy of the welfare of the child as set out in section 1 of the Children Act 1989, some 17 years ago. That piece of legislation is as relevant and valued today as it was when it was first debated in the House.

Surely a child's welfare is best served by maximising the time—preferably quality time—that is spent with both his parents. That is complementary to, and not contradictory to, the paramountcy of the welfare of that child. The new clauses represent none of the things that they have at times been caricatured to represent by the Minister and her predecessor, who was guaranteed to launch into a frenzy every time the issue of co-parenting was mentioned.

Ann Coffey (Stockport) (Lab): I do not disagree with the principle of a child's welfare being met by contact with both parents. Does the hon. Gentleman agree that in new clause 4 his definition of a child's welfare is prescriptive? For example, it reads that the presumption is

"that if his parents are not living together",

the child's welfare is best served through residence with one of them. A child's need for quality parenting from both parents could be met by residence for three days with one parent and four days with the other. I am suggesting to the hon. Gentleman that perhaps the new clause demonstrates the difficulty of trying to define in the Bill in a prescriptive way how a child's welfare needs might be met. It is something that might be better met by a court's decision.

Tim Loughton: I appreciate the hon. Lady's point. I appreciate also her longstanding interest in and great involvement with this Bill at all stages. However, what she is suggesting would be rather more prescriptive. What we have put in the new clause is broad ranging. It sets down a principle that can be applied to other aspects of the Bill.

I do not want to say that a child should spend three days with one parent and four days with the other, or vice versa, or any computation of that. We have never once tried to do that. That would be extremely prescriptive. New clause 4 and the other similar new clauses set out the principle that should be applied throughout this Bill and which should be used to amend the Children Act 1989. It underlines the fact that it is in the best interests of the child to spend as much quality time as possible with each of the parents. As new clause 4 says, those parents should be

"as fully and equally involved in his parenting as possible."

In using the word "equally", we are in no way trying to prescribe that they should spend 50 per cent. of the time with their children. That would be absolutely wrong; it would not be a reflection of real life, as the hon. Member for Stockport (Ann Coffey) will know from her experience and as I do from mine. I am afraid that there is no way that I spend 50 per cent. of the time, divided between myself and my wife, with my children, regretfully. That is the nature of hon. Members' jobs, and it is the same for many other people's jobs. To try to replicate a 50:50 division of time after a couple had split up would not properly reflect the nature of a parent's relationship with a child when a couple is together in a united family. We have been at great pains to try to ensure that new clause 4 is not prescriptive, but it is fundamental to the principle behind our whole approach to the Bill.

5 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): The early-day motion on parenting time presumption, tabled by the right hon. Member for Maidenhead (Mrs. May), goes to the root of the issue and has received extensive cross-party support. I welcome the new clause, but would the hon. Gentleman not acknowledge

that the use of the word "equal" will, no doubt, allow various debates to ensue? Would not a word such as "comparable" give a more appropriate impression of what he is trying to achieve?

Tim Loughton: I welcome the hon. Gentleman's involvement in the discussion and the fact that he is one of the 116 Labour signatories who have made early-day motion 128—tabled by my right hon. Friend the Member for Maidenhead (Mrs. May), me and other hon. Members—one of the top three most supported early-day motions in this Parliament. Before I come to that subject, I want to refer to his mention of the word "equal". We do not talk about equality in that respect; we use the phrase

"as fully and equally involved...as possible".

That should not be taken to mean 50:50—that would not be a reflection of reality, as I was at pains to point out to the hon. Member for Stockport.

The principle of new clause 4 lies behind early-day motion 128, which was launched more than a year ago and has now been signed by 345 hon. Members of all parties—a clear majority of hon. Members. It has been signed by 116 Labour Members, 157 Conservative Members and 50 Liberal Democrat Members—although, sadly, not the hon. Member for Mid-Dorset and North Poole (Annette Brooke), who speaks from the Front Bench. Many Democratic Unionist party Members, all Ulster Unionist party Members and a goodly number of Welsh nationalists, Scottish nationalists, Social Democratic and Labour party Members and even Respect have added their names to that early-day motion.

At the eleventh hour in the passage of the Bill, if the Government are really serious about improving the life chances of some the most vulnerable children in our society, as the Minister for Children and Families put it on Second Reading, it is time—long overdue—that she took note of the views of the House as expressed in that early-day motion. I hope that, if we press the new clause to a vote, we will see a rather fuller Chamber, reflecting the commitment that hon. Members made when they signed that early-day motion and when they responded to their constituents through various organisations that lobbied them to say, "Yes, we support this principle." We now expect them to put their money where their mouths are, because the problem is getting worse, not better.

Every year, between 150,000 and 250,000 parental couples separate. One in four of the 12 million children in this country will experience the separation of their parents at some point, and 68 per cent. of them will be aged 10 or less. As a child, I was in that position, as I am sure were many other hon. Members. For many children, the future in the family is sorted out amicably and does not require the interference of court proceedings, mercifully. We are told that 90 per cent. of cases are settled without recourse to the courts, but that figure disguises the fact that many non-resident parents are forced to submit to unsatisfactory, unfair or non-existent contact arrangements, because of the fear of long-drawn-out and expensive court procedures. That is why around 40 per cent. of non-resident parents lose contact—or lose meaningful contact—with their children within two years of a family breakdown. Of those who go down the legal route, because they feel that they have to, that number has mushroomed. The number of applications for contact going through the courts has ballooned from 17,470 in 1992 to 70,169. A study by Oxford university that was cited in Committee postulated that there may be 2 million non-resident fathers in the population, as 80 per cent. of children in separated families live exclusively or mainly with their mothers.

Clearly, the current law is not working as a deterrent to acrimonious court action. We believe that it needs to be turned on its head—hence new clause 4, which does precisely that, backed up to varying degrees by other new clauses and amendments. What could be more sensible than new clause 4, which simply seeks to enshrine in statute what we are constantly told the courts seek to achieve in practice—that

"a child's welfare is best served"

through both parents being

"as fully and equally involved in his parenting as possible"?

From that basic premise, each parent can set out his or her stall on a level playing field and decide how time and attention can best be spent with his or her child. No arguments about rights will happen if we start from an equal basis.

We have some very good parents in this country, but we also have some lousy ones. We have some dedicated, loving, attentive parents not living with their children who are too often frozen out of reasonable contact arrangements with their children; and we have some lousy parents who are living with and responsible for their children who too often use them as pawns in an acrimonious dispute with a former partner, particularly when they hold the strongest cards. Too many of those parents subsequently become serial breachers of contact orders with impunity, which is why the Bill was necessary in the first place.

Family breakdown is rarely, if ever, the fault of the child, but too often the child becomes the victim when arrangements are not settled sensibly and amicably. The principle set out in new clause 4 was endorsed by the noble Lord Adonis, the Minister in the other place, when the Bill was debated there on 29 June 2005. He said:

"We fully support the position established in case law that children normally benefit from a meaningful relationship with both parents following separation, so long as it is safe"—[*Official Report, House of Lords*, 29 June 2005; Vol. 673, c. 251.]

Let us therefore have that built into the Bill. The principle was also supported in the Green Paper, which said that after separation both parents should have a responsibility for and a safe meaningful relationship with their children, so long as it was safe, and it pointed out that that was the view of most people in our society. I entirely concur with that.

We all know the statistics about the benefits of maximising contact with non-resident parents, who tend to be the fathers. The children achieve more academically; they are less likely to get into trouble with the police; they become more sociable; and they have better health outcomes. Effectively, the new clauses and amendments are a statement of the bleeding obvious—*[Interruption.]* They need to be stated directly in the Bill because, as it stands, it will not work properly.

I have dealt with new clause 4, which sets out the principle. New clause 9 is—*[Interruption.]* I believe

[Tim Loughton]

that I used parliamentary language and I have not been hauled up for it, but I think that we have got the point from what I said.

New clause 9 is a technical amendment to section 1 of the Children Act 1989, which is designed to extend the basic principle that in the absence of evidence of any likely harm being caused to the child, contact is better than no contact. New clause 11 is designed to extend the reasonable contact principle to family assistant orders. New clause 12 amends the welfare checklist in the Children Act and deals with the accusation that our amendments would undermine the paramountcy of the welfare of the child. I would contend in any case that we can have a hierarchy of presumptions about what is best for the welfare of the child. We have argued all along that maximising contact with parents is integral to promoting the welfare of the child. The welfare checklist in section 1, which is so important to the 1989 Act, already contains considerations about physical and emotional needs, the effect of changing circumstances and the capability of the parent, so surely desirability of contact complements that list, rather than undermines it. That is why new clause 12 is such an important addition to the amendments that we propose.

New clause 13 mentions again the desirability of reasonable contact under section 1 of the Children Act. "Reasonable contact" is a phrase that we used frequently in Committee. In many cases, unfortunately, the corresponding amendments were not selected for debate, but reasonable contact goes to the heart of what we are suggesting. That is why new clause 24 aims to define what constitutes reasonable contact.

New clause 24 states:

"In determining what 'reasonable contact' is in respect of subsection (1A) the court shall have regard to the desirability of"—

and we give five considerations of what constitutes reasonable contact. They are, first,

"contact facilitating a positive and fulfilling relationship between the parent and the child".

All of us can take a view on what that means. It clearly sends a message that reasonable contact needs to achieve something and is based on quality, not just quantity.

Secondly, the court should have regard to the desirability of "frequent contact".

A nice long letter once a year, a Christmas card, a birthday card or an annual visit is not frequent contact. That would not constitute reasonable contact. The third consideration is that contact should last for lengthy periods. A couple of hours snatched on a wet and windy seafront on an autumn trip does not constitute reasonable contact, unless it is ongoing.

The fourth consideration is contact with siblings. This is an aspect on which many hon. Members focused in Committee, especially my hon. Friend the Member for Peterborough (Mr. Jackson). Siblings and extended family, which is the subject of the fifth consideration—brothers and sisters or, more frequently, grandparents of children in a family that has split up—become the victims and are frozen out of future relationships with those children. That is not in the best interests of the child's welfare and is also not fair to the grandparents and the siblings, who in many cases have played no part in whatever led to the breakdown of that family unit. New clause 24 is a useful addition to define what we mean by reasonable contact, which is essential to the success of the Bill.

New clause 16, following on from the theme that I have just outlined, would amend section 5 of the Children Act to reinforce the desirability of contact with the extended family, particularly grandparents. Just because a couple decide that they no longer want to live with each other or continue a marriage, the children should not be deprived of meaningful contact and a meaningful ongoing quality relationship with grandparents, uncles, aunts and cousins, who can provide some degree of stability and continuity in what can be a very turbulent period, especially for young children. Their role is perhaps even more important at a time when a family unit breaks up than it was when a loving father and mother were present all the time for those children.

Mr. David Evennett (Bexleyheath and Crayford) (Con): My hon. Friend is making an important point about grandparents, who are so vital and can often be an anchor when parents unfortunately split up. That is why it is so important that the children maintain their relationship with grandparents. We strongly endorse that.

Tim Loughton: I am grateful for my hon. Friend's support. That point found support on both sides of the Committee. After my parents split up, my relationship with my grandparents was important—I particularly enjoyed my frequent visits to Eastbourne pier, where I became a fruit machine junky, although that is another story for another day.

5.15 pm

I will not go into detail on the new clauses tabled by other hon. Members. New clause 17, tabled by the hon. Member for Mid-Dorset and North Poole, is similar in many respects to our own attempt to amend the welfare checklist, and as such it merits our support.

New clause 18, tabled by the hon. Member for Stafford (Mr. Kidney), concerns the Children and Family Court Advisory and Support Service objectives on welfare. It has some merit, and I will be interested to hear what he has to say. Newclause 19 deals with access by grandparents, which I have already mentioned and which we support.

I have severe reservations about new clause 25 and new schedule 1, tabled by the hon. Member for Mid-Dorset and North Poole on behalf of the Liberal Democrats. The new clause and, in particular, the new schedule, which details the arrangements, go completely against the concept of non-prescription that we have tried to promote throughout the Bill. To try to set down in statute, whether it be by default or otherwise, prescriptive arrangements on how a child's time should be broken up risks treating that child as a commodity and undermines a lot of the good work on bringing about cordial arrangements between parents that are in the best interests of the child. For example, what would happen if a child who is supposed to spend every other Saturday afternoon with their father had a school football match? Must the

child opt out of the football match in order to satisfy their father's or mother's part of the deal?

I am sure that new clause 25 was tabled with the best of intentions, as is the case with so much of what we get from the Liberal Democrats, but it is entirely unworkable in practice and would be dangerous if it were added to the Bill. If the hon. Member for Mid-Dorset and North Poole is minded to push new clause 25 to a vote, she should not come to us touting for support, because she will not get it.

None of our amendments is rocket science. The concept of shared parenting being enshrined in statute is being looked at in a number of other countries and several US states: it was an undertaking of the new Canadian Government; it is being examined in the Senate in Italy; a considerable amount of work is currently going on in Australia; and, as we speak, the Senate in Brazil is considering a new law establishing joint custody for children as the first option after divorce—the new law has already been passed by the federal deputy chamber.

The idea is not new in this country. As I said in Committee, the previous Conservative Government considered amending the law along those lines in the Family Law Act 1996, section 11(4) of which states:

"the general principle that, in the absence of evidence to the contrary, the welfare of the child will be best served by-

(i) his having regular contact with those who have parental responsibility for him and with other members of his family; and

(ii) the maintenance of as good a continuing relationship with his parents as is possible".

I would also mention the Children (Scotland) Act 1995, which enshrines the desirability of maintaining personal relations and direct contact with non-resident parents on a regular basis.

Why cannot we have that here? Many people with children's best interests at heart have been calling for it for many years. We have consistently called for these amendments throughout every stage of the Bill's progress in this House and in their lordships' Chamber. They would set out for a separating mother and father what the norm will be, what will be expected of them, and what will happen to them if they do not respect the judgments made. It is as simple as the principle that one is innocent until proven guilty. Someone who is a good parent should be deemed to be such unless and until it is proven reasonably that they are not. We want to establish the principle that it is a norm that reasonable contact should be assumed after a split because that is in the best interests of the child in the absence of evidence to the contrary.

If the Government are serious about wanting to deal with the problems that many of our constituents face, and about producing worthwhile legislation that will do something about them instead of just talking about it, headlining the problem and ticking the boxes, they should add these new clauses to the Bill. They are fundamental to its workability and go to the heart of the problem. On that basis, I wholeheartedly commend them to the House.

Mr. David Kidney (Stafford) (Lab): New clause 18 stands in my name and in those of the hon. Members for Mid-Dorset and North Poole (Annette Brooke) and for Ceredigion (Mark Williams). New clause 19 also stands in my name.

Debate on the Bill, in this House and outside, has largely been polarised around two issues and two groups of people. One group is keen to prevent an obstructive parent from stopping the other parent having contact with the child, while the other is worried about domestic violence and abuse being insufficiently recognised in court proceedings to make a parent allow contact between the child in their care and the parent who is not resident with the child. In new clause 18, I attempt to rise above those polarised points of view and say that there is merit in both arguments, but not in one to the exclusion of the other. I hit upon the idea that if the Bill were to have statutory objectives added to it, we might be able to reach an agreed solution. Sadly, it seems that I have fallen between the two stools, and neither have I attracted the support of the Minister. However, I will explain why I think that it is a good approach.

Statutory objectives are quite rare, but they have been seen to work in other areas of the law. A good example from a completely different area is that of the Financial Services and Markets Act 2000, which has four statutory objectives in regulating the Financial Services Authority. That authority has been able to adopt a risk-based approach to regulation that has been beneficial for this country's financial services sector, which is probably the most successful in the world. I decided that in trying to resolve disputes about contact with children, the courts, CAFCASS officers and those in the Welsh service who deal with preparing court cases involving parents who are in dispute, and the legal representatives of those who want to go to court, should all have regard to four statutory objectives, namely:

"(a) the welfare of the child;

(b) reduction of the risk of harm;

(c) reasonable contact; and

(d) post separation parenting."

As the hon. Member for East Worthing and Shoreham (Tim Loughton) said, the first—the welfare of the child—comes from the Children Act 1989, a successful measure that has stood the test of time. Its aims of putting children's interests first have been successful. Section 1 states that

"the child's welfare shall be the court's paramount consideration."

Nothing should interfere with that resounding statement that children's interests come first.

The polarised arguments about preventing obstructive parents from getting in the way of contact in, for example, new clause 4, try to solve the problem by attacking the paramountcy of the child's welfare. New clause 4 would force the court to presume that the child's welfare includes so-called co-parenting. That is far too narrow. Section 1(3) of the Children Act contains a welfare checklist, which sets out all the issues that courts should take into account when deciding what is in the child's best interests. They include all the relevant matters that the hon. Member for East Worthing and Shoreham set out for our consideration.

Mr. Stewart Jackson (Peterborough) (Con): I am following the hon. Gentleman's argument closely, but does he believe that it is incumbent on him to define robustly the paramountcy principle, given that the Bill does not do that? It continues to be a panacea, which children's charities, the Government and others use. Should it not be properly defined for us to go forward?

Mr. Kidney: With the greatest respect to the hon. Gentleman, for whom I have great respect, especially for his views about grandparents in the sort of proceedings that we are discussing, I believe that he is wrong. As I said, the Children Act has stood the test of time and thousands of courts have made decisions about contact in the light of that measure. The welfare of the child and its paramountcy is well understood and applied correctly by the courts.

The presumption of contact is well established. Those of us who served on the Committee often heard reference to a report by Her Majesty's inspectorate of court administration, "Domestic Violence, Safety and Family Proceedings", which said that in all the practice sessions that it had observed in the inspection, the presumption of contact was evident. Indeed, paragraph 3.9 of the report worryingly stated:

"and there was consistent evidence that inappropriate assumptions about contact were made, rather than assessments about whether there was any risk associated with domestic abuse cases."

The presumption of contact is therefore alive and well and the report alerts us to the fact that it applies to an inappropriate extent and that, in some cases, there might be danger for children and parents in allowing contact to proceed.

That brings us to the statutory objective that I propose—to reduce the risk of harm. The other great polarised debate is about whether there should be no contact if there is any risk at all of abuse to the child or the other parent. Again, I believe that it goes too far, but until the House of Lords included clause 7, the Bill contained no provision for the court even to ascertain whether any harm was being done.

The statement that preceded our proceedings was about schools checking whether staff employed there might pose a risk to children. What about courts? They order somebody to allow contact. Surely they should consider whether there is a risk of harm. Clause 7 provides that if there is suspicion of harm, CAFCASS will undertake a risk assessment, but the Bill includes nothing about what anyone does with it. Under clause 7, at least it will go to the court, and the court will have the power to make orders. My statutory objective about reducing the risk of harm would at least remind the courts that, when they receive a risk assessment report, something ought to be done with it.

5.30 pm

The fourth of my statutory objectives deals with parenting relationships after a separation. This brings me to a report to which the hon. Member for East Worthing and Shoreham and I both referred with approval in Committee. It is an excellent report by the University of Oxford, "Family Policy Briefing 3", produced in January 2004, which gives advice to policy makers such as ourselves. Its final section, "The way forward", warns us to be cautious about making any legislative change at all. It states:

"Introducing a presumption of contact is...problematic"

although the

"case for amending the Children Act may be stronger in relation to domestic violence".

The report goes on:

"Post-separation parenting is a very neglected area...There would be widespread support for a programme aimed at improving service provision"

to promote better relationships between parents after they separate. That is why my fourth statutory objective would be beneficial in the longer term. This is a longer-term issue.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I am listening carefully to the hon. Gentleman's speech. Will he enlarge on who exactly would provide the support for the parents in those circumstances? It is patently clear that, in its present form, CAFCASS would be unable to take on any burden over and above what is being placed on it by the Bill.

Mr. Kidney: I mentioned earlier the problems associated with polarised debates. There are lots of reasons why contact does not proceed, including obstructive parents, delays in the investigations associated with court proceedings, and a lack of resources for those who are supposed to give the kind of support about which the hon. Gentleman is asking.

I note that CAFCASS is developing a change to its approach to court proceedings, so that it can make more active interventions at the beginning of a case. In that way, it could facilitate early agreements and make use of the provisions in the Bill for contact activities. It would therefore be easier to solve problems at the beginning. "Sort, not report" is the strap-line that it uses. Instead of writing a report that could take 12 weeks to deliver, it will try to act more quickly to solve the problem. So perhaps a change of approach from CAFCASS, with good leadership and reasonable resources, is the way to ensure that there is support during court proceedings, when judges look for support for the directions that they give.

I want to move on to new clause 19 in a moment, but for completeness I want to mention a charity in my constituency called Stafford PAIRS, which stands for "preventing abuse in relationships". The charity is strongly supportive of risk assessments in cases of domestic violence or abuse. One of the partners to that charity, a worker with Women's Aid in Stafford, told me that, of 18 clients with whom she had dealt since October 2004, three had expressed suicidal feelings because of the pressures of being compelled through court proceedings to allow the other parent contact with their child after domestic violence had caused the breakdown of the relationship. I want people to appreciate the other side of the argument.

New clause 19 is a procedural amendment that would allow grandparents the same opportunity to ask a court to allow contact that a parent has now. Parents are entitled to apply to a court for a contact order, but grandparents are not. The new clause proposes that grandparents should have the same right to join in proceedings to ask the court to consider whether a contact order should be granted in their favour. I leave it to the hon. Member for East Worthing and Shoreham to explain why relationships with grandparents are beneficial

to grandchildren. I merely say that grandparents should be given the opportunity to show that to the courts, and that court orders would then follow.

New clause 19 also proposes that other family carers—not parents or grandparents—who have cared for a child for at least a year ought to be at least in the same position as a foster carer who has cared for a child for a year, and should be able to apply to the court for a contact order. The new clause is a procedural device to put such people on the same level as those who already have similar rights under legislation.

As I seem to have little support from Members on either side of the House or from the Government Front Bench, I am not hopeful that my new clauses will make progress, but I believe that if the Bill is to prove a lasting success when enacted, we must do more both to ensure that children maintain contact with both parents, and to root out cases of domestic violence earlier.

Annette Brooke: I have great sympathy with most of what was said by the hon. Member for Stafford (Mr. Kidney). I sincerely believe that we need to find a solution. Our starting point is the United Nations convention on the rights of the child, which states that a child has the right to direct and regular contact with both parents unless that is contrary to the child's best interests. It is strange that we are struggling—by "we", I mean the majority of the House—to find a solution that will put something in the Bill without risking the safety of the child or undermining the child's paramountcy.

It is generally acknowledged to be in the child's best interests to sustain a full relationship with both parents, but obviously it will not be if there is a risk of harm, or in relationships involving extreme conflict, which can be immensely damaging for a child caught in the middle. I do not think that we should be too prescriptive. I shall be explaining an unusual proposal when I have dealt with the others.

I genuinely believe that every case is different, but we need to have more in legislation than we have at present. Parents should be able to assume that contact should take place in most cases. I am sure all our surgeries have often been visited by grandparents in great distress. I should like the Bill to incorporate a provision applying in particular to grandparents and the extended family, and I hope that the Minister will be able to give us some comfort. A number of suggestions have been made today and we have rehearsed many of the arguments that were presented in Committee. What exactly is the problem?

One of the conclusions of the Constitutional Affairs Committee's fourth report of the Session 2004-05, entitled "Family Justice: the operation of the family courts", was

> "We consider that a clear statutory statement of this principle would encourage resident parents to assume in most cases that contact should be taking place."

Such a provision would set the scene, or the culture, to which we should move. The percentage of intractable cases is relatively small, but the outcome of some that are settled out of court is not ideal, and I would not wish to suggest otherwise.

The hon. Member for East Worthing and Shoreham (Tim Loughton) said that a birthday card was not enough. Every time he makes that point it tears at me somewhat. I only wish that we had evidence of how often that is the case, and in what circumstances. Certainly, we hear of such cases, but we usually get only one side of the story and not all the details.

New clause 4 contains the term "legal presumption". I made it clear on Second Reading and in Committee that that is a problem for us. The Select Committee considered the arguments carefully and it is interesting that Resolution—the new name for the Solicitors Family Law Association—suggested in written evidence that there should be a second, lower order, presumption, although part of that suggestion was retracted in subsequent oral evidence.

Tim Loughton: I am saddened but not entirely surprised to hear that the hon. Lady has problems with the phrase "legal presumption". Will she explain why 50 of her colleagues have signed early-day motion 128, which refers specifically to the need to have a "legal presumption of contact"? Are they misguided, or not on message? Will they surprise her with how they vote if the new clause is pressed to a Division?

Annette Brooke: I thank the hon. Gentleman for that intervention, which was not entirely surprising. All hon. Members are genuinely concerned about parents losing contact with their children. I am sure that every word of the early-day motion arouses sympathy, but any proposal that would put the phrase "legal presumption" on the face of the Bill requires a great deal of thought. Some very eminent people have said that conflict could arise if there are two legal presumptions. That deserves much serious consideration, given that five or six children's organisations have said that they share that concern.

Tim Loughton: Will the hon. Lady give way?

Annette Brooke: I want to move on—[HON. MEMBERS: "Give way."] Very well, I give way to the hon. Gentleman.

Tim Loughton: I am grateful to the hon. Lady, who must find it painful to be in a minority in her party. She is right to say that we, as legislators, have a responsibility, and our first responsibility is to be consistent. Most members of her party are prepared, for cheap gratification, to assuage the concerns of those who are genuinely affected by the problem that we are discussing by agreeing to sign up to early-day motion 128, but will they support the new clause in the Division? That is what is important. I despair at the duplicity of the Liberal Democrats, who claim to support a proposal in principle but who utterly fail to do so when it really matters.

Annette Brooke: Perhaps I should just pass on that intervention. We will support the Select Committee recommendation—which has been accepted by a number of people who gave evidence to the Committee and were involved in the discussions—that a statement should be inserted into the welfare checklist required under the Children Act. For my version of the provision, I have chosen the wording recommended by the Select Committee—that the courts should have regard to

[Annette Brooke]

"the importance of sustaining a relationship between the child and a non-residential parent".

It is important that we find wording that will not cause conflict between two legal presumptions. To pursue something that might lead to a dangerous outcome is far more damaging than feeling that one has signed one's life away because one has signed an early-day motion. When people sign an early-day motion they do not expect every word of it to appear in legislation.

5.45 pm

Our proposal is important to us; there should be such a legislative statement. I was attracted to the new clause proposed by the hon. Member for Stafford (Mr. Kidney), as its ingredients included all the issues that we want to raise. We need provisions that will move us forward rather than saying, "No, no, we cannot put anything on the face of the Bill", but we must give them due consideration.

It is interesting that the Government picked up the suggestion for an addition to the welfare checklist as an idea that they would investigate. It was supported by the scrutiny Committee for the draft Bill, but the Government said at one stage that it was not appropriate because it would be relevant only to private law and not to public law. I cannot follow that argument, because one would not need to take such a checklist into consideration in a public law case. I would have thought that there was a way round that point and that it need not be the problem that has been suggested.

All Liberal Democrat MPs are concerned that children and parents retain contact where it is safe to do so, but we need to find the right route. I look forward to the response of the Under-Secretary of State for Education and Skills, the hon. Member for Gloucester (Mr. Dhanda). New clause 4 is slightly different from the provision on which we voted in Committee, but if he can reassure me that it is perfectly safe, we could vote for it. However, on such an important issue, when we know that children die if wrong decisions are made—

Mr. Stewart Jackson: I am confused about the official Liberal Democrat policy on co-parenting and the early-day motion signed by about 85 per cent. of the parliamentary party. I am also confused by the fact that the hon. Lady says that she will look to the Minister to agree, or not, to the Conservative new clause. What does she think of our new clause and will she support it? Or is this a case of something that fits neatly into a "Focus" leaflet but is not followed through in a vote in the House?

Annette Brooke: That is the most demeaning point that could be made in a serious debate. Conservative Members may think that this is an issue to be put out in slogans and leaflets, but I think that children's interests come first, first and first. That was a shocking intervention that reduced the level of discussion. Children's lives and, at the other end of the scale, relationships with parents are at stake.

I want to move on to our new clause 18, which people are right to say look prescriptive, although I have in the past argued against too much prescriptiveness. The new clause was tabled in a very different form in Committee, but was not selected because it was not sufficiently detailed. We therefore faced a dilemma, as it would have been far more appropriate to discuss the principle behind it in Committee than to do so on Report. We do not mind if the Minister ignores the detail of our proposal, but we would like him to engage with its basic concept and the need to place a strong emphasis on mediation and efforts to find solutions. The provision is not perfectly worded, but it makes provision for a risk assessment to be carried out if there is an accusation of domestic violence. It applies to parents who have reached the end of the line, cannot be reconciled and are waiting for a slot in court. Opposition Members often say that it is a tragedy that 40 per cent. of parents lose contact with their children after a dispute. If a parent has to wait a long time before their case comes to the court, they may not be welcomed by the child because there is an automatic break in the relationship. One could argue that the solution is to ensure that the case comes to court more quickly—I wish that I believed that we would achieve that in the immediate future—but the latest report by the Select Committee makes it clear that we still do not have enough full-time judges, and that there is a long time to wait. Our proposal would not kick in until it was crystal clear that the situation was intractable and that there were no safety issues.

Mr. Llwyd: Will the hon. Lady give way?

Annette Brooke: I am happy to do so, but afterwards I should like to explain the concept behind our proposals.

Mr. Llwyd: I have practised in family law for 25 years and the problem results partly from the lack of full-time judges. However, there are not enough experienced CAFCASS officers so that, in north Wales, for example, there is a terrible delay of three months or even 16 weeks before a report is produced.

Annette Brooke: I wish that we could solve all those problems, but we will not do so immediately or in the next year—it will take much longer.

Once that dreadful position is reached, the non-resident parent is prevented from seeing the child altogether, even though the safety issues have been resolved. We have proposed a default contact arrangement for parents, who could make variations to suit themselves but, none the less, they will have contact with the child. Our new clause therefore includes a little of the Opposition's "no order principle", but the difference is that it takes account of the individual cases. We have proposed an interim arrangement until they can fight their battle in court, as we want to try to keep continuity of contact with the child. I am surprised that, given everything that they have said about wanting contact, the Conservatives have started to ridicule our proposal. I am, however, prepared for the details to be ridiculed, because it was difficult to express the concept in an acceptable form on the amendment paper. I genuinely wanted to discuss the issue in Committee, because I thought that we could find a way to progress that idea.

I hope that I have made myself crystal clear. We have not attempted to provide a rigid arrangement but an interim arrangement while people wait to go to court.

Once it is in place, the parents may agree to work things out between themselves, so that the situation does not become intractable. There has never been a suggestion on my part that the new clause be pressed to the vote, because I am aware of its inadequacies. The concept, however, is important and I hope that the Minister will respond in the spirit in which it was proposed. I take the matter seriously, as we need to tackle the gap which, hon. Members will concur, may lead to one parent losing contact with their child for life. An arrangement that is a little rigid and lasts a few months may be a price worth paying to stay on the path to keeping contact.

Mr. Stewart Jackson: I wish to speak to new clause 4, which I tabled with my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), before touching on new clauses 13, 16 and 19. I will resist the temptation to say that it is a pleasure to follow the hon. Member for Mid-Dorset and North Poole (Annette Brooke), and merely observe that the Liberal Democrats are Olympic medal winners in sanctimonious and patronising equivocation. At the election, the Conservatives will expose their cynicism and duplicity in every constituency. It is not about playing politics; it is about making local undertakings and doing something completely different when the votes come in.

New clause 4 deals with the presumption in favour of co-parenting and reasonable contact. We all believe that the child's welfare is best served by residency with their parents or, if they do not live together, residency with one parent. Reasonable contact allows both parents to be fully involved in parenting. Having participated in the lengthy proceedings on the Bill, I believe that there has been too much heat but not enough light. I broadly support the Bill with some important caveats, but it is a missed opportunity. It could have united children's charities and Families Need Fathers; it could have united parties from all parts of the House. However, after the trench warfare of the past year or so in the other place, in Standing Committee, and on Second Reading, consensus has been lost. The Government have set their face against concessions, and are guilty of intransigence, inertia and discrimination, particularly against non-resident parents of both sexes.

New clause 4 does not undermine the paramountcy principle—indeed, it enhances it. My hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) has a strong record in extolling the virtues of co-parenting and the importance to the future of children in this country of having—if at all possible, and with the caveat that the safety of the child is always paramount—both parents involved in their upbringing.

6 pm

The Government are using the paramountcy principle as a rock on which all appeals to flexibility and logic, and the experience of real life, are smashed. The paramountcy principle is an opaque panacea; it is not set down in legislation and it is used by Ministers and Back Benchers to stop any discussion, even of the hierarchy of paramountcy.

This issue is about human rights, fairness and equity, and equality of gender. I will not take any lectures from the Liberal Democrats because, like many Members in all parts of the Chamber, I know from my surgery casework how this issue affects and undermines families. It is important that we bear it in mind that we are talking not about dry, dusty, arcane legal principles, but people's lives and futures, and their children.

Frankly, I cannot understand why parents who were fit and proper parents when they were married, or together in a non-married relationship, are deemed suddenly to cross a line and to become unfit parents, and are therefore not permitted to see their children—under the auspices of family courts or otherwise. No Minister has explained that to any of us. Why are they any less good, loving, caring parents? Ministers need to address that issue.

Dame Elizabeth Butler-Sloss, one of the pre-eminent experts in family law in this country and president of the family division, recently said:

> "There is, of course, no doubt that some parents, particularly mothers, are responsible for alienating their children from their fathers without good reason and thereby creating this sometimes insoluble problem. That unhappy state of affairs, well known in family courts, is a long way from recognised syndrome requiring mental health professionals to play an expert role."

Baroness Ashton stated in a letter of 14 July 2006 to Baroness Morris of Bolton:

> "We accept that in many cases this"—

the presumption of co-parenting—

> "is true and indeed this position is supported by case law, which states that children generally benefit from a meaningful relationship with both parents after separation so long as it is safe and in their best interest."

In further case law, the judge ruling in the 1997 case R v. B said that

> "to deprive a father who bona fide wishes to have contact with his child of that contact is a drastic step. The court's general policy is clear: contact between a child and its natural parent is something which should be maintained wherever this is practical".

So Ministers are clearly setting their faces against case law, which raises the important and apposite question of why they are doing so. But is it case law in respect of reasonable contact? It is probably not, because reasonable contact is not enshrined in current legislation; only contact is. That is of relevance to an important point that my hon. Friend the Member for East Worthing and Shoreham made earlier. A postcard every month or every year, or a telephone call, is not reasonable contact. The Minister should address that issue in his concluding remarks.

It might be appropriate at this stage to refer to the comments made in the briefings of children's charities such as the National Children's Home and Barnardo's, and in particular the National Society for the Prevention of Cruelty to Children. As I said on Second Reading and in Committee, I deprecate their comments because they are based on an unfair analysis, they are complacent and partial, and they support the discrimination inherent in the Government's position.

Let us make no mistake: the Government's approach to the family law system is failing non-resident parents—men and women—as well as extended family

members. I quote Sir Bob Geldof, who, as Members know, has written on this subject. In "The Real Love That Dare Not Speak Its Name: A Sometimes Coherent Rant", he wrote:

"Upon separation, the system is slow and delay occurs immediately. This allows the status quo to be established. As the process labours on it becomes impossible to alter. This is unfair. It is nearly always possible for the resident parent (let's face it, the girl)"—

not very politically correct, but they are his words—

"to establish a pattern. It is then deemed in the child's interest not to break this routine. But at the cost of losing sight and touch of their father, we must really examine all our assumptions without fear. Then we can move to building a more equitable system benefiting all equally."

The paramountcy principle is not stated anywhere and is used with impunity to defend the current situation. A key institutional issue is that certain vested interests would be challenged by changes to the current system. It is not only children's charities that have such vested interests; so, too, do the National Association of Probation Officers and some elements in the Children and Family Court Advisory and Support Service.

New clause 4 would strengthen, rather than weaken, the paramountcy principle. Throughout the Bill's passage—in the different stages in the other place, in Committee and in the Chamber—I have yet to hear one convincing, coherent and persuasive argument against such a new clause, and certainly not from the hon. Member for Liverpool, Garston (Maria Eagle), whose presence on the Front Bench is much missed.

The arguments advanced are based on myths. Child abuse is just as likely from a stressed sole parent or their partner as from a non-resident parent. *[Interruption.]* The hon. Member for Luton, South (Margaret Moran) makes faces from a sedentary position, but that is the case. Recently, the Royal Society for the Prevention of Accidents concluded, in an analysis of children's injuries, that more malicious injuries were inflicted by mothers than by fathers. Indeed, an NSPCC report published in 2000, which that charity currently conveniently disregards, entitled "Child maltreatment in the United Kingdom: a study of the prevalence of child abuse and neglect", stated that

"most violence occurred at home (78 per cent.) with mothers being primarily responsible in 49 per cent. of cases and fathers in 40 per cent. of cases."

When this matter was debated at length in the other place, Lord Northbourne made some key points that bear repetition about the success of co-parenting and maximum conflict resolution—the subject of new clause 22—and the early intervention parenting plan, with which new clause 1, tabled by my hon. Friend the Member for East Worthing and Shoreham, deals. In Florida—for which we could equally substitute Canada, Australia and other states in the United States—the system, which uses the attributes proposed in our new clauses, is working. Families are staying together, children are safe and we are seeing reasonable shared parenting and reasonable contact—without casting aside the paramountcy principle and the safety and welfare of children. The provision is about gender equality and the rights of children to enjoy the love of both parents, as long as it is safe for them to do so. I look to the Minister to rise to the challenge and talk about the paramountcy principle and the paucity of the arguments that were used by the Government at all the stages of the Bill.

Ann Coffey: We want you to sit down.

Mr. Jackson: The hon. Lady knows that I am talking sense, despite her heckles.

New clause 10, on reasonable contact, seeks to amend the Children Act 1989. At the moment, as I said, we have contact set down in legislation, but not reasonable contact. If hon. Members do not like the word "reasonable", they might prefer "meaningful". The words are interchangeable. The new clause requests the court to have regard to the issue of reasonableness, but it is important to make the point that inserting the concept of reasonableness does not fetter the discretion of the court. Despite the debate in the other place and in this House, we are not talking about something that is necessarily wedded to a time-bound formula. We are talking not about equal being 50:50, but about equal being fair. We have some lawyers here today. The concept of reasonableness is easily understood by lawyers and it would be practically understood in the family courts. I cannot understand why the Government should disregard our new clause.

In 2004, Lord Justice Wall, as quoted by Lord Adonis in the other place, said:

"Unless there are cogent reasons against it the children of separated parents are entitled to know and have the love and society of both their parents...the courts recognise the vital importance of the role of non-resident fathers in the lives of their children"—[*Official Report, House of Lords*, 11 October 2005; Vol. 674, c. GC6-7.]

The Government pay due regard to case law, the position of Ministers and the settled opinion of a wide variety of groups that are stakeholders in the debate, but they cannot go that final step in accepting the reasonable amendment of inserting the word "reasonable" in the Bill.

We have to ask ourselves whether the Children Act really meant contact to be a postcard, a snatched telephone call or a trip to McDonald's for 30 minutes? When we enacted that landmark legislation under a Conservative Government in 1989, did we really mean to enshrine in legislation that level of contact? The answer is, no, we did not. Surely it is right that the family courts should be predisposed towards reasonableness and that the burden of proof should lie in favour of more reasonable contact.

There is one thing on which I will agree with the hon. Member for Mid-Dorset and North Poole (Annette Brooke). *[Interruption.]* Steady on. There is a human rights issue in respect of our obligations to the United Nations. At present, the United Kingdom is de facto in breach of the UN convention on the rights of the child, because it can be argued that it prevents reasonable access to children's parents.

I will talk briefly—I hope—on grandparents' rights, which is the subject of new clause 19. I pay tribute to the hon. Member for Stafford (Mr. Kidney) for his reasonable, cogent and well argued new clause. I am

sorry that, in some respects, it looks as though the Government are going to ignore that and ignore the huge welter of evidence from our postbags and surgeries that an injustice needs to be righted with respect to grandparents.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): Two of my constituents who are grandparents, Mr. and Mrs. Jennings, have found themselves responsible through no fault of their own for the care of two very young children at a time in their life when they are on reduced incomes and when they are least able to look after them. They have absolutely no assistance whatsoever. They wrote to Ministers some considerable time ago, but they contacted me today to say that they still have not had a reply. Does my hon. Friend agree that perhaps we should be looking at providing more assistance for grandparents, not less?

6.15 pm

Mr. Jackson: My hon. Friend makes an important point. I am sure that the Minister is listening closely with respect to the correspondence entered into by her constituents.

In Committee, we did not have as long as we would have liked to debate the issue of grandparents' rights and the diminution of those rights in respect of the family court, so you will forgive me if I put the importance of new clause 19 into context, Mr. Deputy Speaker. Again, this is a debate about the value society places on people who do a fantastic job in caring for their family, whose love is unconditional and who feel excluded from the decision-making processes in family courts in particular. Let us make no mistake: grandparents are role models and good carers. They are a bridge between the past and the future. The case for reform in relation to the issue raised by the hon. Member for Stafford is compelling. How can it be right that many grandparents, often on low incomes, in or near retirement, become the sole carers for their grandchildren, but, in taking on that vital role as foster parents, do not have the same rights as unrelated foster parents in terms of their income, benefits and allowances? That issue was brought to our attention by my hon. Friend the Member for Mid-Bedfordshire (Mrs. Dorries).

The issue is not party political in that respect. I repeat that the right hon. Member for Birkenhead (Mr. Field) has done an excellent job in keeping the issue at the top of the agenda with his studies and the reports that he has produced about grandparents in his constituency on the Wirral and the difficulties that they have making ends meet as foster parents. I commend to the House a report produced by the families and social capital group at London South Bank university last summer, "An Evaluation of the Grandparent-Toddler Groups Initiative", which shows the positive impact that grandparents have on very young children and the work that they do in saving the state significant amounts of public money.

Again, the obsession with the paramountcy principle is being used to block reasonable access by grandparents. I do not believe that that is right. I cannot believe that the Government have not made a more compelling argument against getting rid of the requirement to seek leave of a court to apply for a contact order. I read the reports of the Standing Committee and the Second Reading debate and I could not find a coherent argument against that from the hon. Member for Liverpool, Garston. The Government seem to have decided that no amount of argument—even by people as eloquent as the hon. Member for Stafford—will prevent them from carrying on as they are now, which means continuing to be unfair to grandparents vis-à-vis non-family carers. When I say grandparents, I mean extended family carers as well. The irony is that primary legislation is not needed. The measure could have been enacted by secondary legislation two or three years ago. There is a consensus across the House. I would like the Minister to look at that point and to make the case for why the measure has not been enacted.

We face some key challenges on the question of grandparents, although I think that the argument is coming our way. People realise that it is wrong to discriminate financially. It is wrong that the 1989 Act has not been implemented properly in respect of the financial circumstances of grandparents and the presumption that grandparents and the extended family should be considered as carers before others. I am thus delighted to support new clause 19, which was tabled by the hon. Member for Stafford. I am proud to be associated with the campaign of the Grandparents Association and others. They have done an excellent job.

Let us work on a cross-party basis. I will be delighted if the Minister says that the power of my rhetoric and my eloquence and soaring oratory has convinced him of the right thing to do. We would need not a new Bill, but good sense and the political will to right a profound wrong. I hope that he will make my day and that of the hon. Member for Stafford by agreeing to do that—*[Interruption.]* I notice that the Minister for the Cabinet Office, the former Chief Whip, has not moved on to new pastures and is still heckling from the Front Bench. However, I conclude by repeating my support for the new clauses that I have mentioned.

Mr. Dhanda: I fear that the consensus that we have achieved so far today might be about to come to an end. The hon. Member for East Worthing and Shoreham (Tim Loughton) put some statistics on the record, so I thought that I would kick off by doing the same. He might not entirely agree with the figures, but they come from the Office for National Statistics. About three quarters of non-resident parents have some direct contact. Around three quarters of non-resident parents have either direct or indirect contact at least once a week, and less than 10 per cent. of non-resident parents have no contact with their children at all. It is also worth saying that less than 1 per cent. of applications for contact are refused by the courts. Those statistics give some of the context for the debate that the hon. Member for Mid-Dorset and North Poole (Annette Brooke) wanted to put on record.

The new clauses and new schedule in the large and varied group are united by a desire to promote contact between children and both their parents, or other relatives, following parental separation. Some of the measures raise specific points to which I will turn in due course, but there are fundamental points of principle that run through all of them.

First, I make it absolutely clear that it is our view that children will nearly always benefit from a

[Mr. Dhanda]

continued and meaningful relationship with both parents following separation, so long as that is safe and in their best interest. I believe that we can all agree on that, and the debates in Committee made it clear that hon. Members on both sides of the House are united behind that position. Our view is that the legislative framework that we have in place, which is centred on the excellent Children Act 1989, is the right one. The paramountcy principle is clearly laid out in that Act, which says clearly and without qualification that when deciding any question affecting a child's upbringing, the welfare of the child should be the court's paramount consideration. I do not think that there is any disagreement about that either.

The worry that hon. Members on both sides of the House have expressed is about what is happening in practice. We all regularly hear sad stories from our constituents in our surgeries. Such cases are the motivation behind many of the measures in this group of new clauses. The vast majority of the measures would insert provisions into the Children Act to direct the courts to promote, or presume that there should be, contact with both parents, but that causes us much concern. We have examined the matter closely, but, quite simply, we cannot find a form of words that would send such a signal to the courts without moving the focus of legislation away from the fundamental principle that the welfare of the child is paramount. Any shift in favour of a presumption would be a move towards a legal model under which a court would have to start by assuming the specific position that as much contact as possible is in a child's best interest. It would have to take that position independently of considering the facts of a particular case and move away from it only in exceptional circumstances. Such an approach would be very different from starting by considering an individual child and ordering what is best for that child, which is the legal position that we have at present. I believe that that position is right.

However, that is not to say that everything is perfect—that is something on which I agree with the hon. Member for East Worthing and Shoreham. We share the concern that there might be a need for a change in practice and a shift towards better support for families to help to ensure that both parents remain involved in parenting. Such an approach would require a shift that was more cultural than legislative.

I hope that I have explained not only our general concerns about the measures, but our sympathy for the intentions behind them. Some of the measures raise specific difficulties that I shall now address.

The aim of several of the measures is to try to avert cases from going to the courts by giving parents an idea in advance of what a court would be likely to order. The problem of trying to do that is illustrated graphically by new schedule 1, which new clause 25 would insert in the Bill, in which the hon. Member for Mid-Dorset and North Poole has made a valiant attempt to set out what default contact arrangements might look like. As hon. Members will have noted, new schedule 1 is extremely detailed. I am sure that the hon. Lady accepts that it is easy to imagine the objections that would come in from parents about why the arrangements would not be appropriate in their individual case. Even more concerning is the fact that the new schedule would apply to people who had never been anywhere near a court, so it would represent a rather inappropriate intrusion by the state into the lives of private individuals who have not turned to the courts at all.

Although new clause 9 is essentially about a presumption of contact, it would have the very odd effect of changing the no order principle in the Children Act 1989. That principle, as it stands, says that a court should not make an order unless it is satisfied that doing so is better for the child than making no order at all. That is self-evidently a sensible position, but new clause 9 would drive a coach and horses through it by saying, in effect, that a court should make an order for "reasonable contact", even in the absence of any evidence that doing so would be better for the child than making no order.

New clause 11 would require the Children and Family Court Advisory and Support Service and local authority officers to proceed on a presumption of reasonable contact when carrying out family assistance orders. Such a requirement would be odd in the context of orders that are intended to support children and families. The role of an officer carrying out such an order is to "advise, assist, and befriend", usually in the context of directions given by a court, not to make assumptions about what may or may not be in those people's best interests.

New clauses 12 and 17 would insert presumptions of contact into the welfare checklist. I am impressed by the innovation of the hon. Member for East Worthing and Shoreham because he seems to have come at the Bill from every angle to try to find a way of getting his point across. Such measures would be an especially inappropriate way of proceeding. As was explained in Committee, the welfare checklist is a list of things to which courts must have regard when making their decisions. It includes matters such as any harm that the child may have suffered, the ascertainable wishes and feelings of a child and the capacity of a child's parents to look after the child. All those factors are relevant, but do not direct the court one way or another about what it should decide. There is thus a clear and stark difference between the approaches. A presumption of contact would be a very strange addition to the checklist in this context. A further problem would be that the welfare checklist applies in public law cases, such as care proceedings, although I do not believe that the hon. Gentleman would wish such cases to be covered by new clause 12.

New clauses 13, 4, and 24 express in different ways a simple presumption of contact. I have said already that we are concerned that all the new clauses would move away from the paramountcy principle as the centre of children's law, which we would consider to be deeply undesirable.

6.30 pm

New clause 24 makes some attempts to explain what "reasonable contact" means, including the worthy sentence that it should facilitate

"a positive and fulfilling relationship"

We can all agree with that as a goal, but I do not believe that a statutory presumption is the best way forward.

New clause 16 extends the principle of a presumption to the extended family. I know that it reflects the concerns of grandparents in particular, to which I shall return in a moment. Grandparents are sometimes tragically excluded from their children's lives as a result of a conflict between parents. That is unjust and it can have a terrible side effect, given the pain that individuals feel at the end of a relationship. It is, however, not something that can be solved by a presumption that would serve only to weaken the paramountcy principle.

New clause 18 comes at the problem from yet another perspective. I have discussed the clause—we had a discussion outside the Chamber—with my hon. Friend the Member for Stafford (Mr. Kidney), who was a little downhearted earlier on because he did not see me giving in on this issue. I know that my hon. Friend's aim is to find a way through the difficulties that I have set out, namely avoiding conflict with the paramountcy principle. He does so by setting out, instead of a presumption, a set of objectives that the court should have in mind when making provision about contact with the child. These are worthy objectives, including reducing the risk of harm to the child and promoting contact between the child and the child's parents and other family members.

Unfortunately, as I said to my hon. Friend when we met, the new clause does not avoid the danger of upsetting the paramountcy principle. It would effectively alter the starting point of the court, away from whatever is best for an individual child and towards making orders that would fit with the objectives set out in new clause 18.

Finally, there is new clause 19.

Mr. Kidney: My hon. Friend kindly refers to our discussions, so he knows that I do not agree with his conclusion. However, putting that on one side, he talks about a change in culture. Will he at least give the commitment today that there will be adequate resources for contact activities, risk assessments and the education that is necessary so that parents understand their responsibilities?

Mr. Dhanda: I give that commitment to my hon. Friend. If he is patient, I may give him other commitments as well. I know that when we spoke he was keen on the work that has been done, which has been agreed by Baroness Ashton. That involved a closer look at the breakdown of contact in the 99.2 per cent. of cases where contact is awarded. It would be good to see how that work progresses. I gather that we now have the academics in place who will undertake that work. I am sure that they could feed back into that work for future guidelines, which I am sure that CAFCASS and other organisations would wish to take on board.

New clause 19 focuses on the important issue of contact with grandparents, and the need for them to seek the leave of the court to apply for contact orders. The Government recognise the value of grandparents and the significant role that they and other relatives play in children's lives. Where there is a requirement for the court's permission to apply for contact, that exists to filter out applications that are unlikely to succeed, and which may not be in the child's best interests. It prevents children from becoming involved unnecessarily in court proceedings. The underpinning rationale for the three-year period is to ensure that a solid degree of commitment has been shown to the child.

Annette Brooke: I was concerned that the Minister might not refer to the wording in new clause 17, which I wish to put to a vote. Could there not be a caveat stating that that point on the checklist refers to private law only?

Mr. Dhanda: I think that I have made the point on new clause 17 already. I will be happy to provide further information to the hon. Lady in writing. It does not sound as if I have satisfied her with the conclusions that I have come to on that new clause.

On grandparents, the courts will consider whether to grant leave at the same time as the first hearing in contact proceedings. Thus, applicants are not required to pay two sets of fees and the requirement does not create delay. We have considered the issue with great care. On balance, I think that the requirement for leave and a three-year period is an important safeguard. However, having listened to the hon. Member for Peterborough (Mr. Jackson), and having had good discussions with my hon. Friend the Member for Stafford, I can undertake to review cases of grandparents who have to seek leave of the court. I am happy to do that and to engage in some further work in that area.

Tim Loughton: The Minister has just given an important undertaking. It is not a question of saving duplicate fees at the time of the initial application for contact, it is about grandparents being frozen out of a relationship, either at the beginning, but often later on, so that the whole court process may have to start again. Some of the most tragic cases of people losing contact with children, in my constituency and I am sure in many others, involve grandparents who are completely frozen out and for whom the courts do not appear to offer redress.

Mr. Dhanda: That is a fair point. All hon. Members receive correspondence about that. We want to test whether that is the case and whether there is an evidence base for that. I undertake to hold a review on exactly that.

This is a substantial group of new clauses and I hope that hon. Members will forgive me for having been brief in dealing with each of them. I have said that our fundamental concern is that all the new clauses, in one way or another, could risk moving courts away from the statutory focus on doing what is best for the child. Having listened to the debate, I hope that hon. Members will consider the points that I have made and not press the new clauses to a vote.

Tim Loughton: We have certainly had another full and lengthy debate, but I fear that, yet again, it is without impact on the Government. I congratulate the new Minister on his appointment. He has certainly been thrown in at the deep end, but I fear that, in taking on this difficult mantle, he has adopted the same mindset as the Minister for Children and Families—one of being completely closed to practical, sensible

[Tim Loughton]

suggestions, based on the real-life experiences of our constituents throughout the country, in refusing yet again in any way to amend the Bill, which is why it will fail.

I want to make a few brief comments because we have had a lengthy debate. The hon. Member for Stafford (Mr. Kidney) put some perfectly reasonable cases in speaking to his two new clauses. New clause 18, on statutory objectives, would be a sensible way forward, and he drew a very good analogy with the Financial Services and Markets Act 2000, with which he and I were involved all those years ago. There is certainly a cut-across that could be applied in this case.

The procedure for allowing grandparents greater access that the hon. Gentleman sets out in new clause 19 is absolutely essential, and I am encouraged by the Minister's last comments about agreeing to look into that issue. I hope that there will be a meaningful review of the problem. If the hon. Gentleman were minded to press either of his new clauses to a vote—I think that he probably will not, given his ambitions for his place on the Government Benches—he would find support among Opposition Members at the very least. I am sorry if he does not quite have the courage of those convictions to push those new clauses all the way.

We should not be surprised about the extraordinary new clauses and lack of consistency from the Liberal Democrats. I feel some sympathy with the hon. Member for Mid-Dorset and North Poole (Annette Brooke)—it is not easy being a Liberal Democrat Member of Parliament, signing up to one thing and doing another in the Lobby—but she said that new schedule 1 was easy to ridicule. Well, it is, which is why I want to have another go at it. Let us consider what would be required.

The hon. Lady admits that new schedule 1 may not be exactly flawless, but it says that

"any child who has attained the age of one year but is not yet in full-time education…shall…stay with the non-resident parent on alternative weekends from 10 a.m. on Saturday until 5 p.m. on Sunday".

It also says:

"In the case of any child in full-time education who has not yet attained the age of fourteen years, the child shall…stay with the non-resident parent on alternate weekends from after the child finishes school on Friday until 6 p.m. on Sunday".

My son would be furious: he would miss "Time Team" on Sunday afternoons if that provision were to apply to a situation such as mine. He would then

"visit the non-resident parent from 4 p.m. until 6 p.m. every Wednesday".

Well, that is cricket practice out of the way as well. That is absurd. It is the sort of prescriptive nonsense that we must avoid in the Bill.

Annette Brooke: I am sorry to interrupt the hon. Gentleman's enjoyment. However, I hope that he listened to the words that accompanied the proposal. Does he not think it worthy to try to think of a solution for the intractable problem of when no agreement is made and a huge gap subsequently appears when no contact takes place?

Tim Loughton: A prescriptive solution is suggested that would victimise the child most of all—children might want to have a say; they might not want to stay at a certain time with parent A or parent B—and would not be in the interests of the parent or the child and could result in more frustration and more court action when the whole thing falls apart. That is not a solution. I really do get exasperated with the Liberal Democrats. If they fail to follow us into the Division Lobby in support of new clause 4 this evening, having signed up to early-day motion 128 and supposedly supporting that very same principle, let it be put on the record and known around the country that they are prepared to say one thing to their constituents and not to have the courage of those convictions when and where it matters.

Paul Rowen (Rochdale) (LD): Will the hon. Gentleman give way?

Tim Loughton: Perhaps the hon. Gentleman will tell us whether he is one of the signatories.

Paul Rowen: No, I was not. The hon. Gentleman will note that several hon. Members, including 115 members of the Labour party, have signed that early-day motion. It is very easy for him to make cheap comments, but that early-day motion does not tie any hon. Member to what is in his ridiculous new clause.

Tim Loughton: If the hon. Gentleman had been here earlier in the debate, he would have heard several hon. Members trot out all the figures for how many hon. Members on both sides of the House have signed that early-day motion, which has a direct cut-across to the wording in new clause 4, which is not ridiculous. Some 85 per cent. of his parliamentary colleagues thought that it was not ridiculous to sign the early-day motion and fob off their constituents by telling them that they had done so, but they are apparently not going to put their money where their mouths are and vote for the new clause.

6.45 pm

I will not go over all the Minister's responses, but what worries me—*[Interruption.]* I hope that the Minister for the Cabinet Office, the former Chief Whip, will stop heckling for a change, for the first time in her life. She has not been here for the whole debate. She comes here purely to heckle and disrupt, not to add anything constructive to a very important matter that some of us have spent the past year trying to debate, with no help from her. The Minister's response to new clause 12 was typical. *[Interruption.]* She is still doing it. If she wants to interrupt, let her do it constructively from the Dispatch Box. If not, perhaps she could listen—she may learn.

The Minister's response to new clause 12 was to say that by amending the checklist—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. We will now have both Government and Opposition Front Benchers obeying the normal rules of the House and listening to the remarks of the hon. Member for East Worthing and Shoreham (Tim Loughton).

Tim Loughton: Thank you, Mr. Deputy Speaker—*[Interruption.]*

Mr. Deputy Speaker: Order. I hope that the Minister for the Cabinet Office heard what I said.

The Minister for the Cabinet Office (Hilary Armstrong): Yes, Mr. Deputy Speaker.

Tim Loughton: With new clause 12, we are seeking to amend the welfare checklist in the Children Act 1989. The Minister described it as a novel and possibly good way of tackling the problem, but then completely wrote off our approach to amending the checklist by saying that adding

"the desirability of reasonable contact between the child and the non-resident parent in the absence of good reason to the contrary"

was completely out of kilter with everything else already in the checklist. It is not, because it is not a requirement or a direction, but a "have regard to" the "desirability of" something—that is how it is worded. For some reason, the Minister will not accept it, and I am afraid that that attitude has pervaded all our debates and deliberations on adding the principle of reasonable contact to various parts of the Bill.

For that reason, Mr. Deputy Speaker, and because we have spent so much time and effort, and because so many people in the country place such great store on amending the Bill to make it meaningful, practical and workable, we have to press these essential new clauses, which go to the heart of our approach to the Bill, to the vote. Without them, the Bill will not be workable, it will lack guts and it will turn out to be a dud. On that basis, I urge my hon. Friends and all hon. Members who signed the early-day motion over the last few months to join us in the Lobby to make the Bill workable, so that it actually achieves the aims that the Government say that they want it to achieve.

Question put, That the clause be read a Second time:—

The House divided: Ayes 146, Noes 324.

Division No. 265] **[6.46 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Benyon, Mr. Richard
Bercow, John
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Quentin
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Fabricant, Michael
Francois, Mr. Mark
Gale, Mr. Roger
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Hunt, Mr. Jeremy
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Osborne, Mr. George
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, David
Taylor, Mr. Ian
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim

Tellers for the Ayes:
Mr. David Evennett and Mr. Henry Bellingham

NOES

Abbott, Ms Diane
Alnger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta

Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bradshaw, Mr. Ben
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy
Burstow, Mr. Paul
Burt, Lorely
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, Mr. Nick
Cleland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Fiello, Mr. Robert
Flint, Caroline
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, Mr. David
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khabra, Mr. Piara S.
Kidney, Mr. David
Knight, Jim
Kramer, Susan
Ladyman, Dr. Stephen
Lamb, Norman
Laws, Mr. David
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Linton, Martin
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Mountford, Kali
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rogerson, Mr. Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thornberry, Emily
Thurso, John
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Usher, Kitty
Vaz, Keith
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mark
Williams, Stephen
Willis, Mr. Phil

Willott, Jenny
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Younger-Ross, Richard

Tellers for the Noes:
Mr. Dave Watts and Huw Irranca-Davies

Question accordingly negatived.

New Clause 17

NON-RESIDENT PARENTS

'After section 1(3)(g) of the Children Act 1989 (c. 41) insert—

"(h) the importance of sustaining a relationship between the child and a non-residential parent." '.—*[Annette Brooke.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House divided: Ayes 185, Noes 277.

Division No. 266] **[7.1 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clegg, Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Cuny, rh Mr. David
Davies, Mr. Quentin
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Gale, Mr. Roger
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Mates, rh Mr. Michael
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mulholland, Greg
Öpik, Lembit
Osborne, Mr. George
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Mr. Dan
Rosindell, Andrew
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Turner, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Younger-Ross, Richard

Tellers for the Ayes:
Jenny Willott and Paul Rowen

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy

Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fitzo, Mr. Robert
Flint, Caroline
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, Mr. David
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khabra, Mr. Piara S.
Kidney, Mr. David
Knight, Jim
Ladyman, Dr. Stephen
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Mountford, Kali
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, Keith
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Mr. Dave Watts and Huw Irranca-Davies

Question accordingly negatived.

New Clause 20

Risk assessments

'After section 16 of the Children Act 1989 (c.41) insert—

"16A Risk assessments

(1) This section applies to the following functions of officers of the Service or Welsh family proceedings officers—

(a) any function in connection with family proceedings in which the court has power to make an order under this Part with respect to a child or in which a question with respect to such an order arises;

(b) any function in connection with an order made by the court in such proceedings.

(2) If, in carrying out any function to which this section applies, an officer of the Service or a Welsh family proceedings officer is given reasonable grounds to suspect that the child concerned is at risk of significant harm, he must—

(a) make a risk assessment in relation to the child, and

(b) provide the risk assessment to the court.

(3) In respect of subsection (2), significant risk involves a risk—

(a) to the child's physical safety, or

(b) of sexual abuse.

(4) All risk assessments undertaken pursuant to subsection (2) shall proceed on the presumption that the child's interests are best served through reasonable contact with both parents unless good reason to the contrary is shown and the safety of a child is not an issue.

(5) A risk assessment, in relation to a child who is at risk of suffering harm of a particular sort, is an assessment of the risk of that harm being suffered by the child.

(6) In any risk assessment based upon the likelihood of recurrence of previous risks it shall be a requirement that no reliance is placed upon previous events or previous risks in the absence of a finding of fact that those events or risks actually occurred.'".—*[Mrs. Miller.]*

Brought up, and read the First time.

Mrs. Maria Miller (Basingstoke) (Con): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 20, in page 12, line 2, leave out clause 7.

No. 19, in page 12, line 20, after 'child', insert

'and an assessment of the differential impact upon the child of the options available to the court'.

Mrs. Miller: New clause 20 is an attempt to tie down some of the detail about when risk assessments are used, and I want to discuss three elements of it.

First, the trigger for a risk assessment is important. The trigger in new clause 20 specifies

"grounds to suspect that the child concerned is at risk of significant harm".

Secondly, we all agree that risk assessments should have regard to the best interests of the child, which is why new clause 20 allows reasonable contact with both parents, unless there are good reasons to the contrary and safety is an issue. That point reflects the detailed discussion conducted by my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) earlier this evening.

Thirdly, new clause 20 contains a tighter definition of what constitutes a risk of harm to the child, which includes a physical threat to a child's safety and sexual abuse. The concept of a risk assessment was originally introduced in the Lords to ensure that domestic violence and child abuse could be properly assessed as soon as they were raised as part of court proceedings. Our objective this evening is to make sure that the Bill is in the best interests of the child and that safety is uppermost in our minds.

7.15 pm

In Committee, it was highlighted that risk assessments are not always in the best interests of a child, because they can delay court proceedings and stop contact between children and non-resident parents, which is why it is important that we get the detail right. Quite a bit of research is available, particularly from the Department for Constitutional Affairs, about issues surrounding court applications. It was interesting to read that one third of court applications are because of a breach in orders laid out by a court. Some parents do not adhere to court orders, and we need to make sure that that problem will not cause problems with the risk assessments in the Bill. New clause 20 will protect the interests of the child and make sure that the best interests of the child are uppermost in everyone's minds when risk assessments are considered.

In Committee, there was a great deal of debate about this aspect of the Bill. I am sure that the Minister will point out that the threshold detailed in new clause 20 is too high for CAFCASS to carry out, which would lead to far fewer risk assessments being undertaken and could impact on the welfare of a child. I do not think that that issue should prevent us from including new clause 20 in the Bill.

As I have said, the trigger for using the risk assessments is important. It is important that risk assessments are not used when they are not needed, because they will, by definition, lead to a loss of contact with non-resident parents and a disruption in the relationship between children and their parents. We have already heard this evening that the majority of hon. Members feel that contact with both parents is important, and this is just another issue within that argument. We must get the provision right, because it is not in the interests of the child to experience a break in contact, which could be the result of a risk assessment. Safety is always paramount, and new clause 20 does not take away from the safety of the child—indeed, it adds to their welfare.

Mr. Kidney: An allegation of sexual abuse or violence towards a child is an alarm bell that should be investigated. Does the hon. Lady agree that new clause 20 is substantially less protective than clause 7, as drafted? For example, "grounds to suspect" becomes "reasonable grounds to suspect" and "risk of harm" becomes "risk of significant harm". Subsection (4) requires the courts to press on and assume that contact should go ahead, and subsection (6) states that the courts should not have regard to similar evidence from the past. Are those not terrible reductions in the protection available to children?

Mrs. Miller: I disagree with the hon. Gentleman. The Bill provides that, if people suspect that sexual abuse is taking place, it will be investigated. The only difference concerns "reasonable grounds" for suspecting that sexual abuse is occurring rather than "cause to believe" that it is taking place. As I have said, implementing a risk assessment of such important and difficult issues will, of necessity, mean that a child loses contact with one or other of their parents. That needs to have a high threshold of implementation because of the consequences for the welfare of the child.

Mr. Peter Bone (Wellingborough) (Con): I have come across cases in my constituency where frivolous allegations have been made against the absent parent by the person who has the child so that contact is withdrawn while assessments are made. Is my hon. Friend trying to overcome that sort of problem?

Mrs. Miller: I thank my hon. Friend for his timely intervention. That is precisely the sort of problem that we are trying to overcome, not only in this amendment but in others. That is not in any way to detract from the significant problems that are faced by families and by children throughout such proceedings. There are genuine problems associated with domestic violence and sexual abuse, but equally we have to ensure that parents do not use these provisions as a tool to beat each other over the head.

A risk assessment must be undertaken only when there is a real risk of harm. The level of repeat applications as a result of breaches of court orders illustrates the concern about the motivations of some parents in this situation. They are obviously in a very small minority, but it is something of which we need to be aware. It is our No. 1 priority to ensure the welfare of the child is protected at all stages, and part of that is to ensure that they are not tied up in protracted court proceedings. My hon. Friend the Member for East Worthing and Shoreham and I recently went to a family court to see first-hand some of the pressures that children are put under in these situations, not by the courts but by the emotional nature of the proceedings. We must always get the balance right and ensure that we are, as the Minister is always stressing to us, acting in the best interests of the child, but we must not allow the tools in the Bill to be used in a way that I am sure that he and his colleagues would not wish them to be used. That is the point that we are trying to make.

My hon. Friend the Member for East Worthing and Shoreham talked at some length about reasonable contact with both parents, so I will not delay the House with an equally detailed argument. I remind the House that it is not a requirement in law for a resident parent to allow contact with another parent, because it is viewed as a private matter, as is entirely proper. Dame Elizabeth Butler-Sloss has said:

> "The courts naturally start with the view that in most cases contact between the child and the non-resident parent is desirable both for the child and for the parent."

It is desirable, but it is not enshrined in legislation. We are talking about those who come to the courts to get resolutions to the difficulties that they face in separation and divorce. Only 10 per cent. of people in this situation undertake separation and divorce; 90 per cent. of them do not go to court. We should be concerned about the fact so many people do not undertake any formal separation procedure. In my constituency, that gives rise to several cases whereby some years after a separation parents can find that if relations break down contact with children can be lost. Settlements that have been reached informally can become difficult to keep in place if they have not been formalised, perhaps not through the courts but in another way.

I should like the Minister to acknowledge that contact is associated with better outcomes for children. To all of us who are parents, aunts, uncles or grandparents, that is not something that we should question. It is a matter of fact that children who have contact with both parents experience much better outcomes in their lives. It is not just down to the fact of contact but to the nature of the contact that those children enjoy with both their parents. That is why we are striving to gain an acknowledgement from the Government that reasonable contact is crucial. Other hon. Members are in receipt of an excellent briefing from the University of Oxford's department of social work and social policy, which draws out the point that the mere presence of a father is not enough—it is the quality of the contact, the parenting, and the time that non-resident parents are allowed to spend with their children that are so vital. I urge the Minister to consider that further.

I shall say a few words about the tighter definition of what constitutes a risk of harm to the child. It is important that we make risk assessments when there is a genuine risk of harm to the child. We cannot allow this provision to be used by parents who are not enjoying the best of relations—otherwise, they would not be seeking the guidance of the court—to formalise and legitimise the breaking of contact between a non-resident parent and a child. Our amendment would ensure that the Bill works in the way that we all want—in the best interests of the child.

In reality, many non-resident parents lose contact with their children after divorce. I was disappointed when the Minister gave the House a very narrow version of the research that is available on this. He quoted from one source, but there are several differing sources. It is confusing, but we must understand that there is a problem for fathers, mothers and grandparents. The tone of the Minister's response underestimated its importance; frankly, he was complacent. He should go away and think about this further. The number of people involved in divorce and separation is growing. The situation could be dealt with in one way a decade ago but has to be dealt with very differently now. There are 160,000 divorces a year, which is the highest number for a decade. Three million children have experienced divorce or separation. In 2004, 700,000 contact orders were awarded; in 1992, the figure was 17,000. We need to ensure that the Bill covers not only the few intractable cases but the very many people who are going through this. We must set out guidelines on how people should conduct themselves through that difficult process.

It is our duty to protect a growing group of children. As my hon. Friend the Member for East Worthing and Shoreham said, 345 hon. Members have shown support for the concept of legal presumption of contact. The concept is supported throughout the House and I hope that the Government listen to the strength of feeling on that important matter.

7.30 pm

Mr. Stewart Jackson: My hon. Friend makes a compelling case. Is part of the problem with the family courts the fact that the Government are not in a position to undertake a rational analysis of what is going on because they do not collect the data on many issues properly? For example, when I wrote to the Department for Constitutional Affairs about the number of people who apply for special guardianship orders, the answer was that the Department did not collect that data. How can the Government examine and take the policy forward if they do not collect the appropriate data from which to make a decision?

Mrs. Miller: My hon. Friend makes a pertinent point. I had hoped that the Under-Secretary, who is new to his job, would appreciate the scale of difference in the available data and feel that it deserved further investigation. My hon. Friend is right to raise the matter. I reiterate that the number of people that the matter affects is growing. The Government cannot continue to bury their head in the sand. We need to get to the bottom of the issue.

The problem affects not only men but women. Women have attended my surgery who have found it difficult as non-resident parents to keep in contact with their children. If the Government lend their support to the amendment, they would acknowledge that the matter needs addressing.

Annette Brooke: I want to make some brief comments about amendment No. 19. Liberal Democrat Members welcome the new risk assessment that clause 7 proposes, but we believe that there is room for clarification. At the moment, there is a lack of detail about what a risk assessment would involve.

Clause 7 simply says that a risk assessment is an assessment of risk. I abbreviate slightly, but that is what it boils down to. Subsection (3) states:

> "A risk assessment, in relation to a child who is at risk of suffering harm of a particular sort, is an assessment of the risk of that harm being suffered by the child."

That lacks clarity. Surely there is scope for saying a little more in the Bill or perhaps I could tempt the Under-Secretary to offer some guidance—I realise that that is a favoured medium for clarification.

Amendment No. 19 would ensure that risk assessments included analysis of the impact on the child of the different options that the court could choose—for example, ascertaining how a child would fare if a court ordered one sort of contact order rather than another. That could provide a useful tool to improve the court's decision making in cases in which the child may be at risk, and make the court's decision that much more likely to be safe and in the child's interests. The amendment would make risk assessments more valuable in that they would contain information to guide the courts to make better contact arrangements. I shall be interested to hear the Under-Secretary's response, and will he at least say whether clause 7 requires more guidance.

Mr. Dhanda: I want to respond to a couple of points that the hon. Member for Basingstoke (Mrs. Miller) made. She rightly said that 90 per cent. of people do not go through a formal separation procedure. That is because 90 per cent. of people do not turn to the courts in the first place. Two thirds say that they are content with their arrangements, which is not to suggest that her comments are frivolous—we need to consider the people for whom the system is not working. However, the purpose of the Bill is to try to keep people out of the courts and intervene, if possible, to take people out of the process. That is why the measure is so important.

The amendments deal with the difficult but important issues of risk assessment and domestic violence. Although there is dispute about the proportion of contact cases that involve domestic violence, there is no doubt that far too many fall into that category. It is right to treat such behaviour with little tolerance, but we must also be cautious not to do anything that would deter people from making their genuine fears known to the courts.

Amendment No. 20 and new clause 20 would, taken together, remove clause 7 and insert a replacement clause. As the hon. Member for Basingstoke will remember, in Committee she explained that she was concerned that "cause to suspect" might be too low a threshold, and would result in CAFCASS conducting risk assessments in cases where there was no need to do so. I agree that it would be wrong for risk assessments to be conducted unnecessarily. That would not only deplete CAFCASS's limited resources, but cause unnecessary delay in many cases.

However, I do not believe that it is necessary to introduce a higher hurdle, as the amendment would, to prevent CAFCASS from carrying out unnecessary risk assessments. As the hon. Lady acknowledged in Committee, CAFCASS officers are skilled people who are experienced at picking up signs of domestic violence or abuse. They will know when a risk assessment is appropriate. I would not want to second-guess those professionals. If we raise the hurdle for when it is permissible to carry out a risk assessment so that it may be carried out only when there are "reasonable grounds", we risk making CAFCASS unable to carry out risk assessments in cases when it feels that they are needed.

Mr. Bone: I want clarification of circumstances in which the mother has the child, the father is absent, the mother suddenly says there is violence and the father cannot see the child when there is no evidence of that. That is our concern.

Mr. Dhanda: It is a valid concern. When frivolous allegations are made, the courts will be informed of that when the risk assessment is carried out. There are case law examples of the use of such evidence and the case rightly going against the person who made the frivolous allegations.

The wording of the new clause implies that a court needs to assess whether there is a risk of harm before a risk assessment could be made. It could create circumstances in which cases of low-level or well-hidden abuse were more likely to slip through. None of us wants that.

In addition, new clause 20 means that no regard would be paid to the emotional harm that the child may suffer as a result of a court order. As was stated in Committee, the concept of harm includes not only physical and sexual but emotional abuse. I am surprised that the Opposition try to disregard the effects on the child of emotional abuse. Perhaps it was a genuine omission.

Amendment No. 19 would require CAFCASS, when conducting a risk assessment under clause 7, to supply the court with its assessment of the impact that the options available to the court might have on the child. It is sensible for CAFCASS to be asked to consider such issues, and I reassure the hon. Member for Mid-Dorset and North Poole (Annette Brooke) that it is already in a position to do that. Rather than being part of a risk assessment, it would be more appropriate for it to be done as part of a welfare report, which courts can already order under section 7 of the Children Act 1989. A risk assessment would be exactly that: an assessment of the risk of harm to the child that would inform the

[Mr. Dhanda]

court's judgment. In our view, it is appropriate that this should be a focused piece of work looking solely at risk, separate from the wider welfare report that the court may also consider. Having said that, it would also be open to the CAFCASS officer to comment if he or she thought that the court should be informed that a course of action might increase or reduce the risk of harm.

I have no doubt that the new clause is well intentioned, and it has been moved well today. The proposals were also discussed in Committee. However, I hope that my comments will have allayed hon. Members' fears and that the new clause will therefore be withdrawn.

Mrs. Maria Miller: I thank the Minister for his detailed and measured reply. He did not take part in our deliberations in Committee, but it is clear from his response that he has taken a great deal of time to go through what was said, and we very much appreciate that. He has made a few points that are worthy of comment. He said that two thirds of those who did not contest their divorce proceedings in court were content with the arrangements that they had. Perhaps that was because they were worried about the process that they might be exposed to if they were to go to court. Equally, however, that must mean that one third were not content.

One lesson that we can all take from the debate today is that an enormous number of people out there are not being well served by the existing legislation. They do not have the financial resources to go to court when their relationship breaks down, but they still want to do the best thing for their family. At the moment, however, precious little is being done to support them in that regard, and we should all be most concerned about that. We are all aware of such cases through our constituency work.

I agree that we should keep people out of the courts. Having been to a family court myself, as I mentioned earlier, I know that it is not a place that I would want anyone to visit if that could be avoided. I hope that, with that in mind, the Minister will be able to support the amendment on mediation, which we shall come to later. We would like to increase the role of mediation in the process. We do not want to make it mandatory, but we would like it to be part of the process. At the moment, too many people are not offered mediation as an option.

I hope that the Minister will also acknowledge the importance of minimising delay in the process. We should not allow risk assessments to form a logjam in the divorce or separation process. Equally, they should not divert CAFCASS's scarce resources, which will become even scarcer, given the additional provisions in the Bill. Its resources should be used correctly.

The Minister said that we might be setting the bar too high in regard to risk assessments. I would like him to consider that, if we set the bar too low, the people who decide whether a risk assessment should be made might feel compelled to undertake them even when the evidence was not as strong as it might be. This can work both ways; we need to be aware that it is a two-way street. We are putting extra burdens on the people involved in making decisions on risk assessments by making the threshold lower than it ought to be.

I note that the Minister did not respond to my point about non-resident parents losing contact, or to my request for more reassurance on the figures involved. That point was reiterated by my hon. Friend the Member for Peterborough (Mr. Jackson). If we had a better perspective on how many people were involved in losing contact with their children, we would all be better placed to assess whether new clauses such as this were needed. I urge the Minister to consider that point carefully.

Mr. Dhanda: Perhaps the research that Baroness Ashton has agreed to carry out will be of help to hon. Members on both sides of the House in this regard.

Mrs. Miller: I thank the Minister for that implicit acknowledgement that there is a need to review these issues. I hope that, in continuing our discussions on this matter today, I have been able to embed it in the Minister's mind, and that he will go away from this place mindful of the fact that we need to learn more about it. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 21

RECOMPENSE OF THOSE PENALISED BY NON-COMPLIANCE WITH A CONTACT ORDER

'After section 11P of the Children Act 1989 insert—

"11Q Recompense of those penalised by non-compliance with a contact order

(1) This section applies—

(a) in circumstances where a contact order has been made in regard to a child, and

(b) where the actions of an individual bound by a contact order have resulted in another individual—

(i) bound by the same contact order,

(ii) falling under subsection (5), or

(iii) applying under subsection (3),

being deprived of the contact time specified in the contact order.

(2) A court may, pursuant to subsection (1), make an order granting additional contact time between the individual parent whose contact order has been breached and in respect of the child of whom the contact order was made.

(3) An order under subsection (2) may be made only on an application by the individual claiming to have been deprived of contact time.

(4) In determining an application made under subsection (3), the burden of proof shall rest on the individual claiming to have been deprived of contact time.

(5) The additional time awarded by the court shall be either—

(a) equal to, or

(b) more than

the amount of time that the individual applying under subsection (3) has been deprived of.

(6) This section applies to a person if he is—

(a) the person whose contact with the child concerned is provided for under the contact order, or

(b) an individual subject to a condition imposed by the contact order.

(7) The court may not make an order under subsection (2) if it is of the opinion that the individual in breach had a reasonable excuse for failing to comply with the contact order.

(8) In exercising its powers under this section, a court shall have primary regard to the welfare of the child concerned.'".—*[Tim Loughton.]*

Brought up, and read the First time.

Tim Loughton: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 21, in clause 4, page 7, line 22, at end insert—

'(3A) In deciding whether a person had reasonable excuse for failing to comply with a contact order, the court shall consider—

(a) the wishes and feelings of the child;

(b) any concerns about the safety of the child; and

(c) any concerns about the safety of any member of the child's family.'.

No. 11, in page 7, line 25, at end insert—

'(4A) When considering whether to make an enforcement order, the Court shall have regard to the principle that, subject to the welfare of the child, the court acts on the presumption that a child's welfare is best served through reasonable contact with both his parents unless good reason to the contrary is shown.'.

No. 18, in page 7, line 25, at end insert—

'( ) When considering whether the person has a reasonable excuse the welfare of the child is to be the court's paramount consideration.'.

No. 16, in page 9, line 15, at end insert—

'(5A) A court that proposes to make an enforcement order must order for the separate representation of the child, unless it is satisfied that it is not necessary to do so in order to safeguard his interests.'.

No. 10, in line 26, clause 5, page 10, leave out subsections (7) and (8).

7.45 pm

Tim Loughton: New clause 21 deals with compensatory contact, a subject that we raised in Committee. It deals with what I would call serial breaches of contact orders, and with how enforcement should be made against them. We have all acknowledged the lack of research on the failure of contact orders to work in too many cases. We know that about 70,000 contact orders are granted each year, and we know how many result in a revisit to the court because one of the two parties involved has not adhered to the order.

Several hon. Members referred to the Oxford university research paper today. It underlines what it calls the "situational power" of the resident parent, the cost of returning to court—often against a legally aided partner—and the slowness of the legal system. It also highlights the fact that a parent can fall out of touch with a child if he or she is denied the opportunity to see them over an extended period because of pending court action. The father or, less usually, the mother would subsequently become unfamiliar to the child. The child, particularly if young and impressionable, might then be less willing to see the non-resident parent. Those examples are cited by Oxford university as reasons why a parent with residency is in a much stronger position. If such a parent were minded to play the system, he or she could use it to restrict the opportunities of the non-resident parent to maintain meaningful contact with the children.

The problem is that the only real penalty that the courts have against someone who breaches a contact order is to levy a charge of contempt of court, and that is rarely done. The courts are reluctant to take that course of action because it could result in charges being brought against the parent, and that is regarded as the nuclear option.

We do not know the extent of the problem. I recently tabled a parliamentary question to the Minister of State, Department for Constitutional Affairs, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), asking how many people had breached child contact orders in the past few years. She replied that

"it is not possible to identify the number of cases in which failure to comply with a contact order leads to the matter being dealt with as a contempt of court...This information is not held centrally".—[*Official Report*, 15 May 2006; Vol. 446, c. 731W.]

So we do not know how often the sanction of contempt of court is used, but we hear anecdotally from the courts that it is rarely brought to bear.

Effectively, therefore, a lot of articulate people in the know are able to play the system to frustrate contact by a former partner on the basis that there is a strong chance that no penalty will be brought to bear against them. A judge can say, "Don't breach the contact order, or I'll haul you back before the court and tell you not to breach the contact order again." That is as punchy as it gets. Such a judge would have all the force of an unarmed, one-legged policeman shouting "Stop, or I'll shout 'stop' again" at a fleeing criminal. I am afraid that that is just not good enough. It has given rise to many complaints, and to a perception that the system does not work in favour of a non-resident parent who happens to be at loggerheads with the parent who has custody and who is determined to use, in extreme cases, the children as pawns to fight battles with his or her partner rather than acting in the best interest of the children. As has been said today, in most cases what is in their best interest is maximum contact with both parents.

Let me give the Government their due. They recognise the problem, which is why the Bill exists and why they have added the enforcement orders provisions in clause 4. The clause requires breachers of contact orders to undertake unpaid work if no good reason for the breach is given, and to instigate compensation for financial loss. That may involve travel costs, or a holiday booked by a non-resident parent which becomes impossible when the parent with custody decides to take the children to the other end of the country.

The provision is good as far as it goes, but it lacks real teeth. Conservative Members are pleased that the Government dropped some of the more draconian measures, such as the tagging of errant parents with custody, which would not have been a fitting penalty in such sensitive cases. However, if—say—a mother with custody is fined, the fine will often be paid from the maintenance paid by her ex-husband. The money will be recycled, and those who lose out most will be the children who can no longer enjoy the benefit of funds intended for their upkeep.

Those who are determined to flout contact orders will ask "What is the worst that can happen to me?" At present, the answer is "Not a lot." We tabled new clause 21 because we think that what is needed is a proper, recognisable, easily understood sliding scale of penalties, the award of custody against the resident parent being

[Tim Loughton]

the ultimate sanction against the serial breacher of contact orders who simply will not come into line with what the court has decided.

If a non-resident parent is deemed fit to share in the upbringing of his or her child, he or she should have the opportunity to do a better job than the parent who has frustrated contact orders, which surely cannot be in the child's best interest if the court has deemed that the child should have contact with both parents. We consider that the compensatory contact time proposed in new clause 21 represents an appropriate and proportionate middle way. It would make the parent at fault think twice. If he or she genuinely thinks that it is harmful for the child to spend more time with the non-resident parent, surely he or she will not risk the award of additional compensatory contact time with the non-resident parent.

Other countries impose a range of penalties. The Government of the Netherlands have power to suspend child support payments temporarily when a parent has frustrated contact arrangements. In the United States, an occupational driving or sports licence can be suspended. In the state of Arizona, an independent court official is appointed as a go-between to supervise the way in which contact works. Much of the power to frustrate orders is removed from parents. In Germany, non-complying parents can lose their right to manage contact arrangements, which then pass to a court-appointed contact guardian. That is similar to the system in Arizona.

Surely the middle way suggested in new clause 21 is a more balanced, relevant and proportionate response to the problem with which we are dealing. It would still be subject to checks and balances connected with possible risks to the welfare of the child, which are important features of other parts of the Bill. The burden of proof, however, must fall on the person who has not complied with a court order. It must be for that person to prove that he or she had good cause not to do so.

We consider the new clause to be sensible, practical, proportionate and workable. It should be seen not as a reward for an aggrieved parent, but as an effective disincentive to the breacher of a contact order who has ignored the judgment of the court.

Amendment No. 11 would make the enforcement order subject to the principle that the child's best interests are served through reasonable contact with both parents, in the absence of safety considerations. I shall not rehearse the arguments that have already been presented about reasonable contact. Amendment No. 10 deals with the provisions requiring children making applications to obtain the leave of the court. My hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) may touch on that later.

I am sure that the hon. Member for Luton, South (Margaret Moran) will shortly speak on her amendment No. 21, which states that decisions on whether there was a reasonable excuse for failing to comply with an order must take account of the wishes and safety of the child. We believe that that will be implicit in the thinking anyway. As I have been at pains to stress, the paramountcy of the child's welfare and of considerations about the child's safety must be taken into account in all our proposals.

The hon. Lady also tabled amendment No. 16, which concerns the separate representation of a child in court. The amendment has an interesting distinction: until yesterday, one of the signatories was a Minister. I note that she has removed her name; it would have been rather interesting if the Government had declined to accept it. Amendment No. 18, tabled by the Liberal Democrats, states that the child's welfare must be paramount when the court considers whether a person has a reasonable excuse.

We shall hear what others have to say about the amendments that they have tabled, but we think that our new clause would beef up the Bill and give it real, workable teeth. In its current form, it is a good try, but we do not think that it will work. We believe that new clause 21 will make what the Government want to achieve practicable.

Margaret Moran (Luton, South) (Lab): My purpose is to ensure that the paramountcy of the child's interests, which we have discussed repeatedly in Committee and today, is made clear in the Bill. I believe that some of the proposals advanced by, in particular, Opposition Members undermine that paramountcy principle. Amendment No. 21 would introduce important safeguards to enforcement proceedings. I believe that while not constituting a bar to the effective enforcement sought by the hon. Member for East Worthing and Shoreham (Tim Loughton), it would require courts to consider first the ascertainable views of the child and, secondly—and most important—any risk of harm to the child or any member of the family when deciding whether a party had a reasonable excuse for breaching an order. The Government have limited the extent of provisions relating to children in clause 4, arguing that breach of contact orders, and their enforcement, are about parents. With my amendment, I am arguing that they should be about children and their welfare.

8 pm

As I understand it, the Government argument is that concerns about the child are dealt with when the original contact order is decided by the court. As a result, the principle of the paramountcy of the child's welfare appears, in effect, to have been removed from the clause, as has the standard child's welfare checklist that the Children Act 1989 requires the court to use in all other proceedings. In other words, the clause contains less emphasis on the importance and paramountcy of the child's welfare than any other in the Bill.

However, children frequently say that the enforcement stage is the most frightening period. The available research shows that the points of contact and enforcement are the most dangerous ones for separating partners, especially women, and for children. Evidence from children's charities suggests that children find the stage of the process when they are in effect being torn between two parents frightening, and that anxiety and other welfare repercussions ensue.

Research by the Department for Constitutional Affairs into children's wishes and feelings about contact found that children

"imagined the courts to be 'scary places' with judges who have the capacity to 'punish' their parents. Some children worried that one or other of their parents could be sent to prison for behaviour for which they themselves felt responsible, such as refusing to go on a contact visit."

In other words, children internalise the conflict going on around them in the court, often after repeated court visits. That must have a damaging effect, and we know from other legislation that cognisance must be taken of the damage inflicted on a child who witnesses such conflict. That is especially true in situations involving domestic violence, but account must be taken of the fact that a child is also damaged who is pulled between parents in the course of repeated court cases about contact. We believe that, in order to address such concerns, the stage of the proceedings covered by clause 4 needs a much stronger focus on children.

The focus on parents rather than children in clause 4 also fails to acknowledge that the circumstances of a child's safety and welfare might change substantially by the time that the enforcement stage is reached. In many cases, that might be a year or more after the court hearing in respect of the original contact order. Many things can happen in such a long time: the conflict between the parents can escalate, as can the risk to the child, who might be damaged or even abused in that period. It is therefore essential that we reassess the risk to the child at that point.

As it stands, the Bill assumes that the child's safety and welfare is addressed when the original contact order is made, and that another check is unnecessary. That is badly thought through, however: children are put at greater risk because there is a long gap after the original contact order is made, and also because there is the potential for conflict in repeated court appearances.

To refocus the clause on to children rather than parents, an amendment was moved in the other place requiring the courts to consider the views of children and any risk of harm. The Minister in the other place agreed with the content of the amendment, and said that the Government were "entirely sympathetic" with its objective. However, the amendment was rejected, with the Minister claiming that the standard welfare checklist of the Children Act applied and that the amendment was therefore unnecessary.

However, I am advised by children's charities, and especially the National Society for the Prevention of Cruelty to Children, that the standard welfare checklist does not apply. It is therefore essential that the safeguards are reintroduced into clause 4, to minimise the risks to children. That is the purpose of amendment No. 21.

I turn now to amendment No. 16, which deals with the separate representation of the child in contact order proceedings. The National Youth Advocacy Service published a review of 52 cases involving 95 children whom it represented in family proceedings. It found that, when children are represented, the outcome—for the child and for both parents—is infinitely better than when there is the sort of longstanding conflict that inevitably arises, and which we have discussed already.

We talked about the need to find a middle way through the conflict between parents. Amendment No. 16 would facilitate that by focusing on the views and needs of the child, and taking the debate away from the tussle—the tug of war or the tug of love—that goes on between parents over their children. It would put the child's views at the centre of decisions made by Parliament and the courts in respect of these terrible cases.

In their research, NYAS caseworkers studied cases involving intractable disputes—the toughest cases coming before the courts, which form 98 per cent. of the organisation's work load. Of those cases, 52 per cent. had been before the courts for more than three years, and 16 per cent. for between seven and 10 years. It is hard to imagine the impact that repeated court hearings over such a long period about where a child is to reside must have on the people involved. What conflicts would emerge for the child? What feelings would those children have during such a protracted period?

The NYAS research found that ascertaining the wishes and feelings of the children concerned and actively and safely representing them to the parents could act as a catalyst for the resolution of longstanding, acrimonious and intractable disputes in ways that were effective both for the families and the children. Moreover, they were cost effective too, as they put an end to interminable court proceedings.

The NYAS research found that future contact arrangements were made successfully in 86 per cent. of cases, and that in 95 per cent. of cases the representation of the child's wishes and feelings had a significant positive effect on decision making. In 89 per cent. of cases, the NYAS report on the child's wishes and feelings coincided with the outcome of the proceedings. That shows that the court listened to the NYAS representations, and that they led to a satisfactory outcome.

That experience shows that representing the wishes and feelings of the child can have a very beneficial effect in resolving intractable disputes between parents. Parents can be brought to realise and acknowledge the true feelings that their child is enduring, with the result that both find it much easier to give up their entrenched positions. They are less likely to be locked into a battle of, "He said, she said", and interminable arguments about the rights and wrongs of each party, perhaps going back over many years, with the digging up of old disputes and bitterness that inevitably occurs in such proceedings. All those things, which can go on for years in such cases, can be resolved because there is a focus on the needs of the child and their experience, giving parents the opportunity to step back from conflict. At the end of the process, they feel that a satisfactory arrangement has been achieved because the child was at the centre of the proceedings.

That approach also provides a more constructive foundation for future co-parenting. Relationships between the parents are much better after that type of process than if an ordinary conflictual court hearing had taken its usual course. There are beneficial effects all round as well as benefits for the future parenting of the child.

The results in the report were not a one-off; they were replicated by the mediation centre in Stafford and CAFCASS recently carried out a review of the outcomes of approximately 100 cases in which children had been similarly represented and which also reported positive outcomes. At the time of the review not one of those 100 cases had come back to court. The system was efficient and effective and enabled the achievement of good outcomes for all parties. The research shows a growing body of evidence indicating that instead of

children's representation being seen as an expensive add-on to court proceedings it could and should be seen as having the potential to bring long-running and distressing disputes about residence and contact to an end in ways that are fair to parents and are in the child's best interests.

In addition, by stopping the revolving door of proceedings that we see in case after case, such measures can make the court process much more cost-effective. To summarise the beneficial effects: cases where children were caught in intractable and long-running disputes would be brought to earlier resolution; the distress and harm suffered by children involved in the revolving door of continual proceedings would be limited; there would be a reduction in the potential for disputes between parents to become increasingly acrimonious—as it does over time—and in cases where there are questions about safety, separate representation of the child's wishes and feelings provides information that is invaluable in helping the court to decide what is safe in the long term and what is in the child's best interests. That representation provides objective information, rather than the hearsay that is sometimes expressed in court, which will distinguish the non-resident parent who poses no threat to their child from the minority who may pose such a risk.

Those outcomes are in the interests of both parents. By shortening contact disputes and by helping in the assessment of allegations about safety, they could also address some of the concerns from fathers' groups, which were expressed earlier, that false allegations are being made. The emphasis is being put back on to the child's welfare rather than on the grievances of father against mother or vice versa. The debate will be taken out of that battlefield.

The system would be cost-effective. Disputes can run for a long time and cases regularly return to court to incur significant financial and emotional costs to several parties. The cost of such court processes is prohibitive and when we add the costs incurred by other agencies—social services, children's services, CAFCASS and so on—to support parents and children suffering from the dispute, we see that such cases cost a huge amount not only in emotional disturbance to the child but also to the public purse. The savings gained from minimising such costs would offset the cost of providing separate representation for the child.

8.15 pm

I am not proposing that all children be separately represented in proceedings, which is one argument that has been made against the proposal. I am asking that section 122 of the Adoption and Children Act 2002 be implemented, thus giving children a potential right to be represented. That right can be exercised at the discretion of the court in circumstances specified by the court rules and guidance in the legislation, which could act as a filter for the number of cases using separate representation of the child. The NSPCC, a key advocate of the proposal, expects that no more than 1,500 to 2,000 cases a year will be separately represented. We know, from the Government's research, especially the research recently commissioned by the DCA, that they believe that separate representation can be effective.

The DCA report, published in March, recommended an amendment to the Bill to ensure that children are separately represented in enforcement proceedings. That is the aim of the amendment. We are working in accordance with the DCA research and its specific recommendation for such a provision. Time after time in the debate, we have observed that there is a lack of research and evidence on many aspects of the Bill, and I welcome the commitment given by Ministers in Committee to carry out further research. However, separate representation is one area where we have a clear steer, because research has been carried out, so it would be perverse to ignore what little research there is when it gives us the positive recommendation that representation of the views and feelings of the child can have a beneficial effect.

It is also essential that we give judges a consistent message about our views on representation of the child. Section 122 of the 2002 Act is an essential part of the framework of provisions available to the courts, but without a clear statutory provision for separate representation of the child's interests other parts of the Bill will be undermined; for example, it is no good making accurate risk assessments if there is no one to put the child's case in court. Ambiguity about the implementation of section 122 and the way in which separate representations are dealt with in the Bill means that we risk sending confusing messages to judges.

The amendment therefore seeks to enhance the compliance, consistency and effectiveness of decisions on the representation of the child's views. We have a long history of legislating for the separate representation of children but, sadly, we do not have such a good history of implementing that legislation. Separate representation provision was incorporated in section 64 of the Family Law Act 1996, but it was shelved. In 2002, Parliament made the case for the separate representation of children in the Adoption and Children Act but, again, implementation has been delayed and perhaps postponed indefinitely. When are we going to do what we have repeatedly said we want to do in legislation and implement the representation of the child? The amendment benefits all parties, and it proves our determination to represent children's views in such proceedings, so I commend it to the House.

Annette Brooke: I concur with everything that the hon. Member for Luton, South (Margaret Moran) said. It is easy to be led along other routes, but she rightly brought the debate back to focus on the interests of the child. She made some very powerful points indeed about the benefits for both the child and the parents of taking the child's wishes on board. Her argument is not just emotional, as it is backed by clear evidence from the National Youth Advocacy Service and others. That should be our starting point, as we are here to do what is best for the child.

I support amendment No. 21, although we have proposed an alternative in amendment No. 18. Hon. Members who served on the Committee will recall that we had a long debate about the fact that the principle that the child's interests should be paramount was not maintained in clauses 4 and 5, which caused some of us a great deal of concern. The hon. Member for Luton, South and I approached the issue from different

directions, only to realise that we were saying the same thing. The hon. Member for Stockport (Ann Coffey) made a powerful case, in which she pointed out that the child's interests were taken into consideration when the contact order was made. I remained uneasy, however, about the fact that, under clause 4, someone may offer a reasonable excuse for failing to comply with a contact order. It could be a straightforward matter of an urgent hospital appointment, but I cited a constituency case in which a contact order stipulated that the father was to visit the child at the mother's home. The mother is petrified of those visits—there are no two ways about it—and, although measures have been taken to return to court, that will take a worryingly long time.

Alarm bells therefore rang when I saw the provision for reasonable excuse, as I believe that the court must consider the primary interests of the child. The hon. Member for Stockport made a cogent argument in which she said that that had already been considered, but there was a strong case for restating the paramountcy principle. The hon. Member for Luton, South reminded us that in Committee we were told that the welfare checklist applies, but the NSPCC says that it does not. There is therefore a fundamental difference in opinion—either it does or it does not—so we need a clear statement in *Hansard* about the absolute truth before we move on.

In many ways, I prefer amendment No. 21 to our amendment, because it makes open reference to

"the wishes and feelings of the child".

However, they both aim to achieve the same objective. I have put my name to amendment No. 16 because it makes an important proposal, which was first included in the Adoption and Children Act 2002. Time has passed since the introduction of that measure, so it is strange that it still has not been implemented.

It seemed to me that there was an absolute belief that the measure would be implemented. It was then deferred while the Department for Constitutional Affairs commissioned research, but that research has now been published and recommends that the separate representation of children is appropriate and beneficial in some cases. I cannot understand why one Department is saying one thing and, if the new clause is not agreed to tonight, another Department will be saying something different. It should be of concern to us that in this critical area, Departments are not saying the same thing. I hope that the Minister will reassure us that he is working closely with his colleagues in the DCA and that measures will be introduced to enable section 122 of the 2002 Act, at long last, to be implemented, because separate representation could be very beneficial in particularly difficult cases.

That idea has clearly been accepted for a long time and caution has been exercised. As the hon. Member for Luton, South rightly said, this is one area in which the research has been completed, although it is very poor that more research was not carried out, given that the consultation process started five years ago. The research was carried out by a Government Department, rather than a think-tank that could perhaps have been criticised for starting from a particular perspective. In essence, the Government recommended such an amendment, so if they do not agree with the precise wording of ours, I hope that the Minister will show us clearly the way forward on the important issue of separate representation.

Mr. John Gummer (Suffolk, Coastal) (Con): All of us are aware that in discussing these matters we are discussing, in a sense, the second-best option, and whatever our answers will be, they are liable to have untoward consequences and not cover the wide range of cases that we all come across in our constituency surgeries.

I rise briefly to support my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton) in his desire for a change in the law to ensure that the resident parent has an ever-present understanding that the contact arrangements are serious and need to be carried through, and that if they are not that could have a permanent effect on the way in which arrangements for the children are made.

I have great sympathy with what the hon. Member for Luton, South (Margaret Moran) said—at some length—and I understand what she is seeking to do. However, in my constituency the fundamental problem is often that, following a court decision, the parent who has the maximum amount of custody frequently feels very little need to carry through the other part of the arrangements. In a sense, they sometimes think of it as a battle won and, having won it, they feel that almost any excuse—and sometimes none—is perfectly reasonable because the child has now been consigned to their care, rather than to that of their partner.

My hon. Friend the Member for East Worthing and Shoreham made an important point, because what he proposes in his new clause is clear and comprehensible to a very wide range of the people affected. At present, the law is such that, to a great degree, courts hesitate to impose a contempt of court order, which is the only means that they have of insisting on the agreement being carried through. Therefore, I commend the proposal to the House. It is important that the Government take it on board.

At the same time, I want to underline what several Members have said about the paucity of sensible information and research. The hon. Member for Mid-Dorset and North Poole (Annette Brooke) pointed out the surprising fact that, even when the research has been done, it does not seem to make a difference to the Government's decisions. There are many other areas in this whole fraught consideration in which the research is just not there. We are therefore dealing with a difficult, delicate and damaging area of law with much less information that we would have in many less important areas.

8.30 pm

As we now live in a society in which the attitude towards marriage and the upbringing of children has become increasingly less serious and secure, to the disbenefit of the children, we have to spend more time and resources in ensuring that the decisions that we make in these circumstances are based on good science, so to speak, rather than anecdotal attitudes and efforts. In commending the proposal from my hon. Friend the Member for East Worthing and Shoreham, I ask the Government again to support what has been said in another place and to widen their determination to

provide for the House in future the kind of information on which sensible decisions can be made in these delicate areas.

Jeremy Wright (Rugby and Kenilworth) (Con): I want to say a few words in support of new clause 21 and amendment No. 10. As the House is now well aware, new clause 21 makes provision for the court to have an order for compensatory contact available to it as one sanction for the breach of a contact order. The primary advantage of that would be that it is only an order of compensatory contact that can give effect to the original intention of the court. Only when we can put right what has gone wrong will the court be able to see its original order being put into effect. That is important.

The touchstone at the heart of everything that has been said in the course of this debate—rightly so—is that all of us in the House are concerned to make sure that the welfare of the child is the first consideration of all those involved in the court process. If that is so, and assuming that the court process operates as it should and as we would expect it to, the court could come to the conclusion that, in the best interests of the child and the child's welfare, a certain provision should be made for contact with the non-resident parent. That must self-evidently be the case. The court's view will be that, for a particular period of time, the child should have contact with the non-resident parent.

The new clause would come into effect only in circumstances in which the contact arrangement that the court had decided was appropriate had not taken effect for one reason or another. That must mean that the child's best interests are not being served—because contact is not taking place in the way that the court ordered that it should. I agree entirely with the point made by the hon. Member for Luton, South (Margaret Moran) that what is to be avoided is the perception by the child, or anyone else, that parents are being punished, especially when that has a negative impact on the child. However, surely it must be right that, in order to look after the best interests of the child, the court has the option, at the very least, of being able to put the child into the position that it originally intended the child to be in. That is why I support new clause 21.

The idea behind amendment No. 10 was discussed in Committee. The same mistake that was made in Committee has been made again. There should be an addition to the amendment to say that subsection (6)(d) on page 10 of the Bill should also be deleted. The effect of amendment No. 10, as it stands, is to delete subsections (7) and (8) of proposed new section 110 of the Children Act 1989, which would be inserted by clause 5 of the Bill. Subsections (7) and (8) deal with subsection (6)(d) of the proposed new section, which adds "the child concerned" to the list of people who are able to apply for compensation for financial loss. Of course, that is the substantial aspect of the measure that is objectionable to Conservative Members. Subsections (7) and (8) contain qualifications that deal with the child obtaining the leave of the court before making such an application, which will be granted under subsection (8) only if the court is satisfied that the child has the necessary "sufficient understanding" to make the application. It thus follows that amendment No. 10 should also delete subsection (6)(d).

As subsection (6)(d) will remain in the Bill, the problem is straightforward. The touchstone of the entire Bill is that the welfare of the child is the most important thing. It does not seem sensible or in accordance with that principle that a child should be encouraged to enter into an arena in which a discussion is held—perhaps a quite acrimonious discussion—about whether financial compensation should be made in one direction or another. Of course, that argument was made in Committee, when the Government said that it is perfectly in order for a child to be involved in the making of a contact order in the first place. That is of course right, but the process is fundamentally different from that involving compensation for financial loss. It is perfectly right to involve a child in decisions about contact because the court recognises that the views of a child about contact are important and thus includes the child as one of the people who can contribute to that process. However, when compensation for financial loss is being considered, blame is being apportioned for something that has gone wrong. That is wholly different in nature from the process of decisions about contact, so it is wholly inappropriate for a child to be involved in such matters.

It is also hard to conceive of a situation in which a child would need to be involved in such a process. It is difficult to envisage a situation in which the financial loss would not be occasioned to one parent or other, both of whom would be able to make an application for compensation for financial loss under proposed new section 110. Amendment No. 10 would thus remove an unnecessary and possibly damaging aspect of that provision, so I commend it to the House.

Mr. Dhanda: On behalf of the House, I should probably take this opportunity to wish England good luck in the World cup match that is being played at the moment. I believe that we are winning one-nil—[HON. MEMBERS: "Hooray!"] Even Scottish Members are pleased about that. Back to business.

The new clause and amendments all deal with compliance with contact orders. They cover several different issues in respect of enforcement and I recognise that they address the matter from more than one perspective. I will thus deal with the issues that they raise in turn.

New clause 21 would provide for courts to order additional contact time as a form of sanction for a breach of a contact order. I understand that the aim of the measure is to address a loss of contact, but I am worried by the notion that contact with a child should be seen as a form of punishment for one of the parents, rather than something that the child needs from the process. We made it clear in Committee that courts already have the power to vary contact orders to provide for more time with one or other parent. In fact, they use that power in response to breaches of contact orders. That is the right way in which such circumstances should be addressed, governed by the paramountcy principle and the welfare checklist. Orders made under new clause 21 would be governed by neither of those and would be far too focused on the conflict between adults, rather than the needs of children.

Tim Loughton: If contact has been thwarted, how often does the Minister think that courts award additional contact time by way of compensation, rather than just replacement contact time, which is hardly anything of a penalty, but a way of shifting the opportunity to have contact?

Mr. Dhanda: In all honesty, I do not have the figures with me. I agree with the right hon. Member for Suffolk, Coastal (Mr. Gummer) that more work and research is needed in this area. However, the courts have ample powers at their disposal. There is a sliding scale of compensatory contact, ending in a change of custody. There are provisions already to reverse residence orders. It is interesting to see what can be done.

Mr. Gummer: Cannot the Minister understand that the point is that, unless the parents know that there is a connection between their carrying through the proper decision of the courts and the way in which they will be treated, they will continue as they do at present, which often means frustrating the will of the courts? By not facing this, the Minister is placing many children in a position in which they do not see, as they should see, one of their parents.

Mr. Dhanda: We are facing up to this. It is one reason why the Bill introduces a range of measures, including contact activities. It gives CAFCASS a new and broader role in befriending couples who are going through separation. To take all of that into account, I think that the hon. Gentleman would probably wish to review what he has said and the way in which he said it. The Bill is an effective measure. I think that all Members in this place and the other place have agreed with that during its passage.

Amendment No. 10 is identical to the proposition that was debated in Committee. During that debate, Opposition Members clarified that they had meant to omit paragraph 6(d) from new section 110. Unfortunately, they made the same mistake again. That being so, the effect of amendment No. 10 is to continue to allow the child concerned to apply for a financial compensation order to remove the safeguards that would be attached to the application. However, I will proceed on the basis of the intention, which is to prevent the child from applying for a financial compensation order. I think that that is where the Opposition wish to be.

I sympathise with the concern that children should not become involved in what are essentially pecuniary proceedings, involving usually their parents. I doubt that many children will apply for financial compensation when one of the parties to the proceedings has breached a contact order to which they are subject. That said, there may be a few cases where a child has spent his or her own money to attend contact that did not take place. I imagine that these cases will be few and far between. Nonetheless, they are a possibility, and that is why they have been accounted for.

Amendment No. 16 would require a court that is considering making an enforcement order to make an order for the separate representation of the child, unless satisfied that it is not necessary to do so to safeguard the child's interests. I do not necessarily agree that that is best done by having separate representation of children in all enforcement proceedings, as amendment No.16 proposes. I have already had discussions with my hon. Friend the Member for Luton, South (Margaret Moran) in private.

The court can already, under existing provisions, consider separate representation of children, not just at enforcement stage but throughout Children Act 1989 proceedings. Under rule 9.5 of the family proceedings rules, the court may appoint a guardian for the child if it appears that it is in the best interests of the child for him or her to be made a party to the proceedings. That rule will apply also in respect of enforcement orders.

In April 2004, the president of the family division issued practice direction outlining the circumstances in which the court could consider making a child a party to the proceedings. Those include where the child has a standpoint or an interest that cannot be adequately represented by the other parties, where there is an intractable dispute over contact or residence and where there are serious allegations of physical, sexual or other abuse in relation to that child. The Cardiff university research report draws attention to the disadvantages of separate representation—for example, increased delay, additional stress and confusion to the child, which I think is particularly important and potentially too great a weight of responsibility on what are very young children. Important factors should be weighed up each time a court considers making an order for the separate representation of a child.

8.45 pm

Amendments Nos. 18 and 21 would affect a court's deliberations in deciding whether someone had a reasonable excuse to breach a contact order. Amendment No. 18 would make the welfare of the child paramount in such decisions. Amendment No. 21 would require the court to consider the child's wishes and feelings and any concerns about the child's safety or, indeed, the safety of any member of the family. I am happy to repeat that a reasonable excuse could include a genuine fear of domestic violence, whether to the adult or the child. In so far as ensuring that the courts have sufficient regard to child protection issues, the change proposed is not necessary. Similarly, the court will already take into account the safety of another adult. We should also bear it in mind that not all reasonable excuses involve domestic violence. A medical emergency could be why an order was breached, in which case the considerations in the amendments would not be appropriate.

Amendment No. 11 would require the court, in considering whether to make an enforcement order, to have regard to the principle that the court should act on the presumption that a child's welfare is best served by reasonable contact with both parents in the absence of a good reason to the contrary. However, the principle is said to be subject to the welfare of the child. In effect, that requires the court to operate subject to a presumption of reasonable contact in deciding whether to make an enforcement order in response to the breach of a contact order. In our view, it would be especially inappropriate to insert a presumption in that context. The original contact order would have already involved the court in considering the welfare of the child as paramount. When presented with enforcement issues, the concern of the court should simply be whether enforcement is necessary and proportionate to secure compliance with a contact order. The matter of what is in the child's best interests will have been considered already.

I have said already that this is a diverse set of amendments. I hope that I have explained why we would have difficulty in accepting them. I urge hon. Members not to press them to a vote.

Tim Loughton: We have had quite a full debate on, as the Minister says, a diverse selection of amendments. I certainly wish to reinforce the points made by my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) and my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) that the purpose of new clause 21 in particular is to ensure that a parent who might breach a contact order takes that court order seriously and is fully aware of the consequences of not doing so. We have tried to set down a clear and comprehensible penalty that would be understood by a large number of people. It is a form of sanction; it is not about using time with the children as some form of punishment—I went into all the details of why it should not be seen as such—but it is about using a relevant and proportionate deterrent that can be understood by anyone who might seek to breach a contact order without good reason.

The Minister said that the courts already have ample powers to do such things. If they do, they do not use them. That is the point of new clause 21. They do not use contempt of court penalties, other than in a very few cases. Again, incidents of custody being taken away from one parent and awarded to another are few and far between—it is the nuclear option—so many parents think, "What is the worst that can happen to me?", and it is not very much.

I am mindful, however, that we are approaching the cut-off time for the debates on Report. We still have the important section on mediation to consider, so on the basis that I should like at least my hon. Friend the Member for Basingstoke (Mrs. Miller) to have a look in on proposing new clause 22 on mediation, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 22

MEDIATION PRE-CHILD CONTACT ORDER WHERE THE SAFETY OF THE CHILD IS NOT AN ISSUE

'Before section 8 of the Children Act 1989 (c.41) insert—

"7A Mediation pre-child contact order

(1) The President of the Family Division shall—

(a) keep a register of mediators,

(b) make regulations about the qualifications and conduct required for registration as a mediator under this subsection.

(2) No person may act as a mediator for the purposes of this section unless he is on the register.

(3) Before the court makes an order under section 8 about contact in cases where the safety of the child is not an issue, it must give a direction requiring each party to attend a meeting with a mediator arranged in accordance with the direction for the purpose of—

(a) enabling the mediator to explain the facilities and options open to the parents regarding parent education, parenting plans, dispute resolution and mediation in relation to disputes over child contact, and

(b) enabling parents to resolve the dispute about contact by reaching an agreement for the child to have reasonable contact with both parents.

(4) A party's failure to attend the mediation must stand on their court record and may form part of the basis on which the court makes an order under section 8.

(5) The mediator must give a certificate and report to the court when, in his opinion, the parties have—

(a) reached a satisfactory solution, or

(b) have failed to reach a satisfactory solution and it is clear to the mediator that they will not.

In either event, the parties may then continue with any application to the court for an order under section 8."'.—*[Mrs. Maria Miller.]*

Brought up, and read the First time.

Mrs. Maria Miller: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments: No. 15, in clause 1, page 2, line 10, at end insert—

'(5A) Any information or advice given under subsection (5)(b) about making arrangements for contact with a child by means of mediation shall be given by an accredited mediator.'.

No. 14, in page 2, leave out line 14.

Mrs. Miller: Given the lateness of the hour, it is right to say now that we intend to press for a vote after debating this group of amendments. I shall speak to new clause 22 and the two amendments.

New clause 22 deals directly with mediation and I draw the House's attention to two aspects. First, it will require each party taking part in the proceedings to attend a meeting with a mediator arranged in accordance with the court's direction and, secondly, failure to attend mediation will stand on the person's court record. We believe that that is important to ensure that the system works for the best interest of the child. Strong encouragements should be in place to ensure that mediation occurs before the divorce process starts and there should be sanctions if the mediation does not take place.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): I am pleased that the new clause was tabled, because the Select Committee recommended that the parties should be required to attend a mediation meeting. What is not clear—perhaps the hon. Lady could quickly make it clear—is whether the provision goes as far as to say that people have to go through the whole process of mediation. No one who spoke to the Select Committee recommended that. It was felt that compulsorily introducing the parties to the possibility of mediation was as far as the element of compulsion should go.

Mrs. Miller: The right hon. Gentleman makes a good point. The new clause is not intended to make mediation compulsory. It is not possible to do that, but we can make mediation a routine part of accepted practice in court proceedings. If the mediation does not take place, it is right to take note of it. There should be some acknowledgement that mediation is a good process to go through. We tabled the new clause because we believe that it is in the best interests of the child to try to resolve these situations without the acrimony that often pervades court proceedings. Indeed, a strong argument can be made for the beneficial effects of mediation. Agreements

reached in the shadow of the court can often be pressurised and, if they break down, it is certainly not in the child's best interests.

The benefits of mediation are well catalogued. Members will recall from debates in Committee that just five hours of mediation can promote sustained contact between absent parents and children many years beyond the separation and divorce. Indeed, the University of Virginia conducted a study into that very aspect and it provides compelling figures. It found that, after 12 years, 30 per cent. of parents who attended mediation were in weekly contact with their children, in comparison with 9 per cent. of those who had been through litigation and not participated in mediation. Those are important figures that I hope will help the House to understand why we feel that mediation should be a routine part of the procedures of divorcing parents who are going through these processes.

Mr. Kidney: The hon. Lady knows from Committee that I strongly support mediation, but the first part of new clause 22 calls for the setting up of a register of mediators. Does she accept that the register already exists? In fact, there are already two registers of accredited mediators, so the new clause is not needed.

Mrs. Miller: That is a matter that the hon. Gentleman has obviously considered in detail in respect of other aspects of the Bill, but I shall confine my remarks to the pertinent point that we need mediation to become part of the process.

I am mindful of the time, so I shall pick up on a few of the points that the Minister detailed in Committee. She set out three main arguments against the inclusion of a mediation clause in the Bill. She said that it would contravene article 6 of the European convention on human rights and remove the right of access to the court, which would make such a provision unacceptable. She then made two judgments that I found interesting—that mediation would delay proceedings rather than always yielding a benefit, and that some people would feel pressurised by the mediation process. I am not sure that those arguments hold water.

The new clause does not make mediation mandatory, so it would not hinder access to the courts. I am not sure that that argument blocks our way. In her remarks in Committee, the Minister was prejudging the appropriateness of mediation. The evidence that I presented earlier shows the long-term benefit not just to the parents but, much more importantly, to the children, who retain longer contact with their parents over many more years.

In conclusion, a quote from a National Family Mediation briefing concisely sums up our feelings on the matter. It states:

> "To exclude the possibility of mediation whenever any indication of concern about domestic violence has been made is to withdraw at the outset one means of securing an appropriate level of contact between children and their divorcing parents and deny parents the ability to continue to parent their children. NFM contends that an *indication* of concern about domestic violence should not preclude the possibility of mediation."

As the House has heard, it is not just the Opposition who believe that mediation should form a much firmer part of the process. That view is shared by outside bodies that have great understanding of these matters.

We intend to press the motion to a Division because there is clear evidence that mediation can create better long-term outcomes for our children. At present, the availability of mediation is, at best, patchy. By amending the Bill, we would make mediation a routine part of divorce, hopefully take the sting out of the tail of some of the more acrimonious situations in which families find themselves and, ultimately, ensure better outcomes for children. Time does not allow a full debate on the two amendments in the group, so I shall bring my remarks to a close. *[Interruption.]*

Mr. Beith: In a sentence, on a matter that affects the welfare of many children caught in difficult and desperate situations, which I would have hoped was of concern to hon. Members, even those standing below the Bar, the Select Committee strongly recommended that there should be an element of compulsion to embark upon the possibility of mediation, and recently recorded that participation in the family resolutions pilot project was so poor that the project had to be accounted a failure because there was no element of compulsion about it. Those seem to be strong reasons for including a provision along these lines in the Bill.

The Minister for Children and Families (Beverley Hughes): The hon. Member for Basingstoke (Mrs. Miller) was so familiar with the debate in Committee that she able to read—mostly, but not entirely, correctly—the arguments that I advanced to show why we could not accept the amendments. I accept that the amendments arise from a desire to promote family mediation, which we want to do, but I do not believe that compulsory family mediation is desirable or likely to be successful.

Contrary to the comments of the hon. Lady, amendment No. 14 and new clause 22 provide for compulsory mediation. As we explained in our previous debates on the matter, we have serious concerns about the effects of compelling mediation, rather than encouraging it in the strongest terms and providing for parties to have an information session about mediation. We think that is the right way to go.

The hon. Member for Basingstoke got one of my reasons right, which is that her amendment potentially contravenes the Human Rights Act 1998 on access to the courts. However, the main issue is that requiring parties who are not willing to sit in the same room to—

It being Nine o'clock, MADAM DEPUTY SPEAKER *put forthwith the Question already proposed from the chair, pursuant to Order [2 March].*

Question put, That the clause be read a Second time.

The House divided: Ayes 164, Noes 261.

Division No. 267] **[9 pm**

AYES

Afriyie, Adam	Barrett, John
Ainsworth, Mr. Peter	Beith, rh Mr. Alan
Alexander, Danny	Benyon, Mr. Richard
Amess, Mr. David	Blunt, Mr. Crispin
Ancram, rh Mr. Michael	Bone, Mr. Peter
Arbuthnot, rh Mr. James	Boswell, Mr. Tim
Atkinson, Mr. Peter	Brake, Tom
Bacon, Mr. Richard	Brazier, Mr. Julian
Baron, Mr. John	Brokenshire, James

Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burstow, Mr. Paul
Butterfill, Sir John
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Quentin
Donaldson, Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Fabricant, Michael
Farron, Tim
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
O'Brien, Mr. Stephen
Paice, Mr. James
Pelling, Mr. Andrew
Penrose, John
Prisk, Mr. Mark
Randall, Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Rogerson, Mr. Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Taylor, Mr. Ian
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Younger-Ross, Richard

Tellers for the Ayes:

Mr. Henry Bellingham and Mr. David Evennett

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fisher, Mark
Flello, Mr. Robert
Flint, Caroline
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, Mr. David
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Iranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Ann
Kemp, Mr. Fraser

Khabra, Mr. Piara S.
Kidney, Mr. David
Knight, Jim
Lammy, Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Mountford, Kali
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Mr. Frank Roy and
Mr. Michael Foster

Question accordingly negatived.

Order for Third Reading read.

9.12 pm

Beverley Hughes: I beg to move, That the Bill be now read the Third time.

The Bill is important and will have considerable implications and benefits for many families. It is therefore important that we can say that our debates at various stages of its passage have been constructive and valuable and, above all, have shown the commitment throughout the House to improving outcomes for children.

The measure tackles some difficult issues—for many families, the most difficult and emotional that they will face: the break-up of families, parenting children and, in difficult circumstances, adopting children in other countries. It has received rigorous scrutiny from hon. Members of all parties at all stages. I am grateful for the chairing of our discussions today and for the equally kind but firm chairmanship in Committee.

I thank the hon. Members for East Worthing and Shoreham (Tim Loughton) and for Mid-Dorset and North Poole (Annette Brooke), who led the debates from the Opposition Benches, and their hon. Friends. I also thank the previous Under-Secretary, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), now Under-Secretary of State for Northern Ireland, for the valuable part that she played before moving on to other things.

I especially thank the Under-Secretary of State for Education and Skills, my hon. Friend the Member for Gloucester (Mr. Dhanda), who showed today how well he has grasped the detail in a short time and responded to amendments and hon. Members' points with consideration and thoughtfulness. I hope that hon. Members appreciate that. He is not in his place to hear that tribute because he needed to have something to eat, but I want the record to show my appreciation of him.

I also want to thank all my hon. Friends who have taken part so actively in the debate, and all the Clerks and officials who have supported us so well. It has been apparent that all Members have approached these issues with great diligence, and with great commitment to getting the detail of the Bill right. I want to thank them for doing that, and to pay tribute to the spirit in which they have done it. Finally, I should like to express my gratitude to the members of the Joint Committee that gave the Bill its pre-legislative scrutiny, who were responsible for some important changes before the Bill reached the Floor of the House.

I have already said that the Bill addresses some fundamental issues. As we have seen again today, some fundamental differences have been expressed during the debate, particularly on the question of whether the Bill should make explicit reference to the need for reasonable contact and so, in our view, compromise the principle of paramountcy of the welfare of the child. I believe that Opposition Members share our aim of providing for the child's best interests above all else, but we have fundamentally different views—they have been explored somewhat graphically on occasion today—on how that should best be achieved. We are united in the view that the courts will want to enable children to maintain good contact with both parents. In our view, however, compromising the principle of the paramountcy of the individual child's welfare is not the right way to achieve

[Beverley Hughes]

that. Notwithstanding the rather intemperate remarks of the hon. Member for East Worthing and Shoreham, I hope that he and his hon. Friends on the Conservative Front Bench will accept that we have come to our view with careful thought and integrity, just as I accept that he has done to his, however misguided I believe it to be.

From a child's point of view, the break-up of a family is a devastating experience in most cases. Most children want their parents to stay together, almost at any cost. So when parents have decided that that is not possible, the first and overriding priority must be to safeguard the child's welfare, her emotional and psychological health, her experience of being loved by both parents, and her ability to draw strongly on the contribution that each parent can make to her health, growth and development.

The Bill gives the courts the power to do what is right for children. It offers them the flexibility to support the 10 per cent. of separating parents who turn to them, by helping to facilitate contact at the start of proceedings, and by giving them options about how to enforce it when things go wrong, but focusing always on the interests of the child. Thanks to a very welcome amendment in the other place, the Bill also now introduces an important new measure to safeguard children involved in court proceedings by requiring a risk assessment when CAFCASS has cause to suspect that a child might be at risk of harm. This is equally a Bill about inter-country adoption, and about putting in place the right arrangements to help children in difficult circumstances in other countries to find a home in ours.

This is a Bill that has at its heart the principle that every child matters. It deals with some of the most vulnerable children in our society and abroad, and I believe that it will make life better for many of those children. I welcome the support that the vast majority of measures in the Bill have received from Members in all parts of the House. I think that our debates have dealt with some of the important issues of detail, and that some have led to improvements.

I commend the Bill. I am sure that its implementation will make a significant difference to many children and families.

9.20 pm

Tim Loughton: Perhaps my few comments, with the support of other speakers, will take us past the 9.45 pm watershed after which it will be safe to summon colleagues back for a debate that may or may not happen.

I, too, thank the various Members and staff who have aided our deliberations. I pay tribute to my hon. Friend the Member for Basingstoke (Mrs. Miller), who has performed a tour de force on the Front Bench throughout the Bill's passage. I also pay tribute to my hon. Friends the Members for Rugby and Kenilworth (Jeremy Wright) and for Peterborough (Mr. Jackson), both of whom served on the Committee, and of course to our assiduous Whip, my hon. Friend the Member for Bexleyheath and Crayford (Mr. Evennett). To be fair, I should also congratulate the new Under-Secretary of State for Education and Skills, the hon. Member for Gloucester (Mr. Dhanda), on dealing single-handedly with the entire Report stage, apart from two minutes before 9 pm. For him to do that after being thrown in at the deep end was no mean feat, given that this is a complex and controversial Bill that has been around for a year, since well before the hon. Gentleman's promotion. He had a very quick dinner, but some of us did not have any dinner at all. There are those who did not have any lunch either, but that is another matter.

This has been a long journey. Back in 2004, we saw the Green Paper "Parental Separation: Children's Needs and Parents' Responsibilities". Back in January 2005, we saw the next steps progress report. Soon after that, we saw the draft Bill. Before the last election, the draft Bill was presented to a pre-legislative scrutiny Committee in a rather truncated form. On 29 June 2005, almost a year ago, the Bill started its passage in the other place. It came to this House on 14 November, and ended its Committee stage at the end of March. Three months later, we are finally finishing Third Reading. It seems to take rather a long time for some Bills, particularly those dealing with children, to progress through both Houses, and there seem to be large gaps between the ending of their Committee stages and the start of their Report stages. This is not the first time that that has happened.

Meanwhile, there has been an extraordinary development in the shape of early-day motion 128, which has been mentioned several times today and which was signed by a majority of Members of Parliament of all political persuasions. The signatures of 345 Members appear on that motion, which supports us on the principle and presumption of reasonable contact being in the child's best interests.

Mr. Roger Gale (North Thanet) (Con): The figure is rather more significant than my hon. Friend suggests. A good many Members, including me, do not sign early-day motions as a matter of principle, but profoundly supported the thrust of that motion.

Tim Loughton: I am grateful to my hon. Friend. Of course, as well as those who do not sign early-day motions for reasons of personal choice, there are Ministers, who cannot sign them. That means that a vast majority of free-thinking Members put their pens to the motion. Only 146 of those 345, however, were prepared to go into the Lobby this evening, when it really mattered. That speaks volumes about the attitude of certain Members.

The Minister said that, taken as a whole, the Bill offered improvement in life chances for some of the most vulnerable children in our society, and elsewhere. We, of course, support that intent. She also said that the House was united in wanting to maintain good contact with both parents, and we agree with that too. However, she could not resist tagging on a condemnation of the Opposition's approach, which she said compromised the paramountcy of the child's welfare.

The Minister made that remark even though we have made it quite clear that the welfare of the child was the ultimate consideration in every case. We would not have proposed any of our amendments if we thought that the paramountcy of the child's welfare would be

compromised. She called us misguided, but at least we are misguided with integrity.

I am encouraged that the Government acknowledge the problems that result from the increasing numbers of families who split up. There are 12 million children in this country, and one in four experience the repercussions when couples separate. The Government also acknowledge the need to do something to beef up the penalties against serial flouters of contact orders, and to monitor contact proceedings.

The Government recognise, too, that something more must be done to prevent couples from going to court in the first place, as that is what leads to the long-drawn-out, expensive and acrimonious legal action that is the reason for this Bill's introduction. That is why proactive mediation is so important. All the Opposition amendments have been predicated on the need to safeguard the welfare of children, but the problem is that Ministers too often seem to be hiding behind the paramountcy principle that was introduced—by a Conservative Government—in section 1 of the Children Act 1989. It remains relevant and valuable to this day, but Ministers use it as an excuse for not taking the serious and radical action that would go a long way to addressing the problems that we have all acknowledged. Instead, they go through the motions, posturing, ticking the boxes and claiming that problems will be sorted out.

The Bill is full of good intentions and warm words, but it shies away from the radical overhaul of the legal system that is so vital. On Second Reading, I said that it was a "toothless fudge"—a rather mixed metaphor, I admit, but we gave the Government the benefit of the doubt. We argued long and hard—on Second Reading, in Committee and on Report today—for serious improvements that would have given the Bill real teeth and firmed up the fudge. However, this Minister and this Government have singularly failed to engage in the debate. They have failed to take on board—

Madam Deputy Speaker: Order. I must remind the hon. Gentleman that the Third Reading of a Bill is about its content as it is, not as he might wish it to be.

Tim Loughton: I am grateful, Madam Deputy Speaker, as my point is that the Bill, which has not been amended as we would have liked, shows that the Government have missed a major opportunity. As a result, it has ended up being a dud that is difficult for us to support.

Under the Bill as it stands, serial breachers of contact orders will continue to offend because they will continue to think that they are able to get away with doing so. Courts will be reluctant to award fines that may cause children to suffer, and will not be obliged by statute to treat both parents on a level playing field. People who breach contact orders will know that the longer they can spin out legal procedures, the more worn down the non-resident partner will become, and thus the less likely he or she will be to carry on with a claim in the courts. Moreover, mediation without some form of necessary encouragement will not work when entrenched partners who refuse to take part in the process—regardless of the feelings of the other partner—know that their refusal will not count against them later in court. All of that could have been addressed in the Bill by a simple but fundamental change to the law, to recognise the desirability of presuming that a child's interests are best served by maximising quality time spent with both parents—always subject to concern for the safety of the child.

In rejecting the Bill, we do not reject the principle but rather the complete failure of the Government and the Minister to engage in constructive debate to produce a workable piece of legislation that really addresses the problem. We support better mediation: the Bill will not produce it. We support more effective and meaningful penalties against non-compliance—a sliding scale: the Bill will not produce it. We certainly support the inter-country adoption measures and safeguards, as we have made clear all along, but they are just a small part of a bigger, flawed Bill.

The Bill will do little to achieve better mediation and the need proactively to keep couples away from the long slippery slope that acrimonious court action can be. The Bill will not provide a real deterrent to serial breachers of contact orders, who know how to play the system and how to wear down a former partner. Above all, in its current form, the Bill will not achieve a level playing field for separating parents making arrangements for their children based on respect for a child's right to maximum quality time with both of his or her parents, on the presumption that it is in his or her best interests to achieve that, barring any genuine risks to his or her safety.

The Bill is a major missed opportunity. We have engaged in constructive debate over the last year and we have given the Government the benefit of the doubt. I fear that they have failed to respond. They certainly failed to take on a single one of the amendments that we proposed to the House in good faith. Despite the good measures that the Bill achieves on inter-country adoption and the good intentions it professes on mediation and on enforcement against breach of contact orders, we fear that it will not work. On that basis, it will not achieve what it set out to do. The Bill is a dud and sadly—very sadly—I must urge Opposition Members to vote against it, because it will not do what it was supposed to do.

9.32 pm

Annette Brooke: I, too, start by thanking the Officers of the House and Chairmen who have already been mentioned. I particularly thank my hon. Friend the Member for Ceredigion (Mark Williams) who stood in for me in Committee during the brief time when I was unable to attend. I also thank the Chairman of the Select Committee on Constitutional Affairs; he and his Committee have produced two reports that were pertinent to our discussions.

I pay tribute to the former Minister, the hon. Member for Liverpool, Garston (Maria Eagle), now the Under-Secretary of State for Northern Ireland. I am sorry that she was ill during the Committee stage, but I am pleased that she seems to be fully recovered. We should pay tribute, too, to the Under-Secretary of State for Education and Skills, the hon. Member for Gloucester (Mr. Dhanda). It was remarkable and refreshing to hear him answer our points in a clear, non-confrontational and helpful way. I would like to say that I look forward to working with him on future Bills, but this is my fourth Bill this Session and I am

[Annette Brooke]

reaching saturation point, having also been a member of the Standing Committee considering the Education and Inspections Bill, so I hope that the Minister for Children and Families will let us consolidate children's measures for a while—perhaps we could do lots of good work in our many all-party parliamentary groups rather than spending our time on Bills. I thank the Minister who has been exceedingly courteous and helpful throughout our proceedings.

We need to focus on children and, as I said earlier, we have been in danger of straying into the realm of what parents want. Recently I received a letter—not from someone in my constituency—and I got to the third page before the child was mentioned. That really made me think: it was all about "I, I, I" and "I want this", which is worrying. That is part of our culture, so we must make sure that we put our children first. It is a sad reflection on society that children, who are entirely innocent parties, are dragged into conflict and suffer a great deal.

We must move forward in a number of areas. The Bill does not go far enough, but I do not disagree with any of its measures, so it would be extremely churlish to vote against it. External problems must be addressed, and we should not overlook the fact that the Bill is only a small part of the equation, as CAFCASS, the family courts and the judges are all important. It was not appropriate to support new clause 22, but we have said all along that there should be a compulsory meeting on mediation, even if the couple had to meet the mediator separately—in different rooms if necessary—provided that there were no domestic violence issues. I am sorry that an amendment was not tabled to that effect, particularly as the Bill identifies a compulsory meeting before mediation as a contact activity. I do not see why mediation should not begin earlier, and I am sorry that we did not include such a provision. I did not manage to table a suitable amendment, despite giving the matter a great deal of thought, although proposed subsection (3)(a) of new clause 22 is almost perfect for my purposes. We should not be complacent, as the failure of the family resolutions pilot project, in which there was low participation, cannot be ignored. I am sure that we all wish to avoid expensive, harmful and hurtful court procedures, and early intervention is a much better option.

Mr. Speaker: Order. On Third Reading, the hon. Lady must talk about what is in the Bill, not what might be in it.

Annette Brooke: I am grateful, Mr. Speaker.

The changes to CAFCASS are connected to the Bill, because they are part of the changing culture. I am deeply concerned, however, that the service does not have enough resources for contact activities, monitoring and family assistance orders. I hope that finance will be monitored, but excellent work is under way. The Select Committee pointed out that family courts should be more open. That has begun to happen, and it will help to reduce conflict. However, we need more full-time judges so that processes can be speeded up. I tabled an amendment in an attempt to address the gap before a case comes to court, when contact is often lost for good.

I welcome the fact that research is under way, but it is late and we have not yet experienced its benefits. I hope that a review will follow, as we need to revisit the issue. I am disappointed by the absence of a legislative statement that does not conflict with the paramountcy of the child's interests. We must take on board the views not just of non-lawyers but of the many members of the legal profession who have pointed out that the inclusion of conflicting presumptions is a serious problem.

Contact with parents and grandparents is all-important. Despite my great disappointment that there is not some form of legislative statement, I hope that we will work on that. The Minister has promised a review of the grandparent issue—

Mr. Speaker: Order. I remind the hon. Lady that she is going back to her old ways. May we get her to stay within the terms of the Bill?

Annette Brooke: Thank you, Mr. Speaker. I hope that I was being helpful, even if I was straying from the path.

Mr. Speaker: While the World cup is going on, contributions to debates can be very helpful indeed.

Annette Brooke: I thank you, Mr. Speaker, for drawing my attention to the fact that I was straying.

Having made all my points, I conclude by saying that, overall, we support the basis of the Bill. As I have said, it is churlish to vote against a Bill if there is nothing in it with which one disagrees. The Bill has some good provisions—particularly on adoption, contact orders and enforcement—so we will vote with the Government, but that does not mean that we think it is perfect.

9.41 pm

Mr. Gale: You, Mr. Speaker, better than most, will understand that those of us with other duties in this House sometimes have difficulty in participating as much as we would like to do in all aspects of legislation. I have studied the Bill on paper—only on paper, not in the Chamber—and followed its processes in the House of Lords, on Second Reading in this House, in Committee and, finally, this evening. It is with a very heavy heart—I say this curiously, in a sense—that I rise to support my friends on the Front Bench, because there is much of merit in the deliberations behind the Bill and, indeed, in the Bill. However, the fact is that, on its Third Reading, it is still deeply flawed. After all the effort that has been put in—I believe with good will—by both Government and Opposition Front Benchers in both Houses, that is tremendously sad.

It is one of the difficulties of these Houses that after a Bill starts in the House of Lords and is passed on to the House of Commons—where it is studied and read—has its Second Reading, its Committee stage and its Third Reading, it has nowhere else to go other than on to the statute book, or out. I sense that tonight, there might have been a willingness among Members in all parts of the House to send the Bill somewhere else and to think again. However, and as you have pointed

out, Mr. Speaker, this is a Third Reading debate, so this is the full stop and, as things stand, we have nowhere else to go.

As my Front-Bench colleagues have suggested, the fact is that elements are missing from the Bill. You, Mr. Speaker, admonished the hon. Member for Mid-Dorset and North Poole (Annette Brooke), who spoke for the Liberal Democrats, for commenting on what were almost Second Reading issues. Of course, we have to comment on what is in the Bill, but we must also comment on what is not in it and on the opportunities missed, to use the phrase coined by my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton).

There are issues relating to the rights of parents and grandparents that have not properly been touched on. It might surprise you to learn that I am not yet a grandparent, Mr. Speaker, but I wish I was. However, like most of us, I have constituency advice surgeries to which grandparents come to plead a cause. If the Bill is about anything, it is about children, and such grandparents can offer an opportunity to children who are the subjects—I hesitate to say victims—of broken marriages.

I suppose that, at this point, I ought to place my own interest on the record. I am a divorcee and I have a daughter who is the victim—if that is the right word—of a broken marriage. Happily, my former wife and I managed to work together to look after our daughter. My current wife was a single parent—the father of her child was murdered. I adopted my eldest son. I feel quite strongly about these matters. The relationships—and the contact—between people and their children are vital, but the most vital issue is the children.

To come back to the point about grandparents, we are missing an opportunity. The Bill does not say that grandparents have rights. We were talking about mediation. You were otherwise engaged, Mr. Speaker, but, in a brief intervention just before the last guillotine, my hon. Friend the Member for Basingstoke (Mrs. Miller) sought to indicate the breadth and the depth that mediation might embrace. However, that is not in the Bill. We ought to be talking about creating opportunities for people to get together, not to fall apart.

In the interests of the children, we ought to be talking about how we can maximise the contact between the two parents—if we believe, and I think that the House still does, that fundamentally children need two parents and the love, affection and attention of two parents. We cannot achieve that by compulsion; we can achieve it only by the getting together of willing parties. We will not get willing parties together by forcing them into funnels of courts of law, where they are represented by people who may think that they are presenting the interests of children, but who are in fact presenting the interests of two separating people. Children need the support of a flexible system.

I am very sorry. I believe that the Minister is committed to the cause. I happen to think that my hon. Friends on the Front Bench are committed to the cause. I wish that the Bill could go somewhere other than to a Third Reading vote to say yes or no, but it cannot. The Bill is flawed. As my hon. Friend the Member for East Worthing and Shoreham has said, it is an opportunity missed. On that basis, with a very heavy heart, I will have to oppose a Bill that has much merit in it, but does not go far enough.

9.48 pm

Mr. Stewart Jackson: I am pleased to be able to conclude the Third Reading debate. *[Interruption.]* It is gratifying to know that I am the cause of such hilarity on the Government Front Bench—particularly on the part of the Under-Secretary of State for Work and Pensions, the hon. Member for Warwick and Leamington (Mr. Plaskitt). This is a serious issue. We have had a good debate on Report and at Third Reading. I reiterate the comments of my hon. Friend the Member for North Thanet (Mr. Gale) that we could have had a great deal of consensus at Third Reading. We could have been united across the House on the fact that we all care about the future of our children and their family lives and prospects, and that we all care about fairness and equality between men and women. We all understand the tragedy that people's lives do not go as they planned and that they split up and separate, and there is animosity, bitterness and hatred. We could have taken the opportunity to do something about that by sending an important practical signal.

I said in Committee that kind words butter no parsnips. I was right, because although we have heard a lot of kind words from Ministers, we have not seen solid proposals. I congratulate the Under-Secretary of State for Education and Skills, the hon. Member for Gloucester (Mr. Dhanda), on his appointment and welcome him to the Dispatch Box. We go back some way from our days in the London borough of Ealing. His career has taken off, and although mine is on a slower trajectory, I hope to catch up.

Ann Winterton (Congleton) (Con): It is only a matter of time.

Mr. Jackson: I hear what my hon. Friend says.

We wanted consensus. We have done our best to ensure that good sense and practical experience inform the debate. We have received an undertaking from the Minister on reviewing the situation on grandparents' access, which was addressed by new clause 19. There will also be a review of the paramountcy principle and an examination of how that works in the family court system. We have done our best, and I thank hon. Members such as the hon. Member for Stafford (Mr. Kidney) for doing their best to achieve consensus. We are committed to the changes that were proposed by the amendments that we tabled, and we wait for a Conservative Government to enact those changes.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 291, Noes 132.

Division No. 268] **[9.51 pm**

AYES

Abbott, Ms Diane	Anderson, Mr. David
Ainger, Nick	Anderson, Janet
Ainsworth, rh Mr. Bob	Armstrong, rh Hilary
Allen, Mr. Graham	Atkins, Charlotte

Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brake, Tom
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bryant, Chris
Buck, Mr. Karen
Burden, Richard
Burnham, Andy
Burstow, Mr. Paul
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Flello, Mr. Robert
Flint, Caroline
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hamilton, Mr. David
Hanson, Mr. David
Havard, Mr. Dai
Healey, John
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Ann
Kemp, Mr. Fraser
Khabra, Mr. Piara S.
Kidney, Mr. David
Knight, Jim
Kramer, Susan
Lammy, Mr. David
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Linton, Martin
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Malleber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Mountford, Kali
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Nayarnith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rogerson, Mr. Dan
Rowen, Paul
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, David
Taylor, Dr. Richard
Teather, Sarah
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Willott, Jenny
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Frank Roy and Mr. Michael Foster

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Quentin
Dodds, Mr. Nigel
Donaldson, Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Fabricant, Michael
Field, Mr. Mark
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hunt, Mr. Jeremy
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
O'Brien, Mr. Stephen
Paice, Mr. James
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Mr. David Evennett and Mr. Simon Burns.

Question accordingly agreed to.

Bill read the Third time, and passed.

Westmorland General Hospital

Motion made, and Question proposed, That this House do now adjourn.—*[Steve McCabe.]*

10.8 pm

Tim Farron (Westmorland and Lonsdale) (LD): I am grateful for the opportunity to address the House on the future of the coronary care unit at Westmorland general hospital in Kendal in my constituency. The unit is under severe threat of closure. The board of the University Hospitals of Morecambe Bay NHS Trust recently launched a public consultation on the future of Westmorland general hospital. The trust presented four options, all of which would leave Westmorland general with acute medical services cut and reduced hospital beds, and three of those options would lead to the closure of the excellent coronary care unit.

It seems clear that the options presented, with the exception of the unspoken fifth option—to maintain the status quo—all threaten patient safety in the south Lakeland area, so I seek the Minister's assistance in securing the future of Westmorland general hospital in the interests of local people and of the hundreds of thousands of tourists who pass through the area every year.

The trust states that the proposed closures are a result of a £6.3 million deficit in its budget and the subsequent need to achieve cost savings. I sympathise with the trust in that respect, but I am reminded of the Secretary of State's repeated undertakings that, in the process of trusts moving to balance their books, there would be no threat to patient safety. For example, on 7 June, the Secretary of State said:

"I've always been clear that there should be no trade-off between high quality patient care and actions to improve financial management."

I therefore hope that the Minister will seek to intervene, given that the options presented for consultation by the trust all threaten high quality patient care and compromise patient safety.

People in my constituency who have a suspected heart attack or another acute condition such as a stroke will normally be transported by ambulance to Westmorland general hospital in Kendal. Should emergency admissions close at Kendal, the next nearest hospitals are in Lancaster and Barrow. Closure of the Kendal unit would lead to a significant increase in travelling times for people with acute conditions before they can be stabilised in hospital. It has been said that paramedics could stabilise patients with acute conditions in a similar way to doctors in hospitals, but that argument is erroneous. As the Minister knows, paramedics have a limited protocol for the administration of clot-busting drugs—in about 90 per cent. of cases, paramedics cannot administer life-saving clot busters and must concentrate on getting the patient to hospital safely and as soon as possible.

My constituency is large and rural. It includes parts of the Lake district and the Yorkshire dales and the rest of the south Lakeland area. The prospect of getting a patient with a suspected heart attack from Grasmere or Garsdale to Lancaster instead of to Kendal fills me and thousands of my constituents with incredulity and dread. I have spoken to many heart patients, health professionals and others who tell me that the additional journey time to Lancaster or Barrow would significantly threaten patient safety. The Minister will be well aware of the golden hour within which patients with acute conditions must be stabilised in order to give them the best chance of survival. Three quarters of my constituency lies more than an hour's drive to Lancaster or Barrow, and that does not include the length of time for an ambulance to get to a call-out in a remote rural area.

Although the local ambulance service is excellent, it already struggles to meet target call-out times and depends upon dozens of excellent first responder groups around south Cumbria to provide on-the-spot assistance to people with acute conditions in advance of the arrival of the ambulance. The coronary care unit at Westmorland general hospital is excellent and has committed, talented staff and a track record that is second to none in our area. As one might expect in a large trust area, each of the three hospitals—Lancaster, Barrow and Westmorland general—has a coronary care unit. Of the three, Westmorland general at Kendal has the record for the quickest door-to-needle time: the administration of clot-busting drugs to patients in the shortest and safest period following their arrival in hospital. In addition, 75 per cent. of patients reach Westmorland general hospital within acceptable time limits, which is the same figure as the hospital in Lancaster, but there is no doubt that that figure will drop significantly if patients are transported further in the event that the Kendal unit closes.

It hardly takes an expert in geography or transport movement to work out that the closure of the Kendal unit would make it impossible for people in south Lakeland to get to Lancaster within current target times. I cannot stress too strongly that the longer the time before the administration of crucial clot-busting drugs, which, in most cases, cannot be done in an ambulance and must be done at hospital, the greater the permanent damage to the heart and the greater risk to patient survival. That brings me to a crucial point—the additional pressure that will be placed on the ambulance trust as a result of any reduction of services at Westmorland general hospital.

Earlier this year, the Secretary of State kindly met me and the hon. Members for Lancaster and Wyre (Mr. Wallace) and for Morecambe and Lunesdale (Geraldine Smith) to discuss NHS services in Morecambe bay. At that meeting, in response to a question on a separate matter, the Secretary of State remarked upon the senselessness of one part of the NHS making savings by shifting additional cost burdens on to another part of the NHS, yet that very situation will be encountered should emergency medical services be removed or reduced at Westmorland General hospital. The knock-on effect will be an increase in ambulance journeys across a county boundary and an increase in the pressure placed upon paramedics as they attempt to keep patients going for much longer periods of time on journeys of up to twice current lengths.

Just as the hospital trust has not released any details relating to the money that it hopes to save as a result of the various options to downgrade our hospital, neither has there been any assessment of the likely additional costs that our local ambulance trust will incur as a direct consequence of the downgrading. How can it be right to allow one NHS trust to move towards balancing

its budget by placing additional financial difficulties at the door of another trust at the expense of public safety?

Good use of public money is a major consideration in the Government's efforts to tackle the problem of NHS deficits. The Minister will therefore be concerned to hear that, just three years ago, a state-of-the-art cardiac catheterisation lab was built at Westmorland general hospital at a cost of more than £2 million. That lab would in all probability be forced to close were there not a coronary care unit on site to support its work. This is tangible evidence that Government investment in the NHS will be wiped away as a result of the trusts current proposals.

University Hospitals of Morecambe Bay NHS Trust serves a population of 320,000 people. Most trusts of that size are urban or suburban in nature and have one large hospital. In our area, we have two district general hospitals at Lancaster and Barrow and a major third hospital, Westmorland general, in Kendal. The cost of operating three hospitals as opposed to one is vast—comfortably more than the size of the trust's deficit, and perhaps more than twice that amount. The Minister will be aware that no meaningful element of the funding formula even remotely addresses the huge additional cost of operating health services in a rural area such as ours.

Let me reiterate how important it is that the Morecambe bay trust area retains three hospitals. There are 80,000 people in my constituency and, in addition, hundreds of thousands of tourists all year round, no doubt including many Members of this House from time to time. The overwhelming majority of those people live or stay in places where it is simply not possible to get to hospital in Lancaster or Barrow in a safe period of time. To each of those people, the threat to close Westmorland general hospital to acute admissions and, in particular, those with suspected strokes or heart attacks is a threat to their safety and an unacceptable escalation of risk. I ask the Minister to conduct an urgent review of funding for trusts covering rural areas to take account of their actual spending needs and to ensure that they are not forced into proposing unsafe options for local health care.

In each of the options presented by the hospitals trust, Westmorland general hospital loses beds, acute admissions wards and rehabilitation wards, as well as the capacity to deal with, for example, suspected stroke patients or patients with diabetic emergencies. In all but one of the options, it loses the excellent coronary care unit. In each case, that would threaten the safety of local people and tourists and cause additional anguish and distress for patients, particularly older people, who would have to be treated a long way from their homes, making it much more difficult, and sometimes impossible, for them to receive visitors.

What is more, there are no plans significantly to increase capacity at Barrow or Lancaster. Given that there is already huge pressure on beds and resources at both those hospitals, it is inevitable that the quality of provision will suffer as a result of these cuts. The unspoken fear is that that downgrading of services across our area, particularly at Kendal, threatens Westmorland general hospital's very survival. Some have made the disingenuous case that it is no place for emergency medical cases because of the Royal College of Physicians' general advice that consultants should not be on call at more than one hospital site. However, given that consultants are on site at Kendal almost every day anyway and that, in rural areas, proximity to the population is an even greater consideration when thinking about patient safety, it seems clear that the Royal College of Physicians would not wish to undermine the viability of vital emergency services in rural areas and that its advice is taken out of context in this respect.

I hope that the Minister will take urgent steps to prevent the downgrading of Westmorland general hospital, because the options proposed by the trust and their knock-on effects would be contrary to the Secretary of State's promise that none of the savings being made by trusts should lead to patients suffering a reduction in service. In seeking ways to enable the trust to present acceptable options, she may wish to consider the fact that the local strategic health authority has announced a surplus of £33 million and that a small amount of that surplus could be used to take the pressure off Morecambe bay to prevent it from making damaging decisions that threaten patient safety.

In January, I joined more than 2,000 constituents in a march through Kendal in protest at the primary care trust's plans to close mental health wards at Westmorland general. That campaign was broadly successful, as adult mental health services have since been saved. My constituents and I are resolute in our support of our local hospital. We have not developed campaign fatigue since that victory and we are now engaged in another campaign to save local services.

I am truly grateful for the opportunity to speak, because the debate could not have come at a more crucial time for my constituency. The Minister will be pleased to hear that I have no appetite for point scoring, finger jabbing or making accusations. My purpose is to seek her help in preserving the future of emergency medical admissions at Westmorland general hospital.

A familiar and sobering sight in my constituency, especially in the summer months, is the helicopter air ambulance flying to rescue injured people on the fells and lift them to hospital for emergency treatment. I cannot help thinking that, if relatively small financial pressures are allowed to lead to the closure of Kendal hospital to acute medical admissions, those who meet calamity on the fells and are rescued by helicopter will be in a much less perilous position than residents of the lakes and dales and the rest of south Lakeland who suffer a heart attack or a stroke, whose lives will hang in the balance on a journey of an hour and a half along tourist-clogged country lanes to the nearest hospital.

10.20 pm

The Minister of State, Department of Health (Ms Rosie Winterton): I congratulate the hon. Member for Westmorland and Lonsdale (Tim Farron) on securing the debate. His speech reflected his strong feelings on the matter. I also pay tribute to all the national health service staff in Cumbria and Lancashire who have made great progress in improving the local NHS.

Before moving to the hon. Gentleman's specific points, it is worth taking a few moments to reflect on the

[Ms Rosie Winterton]

changes in his constituency in recent years. I am sure that he will join me in acknowledging the significant funding increases to the NHS. In the allocation round that covers 2003-06, Morecambe Bay primary care trust received a cash increase of £76.7 million or 28.7 per cent. Further cash increases of £66.2 million or 17.8 per cent. will follow over the two-year period to 2007-08.

Overall, the Cumbria and Lancashire strategic health authority has seen the benefit of extra funding since 1997, with 180 more consultants, 2,200 more nurses and 1,500 more health care assistants. That translates into, for example, reductions in waiting times. In the SHA, the number of people waiting more than 26 weeks for in-patient treatment has fallen to 16, and no one waits more than 13 weeks for out-patient treatment.

That is genuine progress, which has much to do with the dedication and commitment of local staff. However, alongside record investment, it is important that the health service continues to reform to deliver the NHS that we all want in the 21st century. As part of the programme of modernisation and reform, many NHS organisations are considering, with local stakeholders, changes to the way in which they organise their services. I am sure that the hon. Gentleman agrees that it is important for hospital and community services to adapt if we are to continue to meet patients' needs and improve access to services.

The hon. Gentleman spoke specifically about the future of coronary care at Westmorland general hospital, which is part of the University Hospitals of Morecambe Bay NHS Trust. The trust admits acute surgical patients at Lancaster and Barrow and acute medical patients at all three sites, although more critical patients are transferred from Westmorland to Lancaster for treatment.

The coronary care unit at Kendal has four beds and provides care for patients with acute coronary problems. Last year, it treated 514 patients. Cardiac rehabilitation services are also provided there, as well as in Lancaster and Barrow.

I would not question the hard work of the local staff, but the trust has identified strong clinical and financial reasons why the current pattern of acute medical services—including the cardiac care unit—needs to be reviewed. On the clinical front, the overriding consideration has to be patient safety. Consultant physicians at Westmorland have raised concerns about the admission of acute medical patients to the hospital and their management on several occasions. I realise that the hon. Gentleman questions this, but the Royal College of Physicians has issued guidance on the minimum resources, both human and capital, required to run such a unit. This guidance presents a real challenge to the trust's present pattern of service provision.

On the financial front, the trust ended the last financial year with a £6.3 million deficit, and needs to deliver cost savings of more than £11 million in this financial year. The trust has also identified the fact that it has higher than average costs for its emergency activity, in part due to the additional costs of providing a service over three sites.

These are genuine and pressing challenges for the trust, and it needs to take a rigorous look at how it provides its services. That is quite the right approach to take. Together with Morecambe Bay PCT, the trust has reviewed the provision of its acute medical services across all three sites. The review aimed to improve the management of patient flows, the patient journey, operational management and bed usage, and was conducted in the context of national best practice and policy requirements.

The hon. Gentleman will be aware that the pre-consultation stage of the review has recently ended. That stage explained the background to the service review and gathered the views of the public, external stakeholders and staff. A hospital services review steering group, chaired by the trust's medical director, has assessed responses to the exercise. Four models for acute medical services have been identified and the public consultation document on the acute medical review will be published tomorrow. The formal consultation on the four models will run until 13 September.

I am aware that the hon. Gentleman's concern centres on the future of acute services at Westmorland general hospital, and especially on the coronary care unit. Under the four options identified following the service review, the number of medical beds at Westmorland could be as few as zero or as many as 50. The hon. Gentleman will also be aware that one of the options includes the retention of the coronary care unit at Westmorland general hospital.

The hon. Gentleman raised the issue of the possible closure of the laboratory. As I understand it, even if the coronary care unit were to close, the laboratory would not necessarily close. The review is looking into the overall provision of laboratory services in the area. He also described very graphically the impact that the possible closure of the coronary care unit in Kendal might have on the local ambulance service. I hope that I can assure him that the ambulance service is part of the acute service review steering group, and that the potential impact on the ambulance service of any changes to service provision, including to the coronary care unit, will be thoroughly explored.

It is important to stress that at this stage no decisions have been made on the service redesign, and none will be made until the outcomes of the formal consultation are known. Following the end of the consultation period, the local NHS is responsible for reaching a decision on how to proceed. The final decision will be considered by the local authority's health overview and scrutiny committee, which has the right to refer any decision to the Secretary of State for Health if it contests a substantial change in health services on grounds of inadequate consultation or the merits of the proposal. I hope the hon. Gentleman will appreciate that as there is a possibility that the matter may ultimately be referred to the Secretary of State, it is not appropriate for me to comment on the proposals for future configuration of acute medical services provided by the trust.

The hon. Gentleman said that the strategic health authority had a £33 million surplus. That is not correct. It was an estimate of the financial position, but following a redistribution of resources, the money is no longer available.

The hon. Gentleman also commented on the way in which allocations are made to primary care trusts and, in particular, to rural areas. Funds are allocated to PCTs on the basis of the relative needs of their populations.

A weighted capitation formula is used to determine each PCT's share of the available resources to allow the commissioning of similar levels of health services for populations with similar needs. The components of the formula are used to weight each PCT's crude population according to the relative need for health care, and in the light of unavoidable geographical differences in the cost of providing health care.

The Advisory Committee on Resource Allocation has considered the rurality issue on a number of occasions. As a result, the allocation formula used in 2003-04 and in the 2006-08 allocations provides the best available measure of health need in all areas. In calculating heath need in rural areas, it takes account of the effects of access, transport and poverty.

Let me end by congratulating the hon. Gentleman again, but also by encouraging him to continue to discuss what is best for services with the local NHS. I am sure that he and his constituents will make their views on the final proposals known through the consultation exercise. It is important that we have consultation procedures that are reviewed and managed properly, but there are local avenues as well.

Question put and agreed to.

Adjourned accordingly at twenty-seven minutes to Eleven o'clock.

House of Commons

Wednesday 21 June 2006

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEPUTY PRIME MINISTER

The Deputy Prime Minister was asked—

Dorneywood

1. **Norman Baker** (Lewes) (LD): Pursuant to the answer of 27 March 2006, Official Report, columns 818-9W, on Dorneywood, what the names are of those guests visiting in an official capacity registered in Dorneywood's visitors book since 1 May 2005. [79130]

The Deputy Prime Minister (Mr. John Prescott): The visitor books belong to the Dorneywood trust and are not Government documents. I believe that they include the details of visitors going back many years, who are mostly personal guests. Successive Ministers of various Governments have used Dorneywood mostly for that purpose rather than for official visitors.

Norman Baker: I do not understand the Deputy Prime Minister's reluctance to give us the information. Even the Prime Minister, who is not known for being straight with answers, tells us who has been to Chequers. I should have thought that the Deputy Prime Minister would want to tell us about the heads of state and important people whom he has been entertaining—or are all the visitors working-class mates whom he invited over for croquet?

The Deputy Prime Minister: That was a particularly cheap question. This House's concern is public expenditure, and no public expenditure was involved with any of those who have been visitors at Dorneywood during my time—particularly where there have been personal visitors, I have paid the bill, and properly so. I do not think that such matters are accountable to this House, which has been the position with all previous Cabinet Ministers who have used Dorneywood. I reiterate the point that the visitors book is the property of the trust. The hon. Gentleman has confirmed his reputation in this House for being famously boring, as *The Times* has said.

Beijing Olympics

2. **Mr. Gordon Prentice** (Pendle) (Lab): Whether he plans to visit the Beijing Olympics in 2008 in an official capacity. [79131]

The Deputy Prime Minister (Mr. John Prescott): Ministerial attendance at the 2008 Olympic games in Beijing has not been finalised. I can, however, give my hon. Friend the assurance that I will not compete in any of the events. He may be aware that I visited the site of the Beijing Olympics in February this year, which included a meeting with Premier Wen and the mayor of Beijing, to discuss how to improve the links between our capital cities, and how to ensure a truly sustainable legacy for the Olympic games in both cities. I have since written to the mayor of Beijing setting out some proposals on that "sustainability bridge", and I have also discussed the ideas with the Mayor of London, who visited Beijing himself in April for further discussions on Olympic links between London and Beijing.

Mr. Prentice: That was a very good answer. My friend carries a heavy responsibility for the UK's relationship with China, and I know that he met a high-level delegation from the National People's Congress last week. Will he tell the House what was the most significant thing that came out of his discussions with the representatives of the National People's Congress?

The Deputy Prime Minister: The significant thing about my visits to China, of which there have been nine since we have been in government, is that they have been about relations between China and the United Kingdom, which have improved considerably—I am prepared to accept that that was not solely due to my actions. I discussed those relationships and other matters, such as human rights, with the delegation mentioned by my hon. Friend. I think that those discussions have led to an improvement, and I look forward to further visits to China for further discussions.

Mr. Greg Hands (Hammersmith and Fulham) (Con): The Deputy Prime Minister has said that he will remain in his position as long as the right hon. Member for Sedgefield (Mr. Blair) remains Prime Minister. If he is going to attend the Beijing Olympics in an official capacity, does it mean the Prime Minister will still be there? And if so, has anyone told the current Chancellor of the Exchequer?

The Deputy Prime Minister: I did not say that.

Colin Challen (Morley and Rothwell) (Lab): If my right hon. Friend gets to China for the Olympics, and I hope that he does, even if he is not competing, I hope that he will speak to the Chinese authorities about building sustainability into planning for the Olympics. We must learn how to make major international events truly sustainable to mitigate the impact on climate change, a subject in which he is clearly well versed.

The Deputy Prime Minister: My hon. Friend has made a good point. In the discussions with Premier Wen and the mayor of Beijing, we considered establishing principles for the Olympic villages in London and Beijing to reflect sustainability and environmental targets. We have reached an agreement, and I hope that the two Olympic sites will show the Olympic movement that it is possible to build villages that meet the highest levels of sustainability and environmental objectives.

Mr. William Hague (Richmond, Yorks) (Con): If the right hon. Gentleman gets to the Olympics, will he convey the message from all parties that we are proud to have the 2012 Olympics in this country? Will he respond to the deep disappointment on both sides of the House that he will not take part in either the boxing or the croquet, which used to be an Olympic sport, particularly bearing in mind law 1(c) of the rules of Oxford croquet—when a player has scored enough points, he is officially described as "pegged out" and has to be removed from the game? Would it not be fairer to the British taxpayer if he were now removed from the game?

The Deputy Prime Minister: I will obviously leave others to make judgments about that. With regard to the croquet, the set was provided by the ex-Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke). Members of my Department wished to play croquet, and I think that we enjoyed the game, quite frankly. I know that a lot was made of it being during working hours, but I notice that there are not many people here today during working hours. Perhaps some are at Ascot, and the *Daily Mail* will be there photographing them—*[Interruption.]*

Mr. Speaker: Order. Mr. Skinner, you must be quiet. You must allow—*[Interruption.]* Order.

Mr. Dennis Skinner (Bolsover) (Lab): Tell the hon. Member for Blaby (Mr. Robathan) to shut his mouth.

Mr. Speaker: No, I will tell no one—*[Interruption.]* Order. I tell the hon. Gentleman to be quiet. I will put it much more politely than he is putting it. He has got to be quiet. *[Interruption.]* The hon. Gentleman is getting very childish. He has got to allow the Deputy Prime Minister to answer the question. Is the Deputy Prime Minister fine with his answer?

The Deputy Prime Minister: Yes.

Mr. Speaker: Good. I call Andrew Gwynne.

CHANCELLOR OF THE DUCHY OF LANCASTER

The Chancellor of the Duchy of Lancaster was asked—

Third Sector

3. **Andrew Gwynne** (Denton and Reddish) (Lab): If she will make a statement on the relationship between the Government and the third sector. [79132]

The Parliamentary Secretary, Cabinet Office (Edward Miliband): The new office of the third sector will build on steps taken since 1997, including significantly increased resources and the compact on joint working, to ensure that we can support the third sector's role in all aspects of our national life, whether it is helping to deliver public services, running social enterprises, or campaigning for social justice.

Andrew Gwynne: I welcome that answer, not least because we have some very good and active third sector and community organisations in Tameside and Stockport. However, does my hon. Friend agree that it is essential that in working with the third sector, Government and councils make it clear that they will not abdicate their responsibilities to fund those services adequately, but, as in my constituency, work in partnership with the third sector to deliver those improved public services?

Edward Miliband: My hon. Friend is entirely right. The third sector can play an important role in innovating and getting close to the user, which the public sector sometimes cannot. For Labour Members, the fact that we have increased public spending since 1997 to deliver improved public services is absolutely consistent with an increased role for the third sector in delivery. Using the third sector is not about Government abdicating their responsibilities to fund public services adequately.

Ann Winterton (Congleton) (Con): Will the Minister look at the situation concerning voluntary and charitable organisations whereby a person who serves in different categories has to be checked with the Criminal Records Bureau on every single occasion? Is not that over-bureaucratic and unnecessary?

Edward Miliband: The hon. Lady raises an important point about the operation of the Criminal Records Bureau in relation to volunteers. One of the important things about the CRB is that volunteers do not get charged for having the check done. She is right that there is a balance to be struck between the necessary protections that we need and ensuring that it is not done in a bureaucratic way. We are working with the CRB on streamlining the process for the voluntary sector and will continue to work on that in the coming months.

Mr. Jim Devine (Livingston) (Lab): Does my hon. Friend agree that it is important to listen to campaigning bodies such as Make Poverty History? Does he further agree that it was an absolute disgrace that last week, when we supported the Bill promoted by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) on the practical application of making poverty history, the Scottish National party was not represented?

Edward Miliband: I agree with my hon. Friend about the role that campaigning organisations play. I hope that there can be consensus about this in the House. I was concerned to see the remarks by the right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), who is not in the House today, and who said of Make Poverty History:

"My concern is that if everybody comes together for one movement you get only one concept prevailing and it locks out alternative thinking."

In my view, Make Poverty History, as an umbrella group for the development movement, was incredibly effective and led to the massive strides that have been made in the past couple of years on debt and development.

Mr. Oliver Heald (North-East Hertfordshire) (Con): I am sure that the Minister will acknowledge that the Conservatives are very supportive of Make Poverty History. Will he acknowledge the role of social enterprise in tackling social exclusion, creating jobs, and delivering public services? Does he agree that there is a strong case for increasing the scale and scope of social enterprise by creating social enterprise zones? Will he look at ways of removing barriers to the expansion of the sector by simplifying often complex and fragmented funding flows by offering longer-term contracts and creating a more level playing field at the community level? How can any of that be achieved when eight Departments—according to research by my hon. Friend the Member for Isle of Wight (Mr. Turner)—do not monitor and refuse to keep central records of their contracts with the third sector?

Edward Miliband: That was a long and complicated question. [HON. MEMBERS: "Answer it."] I will. The hon. Gentleman says that the Conservative party is united behind Make Poverty History, but the man appointed to be in charge of social justice for the party said that it locked out alternative voices. That does not sound like unity behind Make Poverty History.

There has been a big growth in social enterprise in the past eight or nine years, partly because of what has been done. That includes the Phoenix fund, the support for community development finance institutions and the work of regional development agencies. Part of the role of the new office of the third sector is to bring together the work on social enterprise in one Department so that there is a further increase in social enterprise in the coming years.

Social Exclusion

4. **Mr. Stephen Hepburn** (Jarrow) (Lab): What steps the Government have taken to tackle social exclusion arising from child poverty since 1997. [79133]

The Minister for the Cabinet Office (Hilary Armstrong): The Government's drive to end child poverty by 2020 is based on work for those who can, financial support for families, excellent public services and support for parents in their parenting role. That strategy has lifted 800,000 children out of poverty since 1997.

However, the Government will never be satisfied until we have eliminated child poverty and we are now refocusing our efforts on those who have yet to benefit.

Mr. Hepburn: We always rightly argue that the best pathway out of poverty is work. Yet, in South Tyneside, four out of 10 children have no parent in work. What will the Minister do to create special measures for South Tyneside to solve the problem?

Hilary Armstrong: My hon. Friend is right to draw attention to the role of worklessness in tackling child poverty. There are specific problems in South Tyneside—as he knows, I know the area well. I am working closely with my right hon. Friend the Secretary of State for Work and Pensions and my hon. Friend the Minister for Employment and Welfare Reform so that we can work with people in South Tyneside—for example, employers and other partners—to get people into work and to sustain them in work, thus enabling them to lift themselves and their children out of poverty. Tackling worklessness and inactivity, especially among those on benefits, remains our top priority and we are determined to work on that so that all children, including those in South Tyneside, get the life chances that they deserve.

Matthew Taylor (Truro and St. Austell) (LD): I am glad to hear that the Minister is not satisfied with the Government's record—she has considerable reason not to be. The Government have already missed their target for cutting child poverty and there is not one hon. Member who has not experienced cases in their surgery of poor families who are hit by demands for thousands of pounds because of Government failures in the tax credit system, which place people in extreme poverty. Is it the system that needs changing or the Ministers in charge of it?

Hilary Armstrong: I welcome the hon. Gentleman to his new post. He knows that we are not satisfied and we will continue to strive to do better. I know that he respects the academic John Hills from the London School of Economics, whose recent book states:

"The package of support for low-income working families with children is now one of the most generous in the world."

That has been critical to tackling the problem. The hon. Gentleman also knows that tax credits benefit 6 million families with 10 million children. In total, 20 million people live in households that benefit from tax credits. Of course we want to do better. I look forward to his working with us to ensure that we can eliminate child poverty.

Barbara Keeley (Worsley) (Lab): Does my right hon. Friend agree that the provision of adequate and affordable child care is a key issue, and that its absence is a possible barrier to parents moving into work? Although there has been a substantial increase in such child care under this Government, will she work with the Department for Education and Skills to ensure that its provision continues to improve and increase, so that that barrier can be removed?

Hilary Armstrong: My hon. Friend is absolutely right. Child care provision under this Government has increased substantially, and we have put in place a framework to enable access to child care for every family throughout the country. The Sure Start programme has played an important part in achieving that. We particularly want to enable lone parents to get back into work, and, as my hon. Friend the Member for Jarrow (Mr. Hepburn) highlighted, worklessness is a particular problem for lone parents. So we will continue the drive to increase the opportunities for the children of lone parents, and child care is part of that package.

DEPUTY PRIME MINISTER

The Deputy Prime Minister was asked—

Admiralty House

5. **Mr. Peter Bone** (Wellingborough) (Con): What the estimated cost to public funds is of his official residence in Admiralty house for 2006-07. [79134]

The Deputy Prime Minister (Mr. John Prescott): The cost will be accounted for in the Department's annual report and accounts in the usual way, as with previous Governments.

Mr. Bone: The Minister for Europe is being evicted from Admiralty house. Why is not the Deputy Prime Minister joining him?

The Deputy Prime Minister: That is a choice that has presumably been made by the Prime Minister and the Minister for Europe. I will be staying in that house. It goes with the job that I am doing, and I think that it is effective—[HON. MEMBERS: "What job?"] I would make the point to the hon. Gentleman that the Admiralty hires out rooms in Admiralty house for 200-odd events a year, both public and private. I am aware that none has been hired out to any modelling agencies. I understand that, as the hon. Gentleman looks like the England manager, Sven, he worked for a modelling agency. But I believe that he did not get any bookings. Perhaps after last night's result, he will get a few more. We congratulate the England team.

Mr. William Hague (Richmond, Yorks) (CON): Will the Deputy Prime Minister remind us who said:

"It is obscene that priority is given to their second homes over housing the homeless",

when talking about ministerial residences in 1994? Given that it is now apparently Government policy to re-allocate the homes of the dead after they have been left empty for a time, is it not time to re-allocate the homes of the politically dead? That would involve the whole of Admiralty house. Is it not a bit rich for the taxpayer to have to pay to hold at bay the scramble in the Cabinet to take over the Deputy Prime Minister's job?

The Deputy Prime Minister: I own one house—that has always been the case—and one car, not two. But we just have to live with the image presented by the press and put forward in this House from time to time. The right hon. Gentleman made a point about taking over homes, and the Department has just made an announcement on that issue. It involves houses that have been empty for years. We are attempting to improve the streets, but in some cases we do not know who owns the house in question. In other cases, the owners have refused to improve the property. We have now decided to take over the management of such houses, improve them and bring them up to the standards that we want for those homes. They will then become available to the owners if they wish to take them back. The payment for the improvements will come from the rents that we will impose on them. This is about the management of those properties, not their takeover, and it will improve the areas that we are talking about.

As for the right hon. Gentleman's point about the politically dead, perhaps now that he has been confirmed as the senior member of the shadow Cabinet, he will remove from his website the statement that he is still the leader of the Conservative party. Perhaps he will also tell us how successful he will be in getting an agreement for his party to come out of the European People's party, a job that he has been given but has so far failed to achieve.

Policy Development

6. **Mrs. Claire Curtis-Thomas** (Crosby) (Lab): What areas he has identified as priorities for improving the effectiveness of policy development across Government. [79135]

The Deputy Prime Minister (Mr. John Prescott): I have begun to implement a new way of working for the Cabinet Committees that I chair, with the express purpose of improving the cross-working between Government Departments, as the Prime Minister has asked me to do. As the House will be aware, the Prime Minister has written to the Secretaries of State asking them to identify the key challenges ahead and how they propose to deliver the necessary results. Tackling these challenges will clearly require cross-departmental agreement on how to drive forward change, and I will be closely involved in that.

Mrs. Curtis-Thomas: I thank my right hon. Friend for that answer, but I am also aware that he is the lead negotiator on Kyoto, so what is he doing to ensure that Government Departments are complying with the Kyoto agreement and doing all they can to address issues of climate change?

The Deputy Prime Minister: My hon. Friend is quite right to point out Britain's contribution to the Kyoto agreement. I am pleased to see that former Vice-President Gore is in the UK and I am looking forward to meeting him tomorrow so that I can proudly tell him how the Government have not only met the Kyoto target established then, but at twice the level, which is quite an achievement. We need to talk more about the post-Kyoto agreements and I believe that every Government Department has more to do in order to achieve the target that we set for ourselves—a 60 per cent. reduction on 1990 levels by 2050. I shall be calling the Departments together and we have already had our first meeting with the Secretaries of State to see how Departments can do more to achieve those targets. Also on the agenda is reaching agreement on the EU emissions trading scheme, which has to be decided by next week.

Mr. David Evennett (Bexleyheath and Crayford) (Con): Since the Deputy Prime Minister's role was reduced, the Government seem to have been in increasing trouble. Does he believe that his new policy role has helped or hindered the Government?

The Deputy Prime Minister: Governments go through difficulties from time to time and the hon. Gentleman must have had some experience of that with Tory Administrations. I would point out that we have won three general elections, and with policies that will deliver, we are on our way to winning the fourth.

Equal Pay

7. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): What plans he has to discuss equal pay across the public sector with Cabinet colleagues; and if he will make a statement. [79136]

The Deputy Prime Minister (Mr. John Prescott): The House will be aware that it was a Labour Government who introduced the landmark Equal Pay Act 1970 and the minimum wage, opposed by Conservative Members, which led to pay increases for over 1 million women. Since 1997, we have introduced further measures to combat discrimination: the Civil Partnership Act 2004, the Disability Discrimination Act 2005 and the Equality Act 2006, all of which set down new rights for many people.

There remains more to do to tackle the problem that women who work full time still earn 13 per cent. less than men who work full-time.

Mrs. Hodgson: I thank the Deputy Prime Minister for that answer. Does he agree that, although at least Labour Members are committed to equal pay and equality in general, a lot more needs to be done, as he said, to address the inequalities that unfortunately still exist?

The Deputy Prime Minister: I agree absolutely that more needs to be done, as was made clear in Margaret Prosser's Women and Work Commission report. An awful lot needs to be done, which is why we are paying careful attention to her recommendations. My hon. Friend will be aware that the European Court is due to rule on an important case—the Cadman case—relating to the issue of whether the length of service in pay scales discriminates against women. The judgment will have significant consequences for Departments and we recently held discussions in the Cabinet Committee to find the best way forward. The Equal Pay Act was passed in 1970, but much remains to be done and the Cabinet Committee is working to achieve it.

John Bercow (Buckingham) (Con): Given the Government's laudable commitment to equal pay for work of equal value, why is the gender pay gap among part-time employees higher in the public sector than in the private?

The Deputy Prime Minister: The hon. Gentleman makes a powerful point. Since the 1970 Act was passed, Government Departments have not done as much as they could to close the gap. It is necessary to act now because each Department has different pay negotiations and different ways of dealing with the problem. We need to make some changes to achieve a more common policy. More cross-government activity is needed and it is my job to try to achieve it.

DUCHY OF LANCASTER

The Chancellor of the Duchy of Lancaster was asked—

Digital Divide

8. **Meg Hillier** (Hackney, South and Shoreditch) (Lab/Co-op): What steps the Government are taking to reduce the digital divide between the elderly and the rest of the population. [79137]

The Parliamentary Secretary, Cabinet Office (Mr. Pat McFadden): The Government's goal, as set out in their national digital strategy published in April last year, is to be the first nation to close the digital divide. A specific commitment of the strategy is to improve accessibility for digitally excluded groups such as the elderly. We have also made Government funding available for various digital inclusion initiatives, including significant funding through the new deal for communities for the Shoreditch Digital Bridge initiative in my hon. Friend's constituency, which I had the pleasure of visiting last week.

Meg Hillier: I am delighted that my hon. Friend had the opportunity to visit the Shoreditch Digital Bridge project last week. What lessons can be learned from that about rolling out the best parts of that practice to other constituencies where there is a big digital divide, as there is in Hackney, South and Shoreditch?

Mr. McFadden: My hon. Friend makes a very good point. This agenda is about not just technology, but power. That is why initiatives such as the Digital Bridge are important; why the Government have 6,000 UK online centres around the country, giving access to new technology; and why we have an important digital challenge project, which has shortlisted 10 projects to increase the use of new technology in the community, and we will name an overall winner early next year.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [79115] **Dr. Vincent Cable** (Twickenham) (LD): If he will list his official engagements for Wednesday 21 June.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I will have further such meetings later today.

Dr. Cable: Would the Prime Minister add to his engagements a prison visit to respond to the criticism of Lord Ramsbotham, the former chief inspector of prisons, who said that for the Prime Minister to demand more and longer custodial sentences is incoherent when prisons are chronically overcrowded and prisoners are being released prematurely, and to heed Lord Ramsbotham's advice that the best contribution that the Prime Minister can make to the sentencing process is, in his words, to shut up?

The Prime Minister: I thank the hon. Gentleman for his kind invitation, but it will not surprise him when I say that I do not agree with that. It is worth pointing out, however, that there are more people in prison, and there are more prison places. The amount of time that people are spending in prison is longer, but when there is justifiable concern about sentencing, it would be very odd if we as politicians did not raise it.

Q2. [79116] **Dan Norris** (Wansdyke) (Lab): Most people feel that fathers need to play a greater role in bringing up their children. What are the Government doing to support that?

The Prime Minister: We are doing a number of things. First, obviously, we have introduced family-friendly policy that has allowed paternity leave for the first time, that has expanded maternity pay and that has expanded maternity leave. There are, of course, also extra places in nursery provision and in child care. And, of course, there are the Sure Start places. I want to make it clear that Labour Members are fully in favour of Sure Start—we believe that it does an excellent job—and I hope very much that the right hon. Member for Witney (Mr. Cameron) will withdraw his criticism of the Wythenshawe Sure Start, which I also believe is doing a superb job for its local community.

Mr. David Cameron (Witney) (Con): Two weeks ago, I asked the Prime Minister whether he would back Conservative proposals for tougher sentences for knife crime. He said that there were difficult issues. This week, the Home Secretary announced that he would work with us to strengthen the law. Will the Prime Minister confirm that that will be done before the Violent Crime Reduction Bill completes its passage through Parliament?

The Prime Minister: In fairness, I think that what I said was that I would consider that, but that there were difficulties with it. Those difficulties can be overcome, and we are perfectly happy to work with the right hon. Gentleman and other hon. Members to get the legislation through the House as quickly as possible.

Mr. Cameron: I am delighted that we are going to work together on knife crime. *[Interruption.]*

In January, I asked the Prime Minister—this is another area where we can perhaps work together—to think again on Government proposals to force police forces to merge. That huge distraction has already wasted police time and taxpayers' money. On Monday, the Home Secretary—who is now keeping up a running commentary, I am pleased to see—accepted our arguments for a review. Will the Prime Minister confirm that, at the very least, no forced amalgamations will take place until after that review is complete?

The Prime Minister: No. It is important, obviously, that we listen to the concerns that are expressed by people, and we said that we would. I hope that the right hon. Gentleman has not got a complaint about that, but my understanding is that his shadow spokesman on law and order has said that we should not proceed with any such merger at all. I do not agree with that. As the Home Secretary says, we should take greater time to consider the representations that have been made to us; but for all the reasons that were given, not least by the inspector of constabulary, there is a good case for considering this proposal, and that is why it would be wrong for us as a Government to rule it out.

Incidentally, while we are talking about how we can work together on law and order, I hope that the right hon. Gentleman will now withdraw what he said last week in the House, which was that the person in the Sweeney case would be released earlier as a result of the Criminal Justice Act 2003. That is completely wrong. As a result of that Act, he can be given an indeterminate sentence, which is why he will now not be automatically paroled.

Mr. Cameron: I think the Prime Minister should concentrate on his own Ministers, who have been giving a completely conflicting version of events.

I am glad that the Prime Minister is being flexible, and is prepared to back down. We read today of a review of the entire Home Office. Will the Prime Minister ensure that it includes consideration of suggestions for long-term improvements in security, including our proposal for a single border police force? Unlike forced mergers, which are opposed by police chiefs, that proposal is now backed by the Metropolitan police, by the former head of the Association of Chief Police Officers, and by the Labour-controlled Select Committee on Home Affairs. Will the Prime Minister join the growing consensus?

The Prime Minister: Of course it is important for all the long-term issues involving the Home Office to be considered very carefully. The reason why we have opposed a single border agency force is simple: having put in an immense amount of money and extra staff, we believe that the best way of dealing with such matters is through intelligence-led operations, which have proved extremely successful. It is true that we need to do much more, and we are looking at that, but if we want to protect our borders properly, the electronic border system that we are introducing will be important. I should also say that if we want to keep track of people in this country, in the end we will have to face up to the difficult decision on identity cards. If the right hon. Gentleman is still against that, he cannot be serious about ensuring that we know exactly who is and who should be in our country.

Mr. Cameron: If the Prime Minister wants to know who is still here, he should not have abolished embarkation controls. In a week when a senior chief constable has said that policy is being made on the hoof—*[Interruption.]*

Mr. Speaker: Order. The Leader of the Opposition must be allowed to speak.

Mr. Cameron: In a week when a senior chief constable has said—*[Interruption.]*

Mr. Speaker: Order. [HON. MEMBERS: "He is wrong."] Being wrong does not deny a Member the right to speak in the House. If that were so, very few Members would be able to speak.

Mr. Cameron: There are now so many former Home Secretaries shouting that it is quite difficult to keep track.

In a week when a senior chief constable has said that policy is being made on the hoof, real strategy has been abandoned and professionals are in despair, it is clear that real change is needed at the Home Office. The Prime Minister has had nine years and countless initiatives. Can he honestly blame people for concluding that he has taken his eye off the ball, that he is out of touch, and that he cannot be the right person to sort things out?

The Prime Minister: While we are on the subject of former Home Secretaries, let me tell the right hon. Gentleman—and I think this is why my right hon. Friends were shouting at him—that the Home Secretary who began the process of removing embarkation controls was his predecessor as leader of the Conservative party, the right hon. and learned Member for Folkestone and Hythe (Mr. Howard). I do not think that that was a very wise point to make.

As for the Home Office, as a result of the changes that have been made crime is down, there are record numbers of police, asylum claims are now processed far more quickly, and we have reduced the number of asylum claims dramatically over the past few years. I agree that it is important to establish whether we can go further. I merely say to the right hon. Gentleman and his colleagues that I hope he will not do what he has done before, which is to attack us in public for not being toff—tough enough—*[Laughter]*—or even toff enough! Whether toff or tough, the fact is—*[Interruption.]* I do not think we should get involved in a competition in that regard.

Whatever the right hon. Gentleman says in public about our policy on law and order—when he tries to suggest that we have not been tough enough—what he actually does in the House and, in particular, with his colleagues in the other place is vote against each and every measure that is necessary.

Incidentally, while we are on that subject, the right hon. Gentleman should correct something else that he did last week. He tried to suggest that the Sentencing Guidelines Council was the reason why he voted against the Criminal Justice Act 2003. Actually, he was in favour of the Sentencing Guidelines Council, and his party's spokesman at the time said that it was "admirable". The reason why Conservative Members voted against the 2003 Act was the issue of withdrawal of trial by jury—on which, incidentally, they were also wrong. It was not because the measures were too soft; it was because they were too tough.

Mr. Cameron: After nine years, three huge majorities and 54 pieces of criminal justice legislation, is it not the case that the Prime Minister has no one to blame but himself?

The Prime Minister: And it is as a result of those measures that crime is down, after doubling under the Tories. They cut police numbers, whereas we have raised them. It is as a result of the antisocial behaviour legislation that we have a chance to deal with antisocial behaviour, but the right hon. Gentleman voted against that legislation. The next time we bring forward measures in this House, the test will be whether he and his colleagues are prepared to vote on the basis of what they say. Given his past record, they will not do so.

Mr. Cameron: If it is all going so well, why has the Home Secretary said that his Department is not fit for purpose? Today, he is trying to revamp the whole of his failing Department.

The Prime Minister: Of course, as the Home Secretary rightly said, there are huge challenges, such as organised crime and illegal immigration. If we are to tackle them, we need measures such as the Criminal Justice Act 2003, which toughened up the sentences for violent and sexual offences. However, what did the right hon. Gentleman do when that was before the House of Commons? He voted against it. So when we bring forward the new measures, he will be on test, as will his leadership and his party.

Chris Mole (Ipswich) (Lab): Does my right hon. Friend welcome last week's introduction of environmental performance certificates for domestic dwellings? They will ensure, for the first time, that people buying a home will have the same information about its environmental performance as they would have about a fridge that they wanted to buy. Does he regret the opposition to the introduction of home information packs, of which the certificates will form a key part, because that opposition ignores the packs' impact on the environment and because the HIP will be the most efficient way to get EPCs in front of consumers?

The Prime Minister: My hon. Friend is right, and HIPs have been welcomed by the National Consumer Council. Denmark is one of the countries that have introduced the packs, where they have been immensely successful. We are giving them a dry run this year, and they will be introduced fully next year. He is absolutely right as well about the energy saving requirements that will be part of the pack. This country is introducing that information some two years earlier than the European directive stipulates.

Sir Menzies Campbell (North-East Fife) (LD): Can the Prime Minister recall a time when there was as much acrimony as there is now between the Home Office on the one hand, and the police and judiciary on the other? How is that to be resolved?

The Prime Minister: It is to be resolved, I hope, by meeting the public's genuine concerns about the shortcomings of the criminal justice system. The right hon. and learned Gentleman asks a general question about the Home Office and judges, but if the public knew the Liberal Democrats' voting record in this House on law and order policies, they would not give him or his colleagues the time of day on the issue.

Sir Menzies Campbell: I am happy to defend my voting record, and the Prime Minister should defend his, given what he said when he was in opposition. As a result of the events of the past few weeks, is not it clear that we need wholesale reform of the Home Office, including the creation of a separate ministry of justice?

The Prime Minister: No, I do not agree with that at all. The right hon. and learned Gentleman says that he and his colleagues are proud of their voting record, but I should like to see the leaflets that the Liberal Democrats put around during the recent local elections saying how proud they were that they voted against the antisocial behaviour legislation. Let him show me the leaflets saying how they voted against the powers to close crack houses, and against antisocial behaviour orders and the drunk and disorderly provisions. If the right hon. and learned Gentleman shows me those leaflets, I will pay some attention to what he says.

Q3. [79117] **Mr. Gordon Prentice** (Pendle) (Lab): A year ago, my friend told us that a decision to replace Trident would have to be made in this Parliament. Would not it be an absolute outrage if billions were squandered on a new generation of nuclear weapons without a vote in the House?

The Prime Minister: As I think I said before, there should be the fullest possible debate on the issue. I am sure that there will be and that, yes, the decision will have to be taken in this Parliament.

Q4. [79118] **Jo Swinson** (East Dunbartonshire) (LD): Does the Prime Minister agree that whatever his Government's views on nuclear power, it is the Scottish Executive who will decide whether to allow the building of new nuclear power stations in Scotland?

The Prime Minister: Of course, as a result of devolution those decisions will be taken in accordance with the legislation that outlines the respective powers of the Scottish Executive, the UK Parliament and the UK Executive. I point out to the hon. Lady that Scotland has nuclear power stations now, and a large part of the whole country's electricity depends on them.

Q5. [79119] **Mr. David S. Borrow** (South Ribble) (Lab): During the European summit last week, did my right hon. Friend have the opportunity to meet members of the Dutch Christian Union party, which is against the election of women, or members of the Latvian For Fatherland and Freedom party, which is against foreigners working in schools—*[Interruption.]*—or indeed members of the Polish Civic Platform party, which wants to reduce workers' and trade union rights?

The Prime Minister: Actually, I did not have the chance to meet them, but it is unwise of Opposition Members to shout and bawl, since those are their new partners in the European Union.

Q6. [79120] **Mr. John Randall** (Uxbridge) (Con): Mr. Speaker, I am sure that you are as delighted as I am to find out that the Government have appointed a liveability Minister. Can the Prime Minister tell me who that Minister is, and what is liveability?

The Prime Minister: Liveability is the ability of local communities to be free from crime and fear, which is precisely why we introduced legislation. I am not sure whether the hon. Gentleman and his colleagues voted against that one, but it would not surprise me if they did—*[Interruption.]*

Mr. Speaker: Order.

Nia Griffith (Llanelli) (Lab): What can my right hon. Friend say to sufferers of mesothelioma and their families in my constituency and elsewhere, in view of the devastating message that they received from the Lords recently?

The Prime Minister: We are well aware of the serious concern about that matter and, as a result, there will be an amendment to the Compensation Bill, which will, in effect, reverse the ruling in that recent case. That is extremely important because otherwise many thousands of people would suffer unnecessarily. Along with what we have done for miners' compensation over many years, that is an indication that we recognise that there are people in this country who have worked very hard and suffered grave and debilitating illnesses as a result. It is right that we stand by them and protect them.

Q7. [79121] **Mr. Peter Bone** (Wellingborough) (Con): The England team manager has announced not only the day that he will retire but who his successor will be. Has the Prime Minister anything to learn from that?

The Prime Minister: No, I am still trying to catch up with his wages.

Margaret Moran (Luton, South) (Lab): Is my right hon. Friend aware that Liberal and Tory-controlled Luton council is ending school uniform grants, thus hitting the poorest families hardest? Will he consider making school uniform grants compulsory and does he agree that, while the Government are getting on with tackling child poverty, the Opposition just pose?

The Prime Minister: It is important that we continue to support some of the poorest families; as a result of the policies, for example, in relation to child tax credit, hundreds of thousands of the poorest families receive that help and protection. I very much hope that we continue to give support through the children's tax credit. I think that I am right in saying that something like 3 million of the 7 million poorest families actually pay no income tax at all as a result of the help that we are giving them. In our judgment, that is the right way to help some of the poorest families to cope with their difficulties. What my hon. Friend says in relation to the Conservative and Lib Dem-controlled council does not surprise me at all; they do that in many other places.

Q8. [79122] **Mr. David Heath** (Somerton and Frome) (LD): The Prime Minister yet again tried to sound terribly tough earlier, but let us look at his performance. Recommendations made after the Dunblane shootings 10 years ago have not yet been implemented. Recommendations made after the Soham murders four years ago have not yet been implemented. Recommendations made after the King's Cross disaster 17 years ago have not been implemented.

Mr. Speaker: Order. The hon. Gentleman should get to the point.

Mr. Heath: I will, and it is this: what sort of tabloid campaign would it take for the Government to put in place key recommendations before further tragedies, instead of expressing regret afterwards?

The Prime Minister: We are actually implementing those recommendations, but let me just explain to the hon. Gentleman—since he gives me a chance to say this again—some of the measures that the Liberal Democrats

have voted against. *[Interruption.]* He cannot complain that we are not being tough enough and then object when I point out that when we introduced measures that, for example, allow us to give indeterminate sentences to violent and sexual offenders, he and his colleagues voted against that legislation. I am very sorry, but if he wants to raise these issues, he will get that reply.

Q9. [79123] **Miss Anne Begg** (Aberdeen, South) (Lab): Will my right hon. Friend join me and the vast majority of Scottish people in condemning the wanton violence perpetrated on my constituent, Ian Smith, in Aberdeen yesterday, just for wearing an English top and flying a small English flag on his car? While accepting that people can be passionate about football, does he agree that that incident besmirches the reputation not only of Aberdeen, but of the tartan army, who can travel the world without attacking supporters of opposing teams?

The Prime Minister: My hon. Friend is absolutely right both in what she says and the tone in which she says it. I am sure that everybody condemns what was an appalling and totally unjustifiable attack. In fairness to the football fans from England, as well, the vast majority of them behave extremely well. The way in which the present World cup is being conducted is absolutely excellent and it is a great tribute not just to the German authorities, who are conducting it and in charge of it, but to the English fans who have travelled there. I pay tribute to all those who lawfully and properly are football supporters. She is absolutely right in what she says about that particular case.

Q10. [79124] **Mr. Michael Ancram** (Devizes) (Con): Given the tremendous work of reconstruction carried out by our brave troops in Iraq over the past three years, but given also the fact that there is a fast-diminishing prospect of further positive achievement in the face of the growing sectarian violence in that country, is it not time now, with honour and dignity and pride, to bring our troops home?

The Prime Minister: No, it is not (and I am sorry that the right hon. and learned Gentleman says that, because I know that he supported the presence of British troops, and I say this in no disrespect to him at all. The fact is, at long last, we have for the first time ever in Iraq a fully elected democratic Government bringing together the Sunni, the Shi'a and the Kurds. They are the people who are the democratic representatives of the Iraqis today. Their view—all of them, incidentally, said this to me when I was in Baghdad recently—is that they want us to stay and see the job done, because there is difficulty in Iraq today not because the British authorities have fallen down on the job, or even, frankly, the Iraqi authorities, but because there are people there who want to terrorise and to stop democracy taking root for some of the same sorts of reasons that see those people engaged in criminal or terrorist acts the world over. We have to understand that the fight there, as in Afghanistan, is part of the wider struggle against that type of global terrorism. The worst message that we could send—I say this with respect to the right hon. and learned Gentleman—is that we are going to walk away when the people who are democratically elected want us to stay. We stay and get the job done, and I believe that that is the British way.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): When the law in the Barker case has been reversed, will my right hon. Friend consider introducing a fast-track scheme to make speedy payments to mesothelioma sufferers and their families?

The Prime Minister: I will certainly look very carefully at my hon. Friend's suggestion, because I know that he has worked very hard, both on those cases and on the miners' compensations cases. I will not give him a reply straight away, but I will look at the matter carefully and get back in touch with him.

Q11. [79125] **Jeremy Wright** (Rugby and Kenilworth) (Con): A month ago, I wrote to the Home Secretary—so far I have not had a reply—about a foreign prisoner who should have been deported in February, at the end of his sentence. In fact, he was deported on 11 June. That delay has cost the taxpayer £20,800. Given that the Home Office has told me that there are 450 others in immigration detention who have finished their sentences, may I ask the Prime Minister whether he will ensure that they are deported more quickly and at less cost to the taxpayer?

The Prime Minister: I can only look into that particular case, because obviously I do not know about it. There can be reasons why people are not immediately deported that are to do with the country to which they are being returned. It is quite important that before we take it as read that a person immediately goes once there is a deportation order, we realise that there can sometimes be reasons why they are not returned immediately that have nothing to do with the immigration authorities or the Home Office. The important thing is that such people should be in custody until the moment at which they can be returned.

Alan Simpson (Nottingham, South) (Lab): In Berlin, 80 per cent. of the new buildings that are going up are generating their own energy. In the Netherlands, energy is generated from motorways, schools, health centres and even car parks. A whole eco city is being built in China, but in the UK, not one of our major spending Departments, with the exception of the Department for Environment, Food and Rural Affairs, is investing in energy self-generation. Given the Prime Minister's commitment to the climate change issue, will he get his civil servants to look at generating some energy about generating their own energy?

The Prime Minister: Actually, the Chancellor announced that we are putting significant sums into microgeneration. I cannot remember the exact amount, but we are spending somewhere in the region of several hundred million pounds on research into renewable energy. My hon. Friend is quite right about the interesting things that are happening in other countries, as is the case here. When the energy review is published, he will see that as well as dealing with the difficult issue of nuclear power, there will be a great emphasis on energy efficiency and renewable energy. The frank and brutal truth is that we will have to act through a whole

range of measures to ensure that we can both guarantee energy supplies and reduce carbon dioxide emissions.

Q12. [79126] **Philip Davies** (Shipley) (Con): Stephen Ayre was a convicted murderer who was released early and went on to abduct and rape a 10-year-old boy in my constituency. Does the Prime Minister agree with me that the way to tackle overcrowding in prisons is not to release dangerous people out on to our streets early, but to build more prisons so that prisoners can serve their sentences in full?

The Prime Minister: First, I entirely agree with what the hon. Gentleman says about what was obviously a shocking crime. I agree that we are providing more prison places precisely because those who need to be in prison should be in prison. However, I point out that as a result of the Criminal Justice Act 2003, such people can now be given indeterminate sentences, in which case they are not automatically paroled, but released only when they are no longer a danger to the community. It was precisely because of cases such as the one that he mentioned that we introduced the provision, and I think that I am right in saying that almost 1,000 people have been subject to it.

Q13. [79127] **Emily Thornberry** (Islington, South and Finsbury) (Lab): Will my right hon. Friend join me in congratulating Members of both Houses, of all parties, who went on the MPs' bike ride today as part of bike to work week?

The Prime Minister: Yes—uncontroversially. I think that yes is the only safe answer to that.

Q14. [79129] **Mr. Andrew Mackay** (Bracknell) (Con): Why has it taken the Prime Minister nine years in office to decide to review the problems with the workings of the Home Office?

The Prime Minister: It is not as if an immense amount has not been done already, for the reasons that I gave earlier. For example, there has been a lot of criticism about the immigration and nationality directorate for perfectly understandable reasons, but let us be clear about the situation that we inherited and what now happens. It used to be the case that the average asylum application—*[Interruption.]* I am explaining what we have done in nine years, so the right hon. Gentleman should listen.

An asylum application used to take 20 months, but the average time in the vast majority of cases is now two months. We used to remove only one in five failed asylum seekers, but we now remove more than the number of unfounded applications that come in. Unlike the previous Government, who were about to sack people from the immigration department, we have increased the numbers to deal with the situation. That is what we have done in nine years, and we will do more over the next nine.

Mr. Robert N. Wareing (Liverpool, West Derby) (Lab): On Monday last week, my right hon. Friend met the leaders of big corporations such as Tesco and Sainsbury to encourage them to join the boards of foundation hospitals. When is he going to call to No. 10 Downing street some of the representatives of the people who know something about the national health service—I would suggest representatives of the Royal College of Nursing and the trade unions involved in the health service? When is my right hon. Friend going to stop the privatisation by stealth of the national health service?

The Prime Minister: Actually, it will not come as any surprise to my hon. Friend to know that the trade unions from the NHS have often been in Downing street in the course of the conversations that we have had over many years. Indeed, "Agenda for Change", which was welcomed by many of the trade unions, was developed in partnership with them.

My hon. Friend talked about members of the private or independent sector coming into Downing street. They came to a meeting with chief executives of NHS hospital trusts to discuss how, on things like procurement, the NHS sector could learn from the independent sector. The people who spoke up for that type of partnership and engagement were not actually the politicians; it was the people working in the NHS. I think that where we can get the right partnership between the independent and voluntary sector and the public sector, we should have it, but it is all according to one principle, which is NHS care free at the point of use.

Points of Order

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Mr. Speaker. Perhaps you can give me some guidance. In an answer on 24 May, the Prime Minister told me that

"a new £32 million hospital opened in March 2005—the...Honeybourne specialist rehabilitation and recovery centre."—[*Official Report*, 24 May 2006; Vol. 446, c. 1477.]

In a question answered by the Secretary of State for Health—

Mr. Speaker: Order. I am going to stop the hon. Gentleman there. The answer that a Minister gives is nothing to do with the Chair. He will have to table more questions to get the clarification and answers that he wants, as he already knows.

Mr. Crispin Blunt (Reigate) (Con): On a point of order, Mr. Speaker. I wrote to the Secretary of State for Health on 11 May, urging her to review a decision that she had taken on the location of a critical care hospital, in which she had overruled the recommendations of local managers and clinicians in the health community. I have not had even an acknowledgment of that letter.

On the substance of my point of order, the right hon. Lady is now being judicially reviewed, and you will have heard yesterday, Mr. Speaker, the frustrations of the hon. Member for Chorley (Mr. Hoyle) at not being able to arrange a meeting with Health Ministers. I am proposing to table a named day question to try to find out when I am going to get a reply to my letter and a response to the issue that I raised, but the Department of Health comes up constantly in complaints to you because Members of Parliament cannot get a reply out of it. Is there anything that you can do to get that Department, above all others, to answer our inquiries?

Mr. Speaker: The Leader of the House will have heard what the hon. Gentleman said. I am sure that he will act on it.

I have a bit of good news. Since the hon. Gentleman is so concerned about the hon. Member for Chorley not being able to get his meeting, I am sure he will be very pleased to know that because the hon. Member for Chorley raised the matter on the Floor of the House, he has been able to get his meeting.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): On a point of order, Mr. Speaker. A young girl in Shrewsbury in my constituency has been raped by a failed African asylum seeker. I have been trying hard to find out the person's immigration status by repeatedly asking questions of the Home Office through the Table Office, but to no avail. Will you advise me on how I can find out that information?

Mr. Speaker: I am very sorry that that terrible incident happened in the hon. Gentleman's constituency, but I repeat that perseverance is the most important weapon that a Back Bencher has. The hon. Gentleman must keep asking the questions, seek Adjournment debates and ask the Ministers concerned for a meeting; he is entitled to do that. It is important that he, as a representative of his constituency, ensures that he leaves no stone unturned in such matters.

James Duddridge (Rochford and Southend, East) (Con): On a point of order, Mr. Speaker. The Deputy Prime Minister said that local authorities could repossess houses if they had been empty for years. I may be wrong, but I think that he inadvertently misled the House, because it is, indeed, six months. What advice can you give on how I can go about correcting that error in *Hansard*, if indeed it was an error?

Mr. Speaker: There are lots of senior Members around the hon. Gentleman. He should go to them in the Tea Room and have a word on how to go about such matters. They will be able to help him.

Norman Baker (Lewes) (LD): On a point of order, Mr. Speaker. You will have heard the Deputy Prime Minister answer my question earlier and state that he was not obliged to give information about who had visited Dorneywood because no public money was involved. On 21 January 2002, he gave a similar answer about why he would not give information on that matter, but subsequently in a written answer he had to correct it, stating:

"I regret that my answer was incorrect since there are some costs to the public purse in the Government's use of...Dorneywood".—[*Official Report*, 28 January 2002; Vol. 379, c. 92W.]

Under those circumstances, the Deputy Prime Minister would appear to have inadvertently misled the House again today in giving a reason for not answering my question. Can you help, Mr. Speaker, to secure a proper answer and to have the Deputy Prime Minister correct that?

Mr. Speaker: The hon. Gentleman will know that I cannot enter into the substance of the matter that he raises. I observe, however, that the resolution of the House on page 74 of "Erskine May" requires that if a Minister gives incorrect information to the House it should be corrected at the first opportunity. The hon. Gentleman can of course also pursue the matter through parliamentary questions.

St George's Day

12.35 pm

Andrew Rosindell (Romford) (Con): I beg to move,

That leave be given to bring in a Bill to designate St George's day as an annual public holiday in England; and for connected purposes.

If 23 April were to fall on a weekend, the following Monday or the preceding Friday would be a public holiday.

I thank you, Mr. Speaker, for the opportunity once again to introduce a Bill on an issue that I sincerely believe to be dear to the hearts of so many in this country. The date of 23 April as the day of the patron saint of England means a great deal to the people of our country throughout our green and pleasant land. Sadly, it has become undervalued in recent times. When I introduced a similar Bill in autumn 2004, it was unfortunately defeated after an impassioned speech by the then Labour Member of Parliament for Hornchurch. Unfortunately for him, his constituents disagreed, remembering that to be born an Englishman is to have won the first prize in the lottery of life. I am pleased to say that my hon. Friend the new Conservative Member for Hornchurch (James Brokenshire) fully supports the Bill before the House.

Some were also concerned that the previous Bill sought to remove May day as a public holiday. Although I am still personally in favour of that idea, hon. Members will notice that in the interests of gaining cross-party support such a clause is not included in the Bill before us. I should further make it clear that I am also in favour of extending the same rights for St Andrew's day in Scotland and St David's day in Wales, but I shall leave that to other hon. Members, although I am sure that some of the reasoning that I shall put forward today is valid for all parts of the United Kingdom.

It is not just I who wish formally to recognise the day. Many people and organisations are clamouring for St George's day to be given adequate recognition. Indeed, St George's day is fast becoming a national event. Last year, a third of members of the Trades Union Congress voted in favour of reclaiming the day for public enjoyment and celebration; unsurprisingly, the Royal Society of St George is also doing an enormous amount to promote St George's day; and if anyone was lucky enough to have visited Romford market on 23 April this year, as I was, they will have noticed that every stall displayed the cross of St George flag, as market traders proclaimed pride in their country.

In Romford, red roses were handed out in the town centre by my local St George's committee. Flags were given away to children and live music and entertainment were provided. As you might expect, Mr. Speaker, my loyal Staffordshire bull terrier, Buster, did a walkabout dressed in the flag of St George, proving once again that he is Romford's most patriotic dog. Indeed, there was a genuine belief that people of all backgrounds wanted to celebrate the day. My local council, the London borough of Havering, ensures that the flag of St George is displayed alongside the Union flag, not only on 23 April but throughout the year. Many hon. Members will have experienced the same sense of celebration in their constituencies, as businesses, shops, schools, scout groups, charities, sports clubs and churches joined in the commemoration of England's own day.

Many people choose to celebrate St George's day, because it represents the true spirit of England. Making it a public holiday would give all the people of England a wonderful opportunity to participate in events and parties celebrating our country. A fine example of such a practice is to be found in Ireland, where St Patrick's day—17 March—is famously celebrated. Gibraltar's national day—10 September—is a magnificent celebration not only of Gibraltarians' pride in being British but of their love of their homeland. On the Isle of Man, Tynwald day is a public holiday, with celebrations throughout the island, and the Falkland islands mark Liberation day and Battle day with public holidays and celebrations. British people everywhere else are proud to participate in the celebration of our culture, history and heritage, so why not in England? Australia, New Zealand, Canada, the United States and scores of countries, particularly in Scandinavia, celebrate their national day in style, with great pageantry as well as great parties. In Switzerland, 1 August is a wonderful day in the calendar of that proud independent nation at the heart of Europe, with the sound of alpine horns and cow bells echoing throughout the land as the distinctive Swiss flag flies from every building and, indeed, every home. It is no accident that all those nations have a strong sense of pride in their national identity, which is a source of strength and unity in any country. I hope that England follows their example and gives our country an annual day to remember and cherish.

There are economic advantages in celebrating St George's day. A recent study by the "Value of St George" campaign, which aims to make companies aware of the benefits of making our patron saint's day a national celebration, said that while celebrations had increased, much more could be done. It concluded that businesses across England were missing out on nearly £40 million a year by failing to celebrate their national day as much as their Irish counterparts. During the World cup, there has been a resurgence in English pride. The Prime Minister and my right hon. Friend the Leader of the Opposition have shown their pride in St George by displaying the flag on their homes and bicycles. What better way to show our support, thanks and pride in our rugby team, who won the World cup, our cricket team, who won the Ashes, our Olympic team, who have won many gold medals, and our football team, who will win the football World cup, than by making St George's day a public holiday in England?

St George's day is a day when we can celebrate Englishness, represented not only by sporting achievement but, at best, by great English heroes such as Churchill, Nelson, Wellington, Shakespeare and Margaret Thatcher, who all believed in the values of St George. Ours is a country that believes in tolerance and understanding, welcoming everyone who wants to celebrate our English way of life under the red and white banner of St George. Let us not allow our pride and enjoyment in taking part in the World cup to be forgotten in a month's time. It is time that we celebrated pride in our country, our flag and our English way of life and allowed all English men and women to celebrate their heritage and culture each and every year. Therefore, I call on all Members—of all parties, and from all regions

and countries in the United Kingdom—to join me and to celebrate 23 April in order to allow England to come together and its people to celebrate the country of which we are all so proud. I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by Andrew Rosindell, Angela Browning, Mr. Peter Lilley, Bob Spink, Mr. Andrew Turner, James Brokenshire, Mr. Simon Burns, Angela Watkinson, Mr. Shahid Malik, Mr. Lindsay Hoyle, Geraldine Smith, Bob Russell.

St George's Day

Andrew Rosindell accordingly presented a Bill to designate St George's Day as an annual public holiday in England; and for connected purposes.: And the same was read the First time; and ordered to be read a Second time on Monday 20 October 2006, and to be printed [Bill 199].

Opposition Day

[17TH ALLOTTED DAY]

BBC

[Relevant documents: The Second Report from the Culture, Media and Sport Committee, Session 2005-06, HC 650-1, on Analogue Switch-off; the Government response thereto, Cm 6850; and the uncorrected transcript of evidence taken before the Committee on 13 June 2006, HC 1091-iv, on new media and the creative industries.]

Mr. Speaker: We now come to the main business. I inform the House that I have selected the amendment in the name of the Prime Minister.

12.46 pm

Mr. Hugo Swire (East Devon) (Con): I beg to move,

That this House recognises that the BBC is renowned throughout the world for its quality programming; further recognises the high regard in which it is held by the British public; expresses concern that the final decision over the new licence fee settlement has been delayed without adequate explanation by the Secretary of State; believes that greater transparency of the process is required to deliver value for money for the licence fee payer; expresses concern that a larger than necessary increase will undermine public confidence in the licence fee and will hit low income families the hardest; further expresses concern at the continued uncertainty over the costs of digital switchover; believes that the National Audit Office should be allowed a greater role in scrutinising the BBC's accounts; and calls for a debate on the floor of the House on a substantive Motion to approve any new licence fee settlement.

The subject of this debate is the future of the BBC, and that is precisely what we seek to ensure—a future for the BBC that allows it to continue to fulfil its public service role to educate, inform and entertain the British public long into the future, while, crucially, also offering value for money to the taxpayer.

It is a considerable disappointment that the Secretary of State for Culture, Media and Sport is not present, not least because of events that we witnessed two weeks ago. Many Members of this House—and many in the other place—have taken a keen interest in the debate on charter renewal and in the negotiations on the BBC licence fee. However, we learned that the licence fee announcement had been postponed from the expected date in late July until some time at the end of this year not from the Secretary of State on the Floor of the House, or anywhere else in the House, but from comments she made at a recent drinks party, which *The Guardian* reported.

Can the Minister tell us why the decision was announced in that way? Can he also tell us the reason for the delay, because as yet we have received no official explanation? Indeed, it does not even warrant a statement on the Department for Culture, Media and Sport website. Is the reason for the delay, as some suggest, that the recent reports by PKF and Indepen have undermined the submission made by the BBC, or has the Secretary of State simply kicked the decision into the long grass?

All that adds to a sense that there has been a lack of transparency in how the negotiations have so far been conducted. The process has been dogged by delays and

[Mr. Hugo Swire]

uncertainty, to the point where many of the figures submitted in the initial document are now very out of date. For example, the estimate of the cost of the move to Salford has now been reduced by £200 million.

The recent PKF report, which was commissioned by the DCMS, was very critical of the figures used by the BBC in its submission, citing the "changing numbers" involved in the negotiations, and concluding that

"there are areas which point towards a significant need for discussion in regard to the BBC's red book bid for the licence fee settlement."

Given that we are talking about a settlement of £4 billion, surely the Minister will accept that the new figures must be made public, and that arguments about commercial sensitivities just will not wash.

Mr. Edward Leigh (Gainsborough) (Con): The BBC spends more than £3 billion-worth of taxpayers' money; effectively it is paid for by a poll tax. Does my hon. Friend not think it ridiculous that there is no proper parliamentary scrutiny of the BBC through the National Audit Office and the Public Accounts Committee? After years of campaigning we have achieved a voluntary agreement. Will my hon. Friend commit a future Conservative Government to ensuring that we get full scrutiny of the BBC, like any other spending Government Department, through the NAO?

Mr. Swire: I am very glad that my hon. Friend is here this afternoon and can take part in our deliberations; he performs a magnificent role for this House—and, indeed, for the country. I think that he will be happy with what I am about to say, because I very much agree with his sentiments.

We have long made the case that the decision to have the debate on charter renewal and the level of the licence fee in isolation made no sense. The arguments about what we want the BBC to do and what it will cost the taxpayer are inextricably linked. Thanks to the decision to delay, we now have much more time between the two decisions. It is therefore all the more important that we have a clear picture of what the costs submitted by the BBC are, if we are to have confidence in the decision reached.

It is important that everyone concerned—broadcasters, Parliament and licence fee payers—have a clear understanding of the negotiations. Will the Minister therefore confirm that he will make public the current figures that his Department is working with?

Michael Fabricant (Lichfield) (Con): Does my hon. Friend also understand that a substantial proportion of the licence fee increase includes an element for a spectrum tax? The Government have not made it clear precisely how much that stealth tax will be. Should that not be an important part of our considerations today, and the debate on the total licence fee package?

Mr. Swire: My hon. Friend makes a good point. Of course, the Secretary of State and her Department are in denial about the existence of that spectrum tax, which we know is very likely to feature rather large.

Given that PKF made clear its belief that the savings made by the BBC could be significantly improved, can the Minister assure us that he will ensure that those efficiencies are maximised, in order to reduce the settlement?

Another issue raised in the Indepen report was super-inflation and an over-funded BBC, leading to a spiralling of salary costs. Surely the Minister must accept that recent leaks about the pay levels of presenters only add to the argument that too generous a settlement will damage the broadcasting sector, and could lead to the BBC outspending or outgunning the opposition in a hunt to bag star names.

Mr. Gary Streeter (South-West Devon) (Con): On payments for presenters, in what universe does my hon. Friend think that Jonathan Ross is worth £18 million? Is that not the kind of absurd and inflated contractual arrangement that really gets up the noses of our licence fee paying constituents and brings the existing system into disrepute?

Mr. Swire: A parallel universe. The Secretary of State is reported in the newspapers as saying that she thinks—my hon. Friend, and neighbour, will probably agree with her—that

"high wage costs across the corporation need to be addressed".

It is clearly not up to Ministers to interfere in the pay of presenters, but it is essential that the BBC management justify to licence fee payers the money that they spend. If the Minister believes, as his Secretary of State clearly does, that there should now be transparency in what the BBC pays its presenters, he will get cross-party support. So will he confirm the briefings to the newspapers, and get on with putting them into practice?

There is huge support among the public for the BBC, but an unacceptably high licence fee will surely undermine that support. Does the Minister not accept that a settlement in excess of £180 will simply be too high for many families on low incomes? We must ensure that we get the best deal possible for the licence-fee payer.

Chris Bryant (Rhondda) (Lab): Would the hon. Gentleman like to comment on the fact that although many people think the licence fee a good thing, they are not convinced of that when they are unable to get the same deal from the BBC as those in many other parts of the country? In my constituency, one can get the full range of BBC services only by paying Rupert Murdoch some money for a Sky box. Does the hon. Gentleman believe that it is time the BBC pressed ahead with its Freesat option, which was promised a year ago but still seems not to be on the cards?

Mr. Swire: The hon. Gentleman makes his customary point, and it is a very good one. The BBC is striving to achieve universal coverage, and although it is doing a good job in that regard, it can never achieve it. It is important not only that people have a fair and transparent licence fee, but that there is as much parity as possible between what they can access—so on the whole, I tend to agree with the hon. Gentleman.

Can the Minister not see the good sense in allowing the NAO to provide full and transparent scrutiny of the spending of licence fee payers' money? As I said, it

plays an important role in bringing about a culture of efficiency and value for money. Should it not have a role in safeguarding the use of £4 billion-worth of public money?

It is important to recognise the BBC's impact in the media world—

Mr. Don Foster (Bath) (LD): Does the hon. Gentleman not agree that the NAO can play another crucial role at this very difficult time? As has been pointed out, there are conflicting claims about the BBC's proposed licence fee increase. If the NAO could look at those figures and the various independent reports, that would help all Members of this House to come to a conclusion.

Mr. Swire: That is precisely right: if the NAO had been involved at an earlier stage, I suspect that we would not have needed this debate today.

Mr. Leigh: That is an important point. It will be said that we must preserve the BBC's editorial independence, which is absolutely right. It has also been said that the public do not want politicians interfering with the BBC, but that is not what we are talking about with regard to NAO involvement. The World Service has had the NAO looking at its books since its inception, and no one has ever suggested that the NAO has any impact on editorial independence. That is a red herring.

Mr. Swire: Again, my hon. Friend is entirely right. The NAO has examined the World Service's books for many years, and it is increasingly able, almost by invitation, to examine some of the BBC's books. But the 30 per cent. of people questioned who expressed dissatisfaction with the BBC might be more inclined to express some satisfaction if they knew that there was full and transparent accounting of where the money is going and what, at the end of the day, they are being invited to pay for.

The BBC has established a worldwide reputation for excellence, but that does not mean that it should be involved in every possible area of media activity.

Mr. Jim Devine (Livingston) (Lab): Will the hon. Gentleman give way?

Mr. Swire: If I may, I will make some progress.

I accept that the public gain a benefit from the BBC's involvement in the promotion of new technology, but we cannot ignore the possibility that, given its almighty spending power and commercial weight, it will stifle competitors and make it untenable for others to be profitable in newly emerging markets. If the licence fee is excessive and the measures put in place by the BBC Trust are insufficient, the potential for markets to be distorted and innovation prevented is obvious.

The recent Beethoven downloads exercise saw the BBC make available 1 million free downloads, with a value of £8 million in the marketplace. If repeated, that could severely damage the commercial market. The BBC has already outlined ambitions to establish online communities, blogs and open access, and to become "the premier destination for unsigned bands and to seize the opportunities of broadband, podcasting and mobile".

We are told that the trust and the advisory powers of Ofcom are sufficient to prevent the BBC from crowding out competition, yet the Ofcom role is purely advisory and can be ignored. We hope that that will not happen, but it is none the less concerning to hear Mark Thompson, Director General of the BBC, say:

"The BBC is the only European brand that could take on Google and AOL".

He is clearly a man with ambition, but should that be the ambition of Britain's public service broadcaster? What message does that send to all the little guys in the world of technology—let alone the big ones—about the BBC's intentions?

Mr. Julian Brazier (Canterbury) (Con): Does my hon. Friend agree with the proprietor of the Kent Messenger Group? He wrote to me saying the following about web services:

"The danger is that instead of a robust local market developing with a number of local content providers, or facilitators, the BBC will be one of a very few UK players, funded as it is by the licence fee...None of the commercial media companies are against competition, if it is fair competition...However, it seems unfair if the opposition is funded by statute to the tune of approximately £89 million a year from Kent alone."

Mr. Swire: That sentiment is echoed throughout the country, as hon. Members are only too aware. That is why we are suggesting that Ofcom should have a beefed-up role, and that the task should not be left to the trust, with Ofcom in an almost advisory capacity.

Greg Clark (Tunbridge Wells) (Con): Has my hon. Friend had time to look at the online streamed regional news coverage from the BBC, and to compare that with what ITV offers? If he does so, he will see that the ITV offering is vastly superior, and that the BBC regional news broadcast online is primitive—despite the fact that many millions of pounds of taxpayers' money are going into the BBC product. Does that not exemplify the need for caution in agreeing to greater sums for digital services?

Mr. Swire: Caution would be a good watchword, with the ever-changing technology and the pace at which that technology is coming on stream. We need to ensure that we do not allow the BBC to spend tens of millions of pounds of taxpayers' money on technology which is not competitive, not innovative or out of date by the time it is introduced.

With that in mind, I raise the issue of the sole service licence for the wide range of content and services made available through the bbc.co.uk domain. Everything from news online, as my hon. Friend the Member for Tunbridge Wells (Greg Clark) mentioned, to podcasting, video on demand, the BBC's new i-player, the proposed Ultra local television, and even plans to broadcast news to mobile phones, is subject to one single licence, although each will have to undergo the public value test. Does the Minister agree that the scale of the BBC's online services is now so considerable that it is increasingly absurd to group them together under one service licence?

[Mr. Swire]

Returning to the subject of public service broadcasting, does the Minister agree with his colleague Lord Bragg, who said in the debate in the other place last week that ITV had been "hung out to dry"? Why are we currently debating the public service broadcasting role of the BBC and the public service requirement for Channel 4 in 2007, but not looking at the role of ITV, another key PSB provider, until 2012? Why, when we all agree about the need for plurality in the provision of PSB, have the Government singularly failed to consider PSB in the round?

That brings me to the topic of digital switchover. On the plus side, we have a Minister whose knowledge of switching over is second to none, yet on the minus side we are still in the dark about the final costs of switchover.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): That was very poor.

Mr. Swire: The hon. Gentleman says that the Under-Secretary of State for Culture, Media and Sport, the hon. Member for St. Helens, South (Mr. Woodward) is very poor. He is not. If that is poverty, bring on poverty.

We are two years away from turning off the analogue spectrum, yet we still have no idea about the costs of targeted help for the vulnerable, which the director-general of the BBC thinks could cost

"the far side of a billion".

Can the Minister confirm that we will have a final figure for this assistance before any licence fee settlement is announced? If not, we will be writing a blank cheque.

I have touched on only a few of our concerns about the BBC's demands for a £4 billion a year settlement. We remain concerned about the process, the impact of an over-generous settlement on the media industry, the problems of an over-funded BBC crowding out the little guy, and the desire of the BBC to enter every new market. We are unconvinced by the submissions, and we believe that we must have clarity about the figures. The debate will show the desire in Parliament to ensure that we have a strong and innovative BBC fit to meet its unique responsibilities in a rapidly changing and competitive environment. I commend the motion to the House.

1.3 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Shaun Woodward): I beg to move, To leave out from "public" in line 3 to the end of the Question, and to add instead thereof:

"notes that the decision on the next licence fee settlement will represent best value and be announced in good time to take effect before the current settlement expires in April 2007; further notes that the decision-making process has been one of unprecedented public consultation and transparency and that the settlement should ensure a strong and independent BBC; further notes that the costs of switchover will be one of the considerations in setting the level of the licence fee; welcomes the strengthening of the arrangements for the National Audit Office's involvement with the BBC; and recognises that changes to the level of the licence fee are subject to Parliamentary scrutiny by the negative resolution procedure".

The hon. Member for East Devon (Mr. Swire) is right. I am a switcher, but just as we are switching off analogue in 2012, I hope that we will by then have switched off the Conservative party, too.

I was extremely pleased to hear one thing from the hon. Gentleman—that he was glad to be able to support the future of the BBC. However, like a child picking a daisy and proceeding to pull every petal off until there was nothing left, he and his hon. Friends proceeded to attack it, describing it in terms of poll taxes and stealth taxes and as being over-funded. He asked us not to interfere, then asked us to interfere in the pay of presenters. As always, one contradiction followed another.

It may be helpful if I bring some appropriate clarity to what is really happening, as opposed to the caricature presented by the hon. Gentleman, and by the leader of his party in a recent speech to the Newspaper Society, with regard to what the BBC is doing and what we are doing in the review of the charter and the settlement of the licence fee.

The review of the BBC charter has been conducted against a background of unprecedented public consultation. From the beginning of the review at the end of 2003, we were determined that it would be the most comprehensive and open process in the history of the BBC. For the benefit of hon. Members, and to help the hon. Member for East Devon, I remind him that we have so far held three major public consultations, with more than 10,000 respondents. We have run a comprehensive research programme, inviting further responses from the public. We have held regional tours, seminars, webcasts and public meetings. During the review there have been four Select Committee reports and several parliamentary debates in both Houses. In addition, we have produced a Green Paper, a White Paper and two draft charters and agreements.

The purpose was clear from the beginning and it remains our guiding principle to deliver the strong and independent BBC that the public want. We recognise that the BBC has a unique place in the esteem and affection of the nation. It is one of the most trusted public institutions in the country, and it is an institution with which we have all grown up. In today's debate, let us try not to play politics with the BBC. Let us recognise the role that we believe the public want the BBC to play for the future. If we get that right, we will do the right thing not just for ourselves and our respective parties, but for the public.

Mr. Greg Hands (Hammersmith and Fulham) (Con): The BBC is the largest employer in my constituency. The representations that I receive from staff show that although they are appreciative of the consultation process, they are looking for a decision and for clarity with respect to oversight and funding. Why have those key decisions been postponed? That is not good for morale in the BBC. The Minister would have the support of key staff in the BBC if he brought about some accelerated decision making.

Mr. Woodward: I shall come to the reasons for that in a moment.

Mr. Don Foster: The Minister rightly claims credit for the wide consultation that has taken place. Consultation is all very well, but what matters is whether the Government listen. Does he acknowledge that the vast majority of respondents have expressed grave concern about the proposals for the governance of the BBC? Is it not the case that the Government have so far refused to listen to any of them?

Mr. Woodward: I am grateful for the hon. Gentleman's acknowledgement that we have undertaken a large-scale consultation exercise, but I do not agree with his conclusions. I will deal later with the governors and the trust.

Chris Bryant: I wholeheartedly agree with my hon. Friend that we need a strong BBC and that we should not fetter it so much that it is unable to flourish in future generations. Britain would sadly miss the BBC. However, in some areas, particularly in commercial radio, there are legitimate concerns about the overweening power of the BBC, as reflected in Radio 1 and Radio 2, both of which I enjoy listening to. I wonder whether the BBC sometimes crowds others out of the marketplace.

Mr. Woodward: The BBC, of course, engages in new media and new technology. People who are being asked to pay a licence fee would expect that. The questions that my hon. Friend raises are dealt with in the finalised version of the charter, which we will very shortly publish for the House. None the less, I take on board the points that he makes.

Mr. Graham Brady (Altrincham and Sale, West) (Con): Does the Minister agree that if the BBC is to continue to have national support, it is essential that it should not be too concentrated in London and the south? Will he use his good offices to try to ensure that the planned move of production to Manchester goes ahead as quickly, as smoothly and as comprehensively as possible?

Mr. Woodward: I fully recognise the hon. Gentleman's point. He is an excellent constituency MP in the north-west, and I know how strongly he has lobbied. I am sure that he will have been pleased by last week's announcement by the governors. In the course of my remarks, I will discuss the proposed move to Greater Manchester—specifically, Salford media city.

Whatever partisan view we may take in the course of a parliamentary debate, we should put on the record the fact that hon. Members on both sides of the House think that the BBC epitomises the best of what the nation has to offer in service industries. It commands respect around the world—indeed, it sells its programmes around the world—and has endured and evolved in the context of a vibrant, dynamic commercial sector. We should pay close attention to the charter review and involve the public because we are, after all, setting the direction of the BBC, which will inform the direction of the market for the next 10 years. We must get it right, and that includes the licence fee.

Dr. Tony Wright (Cannock Chase) (Lab): Will my hon. Friend directly address the crowding-out argument? The BBC crowds out the bad, the inferior and the second rate, which is exactly the kind of crowding out that we want.

Mr. Woodward: If my hon. Friend means the excellent programmes that the BBC makes, I agree absolutely. If he means the way in which the BBC appropriately gets involved in innovation so that it can compete in the global media market, that is right, too.

The hon. Member for East Devon suggested that the Government somehow made known the date for the announcement at *The Guardian* cocktail party. However, he chose to forget the fact that a specific date has never been set for the announcement of the date for settlement of the licence. There is a date by which the announcement must be made, which is early next year, but I am sorry to tell the hon. Gentleman that, despite the jokes and caricatures, he is simply wrong. Throughout the process, we have made it clear that the figure will be produced by the beginning of next year. We have always said that, although if we can produce the figure more quickly, we will.

What matters is that we get the fee right. The hon. Gentleman cannot have it both ways. One cannot say that one wants absolute certainty that value for money has been obtained, that the bid has been taken to pieces and that the figure is right, but then say that it would be far better to publish the figure tomorrow. What matters is getting it right for the BBC and for the licence fee payer. The settlement will not be driven by inappropriate pressure or haste. Trying to play politics with settling the licence fee by arguing for an early settlement is not in the interests of the hon. Gentleman's constituents or ... viewers throughout the country.

Mr. Tobias Ellwood (Bournemouth, East) (Con): My hon. Friend the Member for East Devon (Mr. Swire) raised specific questions about BBC funding, particularly in relation to the licence fee, and the heart of the matter is the cost of the spectrum charge. One reason why we called the debate is that the figures used to calculate the licence fee are ambiguous. Will the Minister take the opportunity to discuss who will pay the spectrum charge and how it will relate to the taxpayer and the BBC?

Mr. Woodward: The spectrum charge is not the biggest component of the bid, and, if the hon. Gentleman can contain himself, I shall discuss it later, because it is better dealt with in context.

Philip Davies (Shipley) (Con): There are legitimate concerns among commercial broadcasters about advertising revenue, and an excessive licence fee settlement would distort the market and prevent some commercial broadcasters from spending money on quality productions, such as dramas. It would not be good for the viewing public if the BBC were to produce all such content and end productions by commercial broadcasters.

Mr. Woodward: The hon. Gentleman has made an important point about the commercial sector and advertising. However, it may be worth reminding him that the problems faced by the commercial sector in television and advertising are not unique. Some regional newspapers, for example, face a crisis generated by advertising spend. Advertising and the commercial media is a huge issue, and the danger is that it is viewed as a problem created by the BBC, which is not the case. The last licence fee was settled seven years ago, when there

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was unprecedented growth in advertising for commercial television. Since then, the market has changed dramatically, which has created a whole new set of pressures.

We must examine the impact of the settlement on not only commercial ITV, but regional newspapers. There is a problem, but there is also an opportunity. Most people who run regional newspapers agree that they have been slightly late in recognising the advantages offered by online facilities. Innovation and competition will probably allow regional newspapers to sort out some of their problems, but there is no simple solution for the commercial problems faced by ITV in a market in which overall advertising has decreased in the past few years. It is a mistake to caricature the matter by saying that the problem is the fault of the BBC and that it can be fixed by removing the BBC from certain areas. That is not the right solution, and it would be dangerous to go down that road.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): The Minister has rightly said that regional newspapers must look to alternative methods of distribution, such as online content, in order to preserve their market position. Does he recognise that that will be made much more difficult if the BBC moves into that market and makes local television available for nothing? The BBC should work with local newspapers rather than competing against them.

Mr. Woodward: The hon. Gentleman has made a fair comment. The new charter and the agreement contain measures to mitigate the impact of some of the points about which he is worried.

I want to make some progress, although I regard interventions as an essential part of having a constructive debate in the House.

Sammy Wilson (East Antrim) (DUP): I take the Minister's point about putting terms in the contract. Does he accept that if the BBC has an increase in its budget over the next few years of nearly £6 billion, which would be 6.6 per cent. above the retail prices index, it will be bound to compete unfairly with other sources of media, which, as he has said, face declining revenues because of changing advertising budgets?

Mr. Woodward: The hon. Gentleman has a great ability to look into the future—I am sure that he sees a bright future for his party and its leader in late November this year. On speculation about the settlement, I urge a little caution, for reasons that I shall later adumbrate.

The Government are committed to getting the settlement of the licence fee right and ensuring that it provides value for money for licence fee payers. Conservative Members have asked us to allow Parliament to approve the settlement of the licence fee, but they never wanted to introduce such a provision when they were in government.

They also say that the process is not transparent enough. I would say in all honesty to the hon. Member for East Devon, who reminded the House that I have a little experience of his party, that I was not aware of a great rush for more transparency on any subject during the two years when I sat on his side of the House. Looking back on the way in which Conservative Members conducted themselves in relation to the BBC and the licence fee review, let alone the charter, I do not recall that transparency was up front. That compares significantly with the process in which we have been engaging.

The hon. Member for East Devon completely ignored the levels of public consultation that we have engaged in relentlessly for three years. He completely ignored the work of the independent advisers commissioned to scrutinise the bid of the BBC and the fact that we have published, and will continue to publish, the advice that we receive. He ignored the research we have conducted into the public's willingness to pay, which we have said we will publish, as we will. That research is helping to inform us in the Department in getting the right figure rather than the hasty figure that he would like. He ignored the work that has been done by Lord Burns in the course of advising us on the settlement, and he ignored the advice that we have invited and received from the industry.

If it is transparency and robust scrutiny that inform the demand for debate, I urge hon. Members to reflect on the sheer scale and volume of consultation and the transparency in which it has been conducted. It is of course open to Parliament to express its views on such matters in such debates, as it is to Select Committees. In fact, Select Committees have been looking at this issue for some time, not only in this House but in another place. It is right that they offer clear advice and conclusions about the level of the licence fee and the process that produces that settlement. Parliament has the right to object to changes to the level of the licence fee. Under the negative resolution procedure, it remains open to the House to debate the statutory instrument that sets that level.

Before we lose sight of the real argument, let us remember that in the course of the consultation we went directly to those people whom we represent here in this House, as we have relentlessly for three years. One of the documents produced more than two years ago on the review of the charter said that when the public were asked who they wanted to have a greater say in running the BBC, Parliament did not do very well. I suggest that hon. Members who want more and more say should go back to what the public said to us about whether they wanted us to have more involvement or less. One cannot have it both ways. One cannot say, "Let's have less interference," and then demand more.

Mr. Ellwood: The crucial matter at the heart of this is that the licence fee is now called a licence tax. That means that we have a right to debate it here in Parliament, regardless of what other views there are. Does the Minister agree that from now on we should have a debate in the Chamber, not in some Committee on a statutory instrument?

Mr. Woodward: The hon. Gentleman may be aware that there is a debate happening now, and we will offer the House a debate on the BBC later this month. It is always interesting to see changes made inside the Conservative party, and it is stunning to see them being made at the speed that they are the moment. If the hon.

Gentleman and his hon. Friends are offering a prospectus for how they will deal with this in future, we would be delighted to see it, but he would have to cap a process of consultation, openness and transparency that has never happened before in the history of settling the charter or the licence fee.

Mr. Ellwood: Licence tax.

Mr. Woodward: Of course it is a tax; that is why the Government should be at the heart of setting it and should not abdicate the responsibility to the National Audit Office. The NAO should be involved in advising us, but at the end of the day it is rightly a decision for Government.

Let me offer further reassurance to Conservative Members who say that they are concerned that the BBC might have a larger than necessary licence fee settlement. It is very simple: it will not. That is why we are not proceeding with the hasty and pressured response that the hon. Member for East Devon would like. The settlement will give the BBC the funds that it needs to deliver its work for the public—in the words of an author slung out of the Conservative party, "not a penny more, not a penny less". The licence fee is not flawless. We recognise that for those on lower incomes a greater proportion of their disposable income will be spent on their licence fee—that is common sense. However, as a percentage of household income, it has declined since 1982. In survey after survey, the licence fee still emerges as the best way to continue funding the BBC. We may call it the least worst option, because nobody much enjoys paying tax, but nobody has come up with a better way of doing it that commands the same incredibly high level of public support.

Mr. Edward Vaizey (Wantage) (Con): I agree with the hon. Gentleman, but the licence fee settlement takes us only as far as 2017. The press has reported his thoughts about the future funding of the BBC after 2017, which seem to indicate that the Government are thinking along the lines of a sort of digital tax on personal computers and the like. Will he expand on those remarks?

Mr. Woodward: It would be tempting to talk about our plans for Government in 2017, but I think that that might be a little premature. However, I would be happy to do so on another occasion if the hon. Gentleman invites me.

We have a very clear view on the way ahead to benefit the licence fee payer. The vision that we have expressed in the White Paper is for a strong BBC independent of Government—a BBC that delivers the quality of programme making that the public expects, has expected and continues to expect, with the highest quality broadcasting, efficiently produced, and with the creation of a trust to serve as guardian of quality and efficiency that is able to prioritise on that basis.

Mr. Michael Wills (North Swindon) (Lab): I agree with everything that my hon. Friend has said about the licence fee, but does he agree that the BBC's enforcement of it could sometimes be done a little more tactfully and sensitively?

Mr. Woodward: Yes. Brevity is sometimes one of the noblest things in this House.

Dr. Tony Wright: There is hardly a television programme on the BBC these days that does not involve people voting for somebody or something. Is there any reason why licence fee payers should not be able to vote for somebody or some people and thereby gain direct representation on the new governing arrangements for the BBC?

Mr. Woodward: That is a tempting idea, and I hope that the trust might want to consider it. Applicants are submitting themselves to the selection process, which has a deadline of 26 June. We want to involve the public more. As to whether we end up with an "X Factor" for trust members, we will have to ask Simon Cowell if he can come up with a suitable way of doing it. In the long term, there is no teleological reason why the logic of what we are doing should not be extended to that, but I would have to disappoint my hon. Friend in the short term as regards changing the current arrangements. However, I am open to offers from my hon. Friend, especially if he wants to submit himself.

One of the most important changes in the new charter is the creation of the trust and the executive board. Let me briefly explain what that means. For the first time, there will be an effective separation of the responsibility for challenging, scrutinising and strategic oversight of the BBC. The trust will undertake that responsibility. In a separate structure, the executive board will look after day-to-day management. That separation of powers is critical. That is critically different from what happens with the existing board of governors because we want to ensure that the conflicting roles that governors have been obliged to play in the past are appropriately separated.

The governors were responsible for both the delivery and the oversight of BBC services. Under the new charter, a new executive board will be formally constituted for the first time. It will assume responsibility for delivering the BBC's services, allowing the trust to maintain the objective distance from the day-to-day running of the BBC that is needed for it to be effective in its oversight role.

Mr. Don Foster: Surely the Minister is wrong. Is not it the case that the chairman of the BBC Trust will be called the chairman of the BBC? Does not that show that a conflict will remain?

Mr. Woodward: Only in the hon. Gentleman's mind, I am afraid. We are clear about the separation. The hon. Gentleman, by interestingly tying himself up in matters of nomenclature, ignores the fundamental strategic difference, which we have been at pains to set out in various papers and the published charter review.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Will my hon. Friend remind hon. Members that the new chairman of the BBC has moved his offices from Broadcasting house and from the television centre to a separate location in Marylebone road to establish the fact that the governance of the BBC will be separate from its running?

Mr. Woodward: My right hon. Friend's brilliance is that I no longer need to remind hon. Members because he has so eloquently done so for me. He is right and gives a good example of the separation of powers.

Mr. Swire: The Minister is right that the powers of the public value test will reside with the trust rather than the Department for Culture, Media and Sport, as currently happens, and that Ofcom will provide the market value impact assessment. However, would not providing for Ofcom, rather than the trust, to make the final decisions about market value impact assessment on a new service be one solution to the uncertainty that the varying roles create?

Mr. Woodward: I am grateful for the hon. Gentleman's acceptance of the clarity and division between the roles of the trust and the executive board. However, I disagree with his interpretation and his conclusions about who ultimately determines the services that the BBC offers. I shall revert to that shortly.

We were concerned about the dual role that the board of governors played as regulator and cheerleader. The old system was not up to the job of providing clarity, which all hon. Members want, of direction and purpose for the BBC, especially in an increasingly complex global communications market.

The charter and agreement will define the responsibilities of the new bodies clearly. That is critical in ensuring that the trust can hold the executive board to rigorous account in the interests of the public, who are the licence fee payers. The trust will have wide-ranging duties to consult the public and publish the reasoning behind decisions.

We and the public believe that the trust represents the most efficient way of protecting both the independence of the BBC and the interests of the licence fee payer. To do that, it needs the expertise to discharge its responsibilities in a professional and businesslike way. To have the best trust, we must ensure that its members are paid an appropriate salary to do their job. I recognise that criticisms have been made from some quarters in the House as well as in the wider press of the remuneration of the trust members.

I stress that the decision on the rate of remuneration reflects the increased responsibilities and the commitment of time needed from trust members. That is entirely in line with the proposals in the White Paper on the charter review, which proposed that rates should be comparable with those for Ofcom board members. We believe that that will attract the widest range of candidates with stronger backgrounds and ensure that new trust members are the best people for the job.

Since we put out the advertisement, we have received many applications and we expect more before 26 June. We want to encourage a diverse range of appropriate applicants. I stress to hon. Members who are present and those who may read the debate in *Hansard* that we should encourage those who are interested in broadcasting to apply. When hon. Members say that a flood of constituents come to their surgeries every Friday afternoon or Saturday morning to discuss the BBC, a short-term but good solution might be to ask some of them whether they have considered applying. It would be appropriate for more members of the general public, whatever their background, to put themselves forward to represent the public as trust members.

Mr. Vaizey: I understand that the selection panel for trust members will include someone from the Department for Culture, Media and Sport and the current chairman of the BBC. How can we be assured that trust members will be truly independent?

Mr. Woodward: The point is that we are not trying to draw up an A list of candidates—we are trying to invite the public to apply. We should have an appropriate process for bringing the candidates together and interviewing them. We are complying with all the Nolan recommendations and using all the appropriate procedures. It is right to have some expertise on the panel—people who know about the Department with which the candidates will deal. The hon. Gentleman will appreciate that it is helpful when one goes for an interview if someone on the other side of the panel has a vague idea about the job. If he genuinely advocates having nobody there who has a clue about the BBC, the applications procedure will end in chaos.

Mr. Vaizey: The Minister has given the game away. Someone who applies for a job is interviewed by the employer. The hon. Gentleman clearly suggests that the Government and the chairman of the BBC will be the trust members' employers. The trust will, therefore, not be independent.

Mr. Woodward: I have long admired the hon. Gentleman's logic, but I think that I have lost it this afternoon. I hope that I will encounter it again on a future edition of "Sky at Night".

We are also inviting the public to describe how they would like trust members to represent them on the trust. In the next few weeks and months, we will continue to invite further consultation with the public on the sort of responsibilities that they would like to be added to the work of trust members. It is an ongoing process of consultation and I believe that it is the best that we have managed to do in any review or appointment of people to the BBC so far. I am sure that, in the future, we can improve on that. We have made significant progress in producing a fairer and better way of running the BBC.

We are aware of questions, especially by some in the local newspaper industry, about the new trust's effectiveness as a regulator and its ability to hold the executive to account. That seems neither correct nor fair. I remind hon. Members of what we are proposing. The trust will be underpinned by an unprecedented obligation to openness and transparency; a duty to have regard to competition issues; a system of purpose remits, which sets out strategic priorities in each of the public purposes and for how performance will be judged; a system of service licences and the public value test—with market impact assessments by Ofcom.

In addition, there will be new duties on value for money and a strengthened role for the National Audit Office in the existing arrangements. It should be provided with the information about the BBC's activities that it reasonably needs to make judgments about matters for examination. The trust must and will ensure that that happens. The governors and the NAO have also agreed that it would be helpful for the NAO's reports to be published as soon as practicable after completion. We welcome the response by the current

BBC chairman, Michael Grade, to whom I pay tribute for his work in the past few months, especially as he takes the BBC through a period of change, in not only recognising why we are taking action but acknowledging the spirit in which we are doing that.

He has already made a commitment to invite the NAO to examine the extent to which future self-help targets are met. This potentially powerful new development should not be underestimated.

The DCMS has, however, decided not to give the NAO unfettered access to the BBC's accounts. If it did so, it would risk encroaching on the editorial independence of the BBC and would conflict with the principle of direct accountability to the licence fee payer. I remind hon. Members of what the public have told us again and again. They do not want greater involvement by outside bodies in the BBC.

Mr. Philip Dunne (Ludlow) (Con): The Minister just stated that he believed that the National Audit Office would interfere with the editorial integrity of the BBC. That was the most extraordinary statement. Will he give some examples? What does he fantasise that the National Audit Office might say to the BBC that would affect its independence?

Mr. Woodward: I am sorry to disappoint the hon. Gentleman, but I do not fantasise about the NAO in any shape or form, and I am not going to indulge him by doing so now. However, if he wants to write to me about this, I will be very happy to write back.

The White Paper puts the BBC firmly in the role of a trusted guide, bringing the benefits of new technologies to audiences. To do this, it must have the flexibility to deliver its content in new ways. We want to see increased competition in this marketplace. However, we do not want to dilute the BBC's ability to continue to set standards; nor do we want to create a neo-protectionist market in which existing and new competition are unable to thrive. The broadcasting landscape is more complex today than ever before, and one of the most important aims of the new charter is to provide clarity.

That is why we have defined the BBC's public purposes more clearly than ever before. That is also why, in setting out its priorities, the trust will have to work with the grain of what others have to offer. The new purpose remits will provide a vehicle for ensuring that the trust engages with the world outside the BBC in deciding how the public purposes should be delivered. It is also why, to embed transparency and certainty in its decision making, we have put in place a new triple-lock system, comprising service licences, content characteristics and the public value test. It is important that the BBC's place in the market is not subject to caricature. Let me assure hon. Members that there will be a new public value test to scrutinise new services, as well as significant changes to existing BBC services, with a market impact assessment provided by Ofcom.

Mr. Ellwood: I am grateful to the Minister for giving way again; he has been extremely generous. I must take him back to the question that my hon. Friend the Member for Ludlow (Mr. Dunne) put to him, as it is fundamental to the way in which we scrutinise the work of the BBC. Will the Minister please give us an illustration of how the editorial content of the BBC could be challenged by the corporation having its accounts audited by the National Audit Office?

Mr. Woodward: We believe that we have set the appropriate arrangements in place. I shall not fantasise about exercises that I cannot imagine for the benefit of the hon. Gentleman. That would be absurd. We believe that we have set up the appropriate governance arrangements for the BBC, based on consultation with the public and the industry, and on the advice of Ofcom and of others who have given us expert advice over nearly three years. We believe that we have found the right way forward, and in about a week's time the hon. Gentleman will have the opportunity to examine for himself the evidence that we have put forward.

We have also put in place a new competition framework. Ofcom will have a powerful role in the new system, in which the trust will set specific rules in areas likely to give rise to competition concerns. Taken together, this is a powerful set of reforms for the BBC. For the public, that will lead to improvements in production and in the quality of the programmes that they see. They want a better BBC, and we intend to help them to have it. One of the mechanisms that we want to use to achieve that is the window of creative competition, which will help to stimulate further competition to produce quality and quantity in the programmes produced and put out by the BBC.

On regional production, the hon. Member for Altrincham and Sale, West (Mr. Brady) asked about the proposed move to Salford. I think that we should all welcome such a move. It involves the prospect of several thousand new jobs opening up in the north-west, and several departments of the BBC—not only sport but, appropriately, new media—going to Salford. That will present a very exciting opportunity.

Barbara Keeley (Worsley) (Lab): My hon. Friend will know that we have recently seen a 30 per cent. increase in the number of films being made in Manchester. The number of films being made in Merseyside has reached a new peak, and a new Hollywood feature is being filmed in Cumbria. This has all happened since the BBC move was announced. Will my hon. Friend comment on the further potential for investment and production that will result from the move, which will involve a new base not only for the BBC but for independent companies and other production facilities?

Mr. Woodward: We need to understand that last week's announcement was that Salford is the preferred bidder. This has not been finalised yet, and it is important to consider the matter in that context. The BBC has clearly declared its interest in that area, and it is now conducting firm negotiations for the future there. My hon. Friend asked me about the potential of such a move. I spent 10 years working in the broadcasting industry in the 1980s, when it would have been almost impossible to conceive of the new media and new opportunities that exist now. This is a bit like trying to see round corners. The media city will provide the kind of opportunities that we see when we visit places such as Seoul or Dubai, where media opportunities have been created as a result of extraordinary growth.

[Mr. Woodward]

I do not know whether the hon. Member for East Devon has taken the time to examine what has happened in Seoul or Dubai. He does not need to spend any money actually visiting them; he can do the research here. If he does, he will see that such development leads to huge growth, massive numbers of new jobs and—in the case of Salford—the opportunity to bring in not only the BBC, independent production houses and commercial competition but the games industry, the software industry, the music industry and the film industry.

My hon. Friend the Member for Worsley (Barbara Keeley) mentioned some of the activities that are already happening in the north-west. We have to see this development in the context of the fantastic renaissance and regeneration that is happening in the north-west generally. Liverpool will be the European capital of culture in 2008, for example. There is an awful lot happening, and it is absolutely right that the BBC has made this strategic decision, and that it has chosen the Salford bid. Everything that I have heard about the bid tells me that it was very well put together. It was based on a lot of research and, critically, on an understanding not only of the television industry but of the needs of all the creative industries in the north-west.

Graham Stringer (Manchester, Blackley) (Lab): I am very grateful to the Minister for his support for the devolution of many of the BBC's functions and personnel. He knows as well as I do, however, that there are factions in the BBC, fuelled by cosmopolitan arrogance, that are fighting hard against the relocation to Salford Quays. Will my hon. Friend do everything in his power to ensure that the BBC does not use the blackmail of a lower licence fee, or any other argument, to prevent the move to the north-west?

Mr. Woodward: Having had a number of conversations across the industry, I have not received the impression that the senior managers in the BBC who are making this decision have any intention of wriggling out of it. They genuinely see the advantages of moving to the Greater Manchester area, and of diversification and greater regional production. They also see the advantages of bringing in talent that has been constrained by the perception of the BBC as being so London-centric. My hon. Friend has made an extremely good case for his constituents and for others in the Greater Manchester area in helping to secure this bid.

The people involved in the bid have been smart enough to recognise that, by not going down the protectionist route of saying, "Let's stay in London," and by recognising the advantages of opening themselves up to more competition and diversification, they will bring in greater talent and creativity to the BBC. At the end of the era, if it does not have that, it will not have the services to offer. They have also recognised that places such as Dubai, Seoul and other locations in the far east—which offer different services but use a similar model—create opportunities through diversification, which does a huge amount of good to the local, regional and national economy.

One of the big tasks ahead in the UK is to recognise the role of creative industries, as I know my hon. Friend does. The future for Britain lies very much with those industries, which represent nearly 8 per cent. of gross value added for the UK economy. It is a huge mistake to think that we can handle it all out of London. It is absolutely right to see it as regionalised and absolutely right to go to places such as the north-west, when we know that incredible talent can be harnessed to one of the main growth industries for the whole of the UK.

Pete Wishart (Perth and North Perthshire) (SNP): Does the Minister agree that more than just personnel and resources are involved in devolution, as the mindset is also important, along with recognition of the different features and factors of the modern UK? Scotland has its own Government and its own national life, but we still have a news service that is metropolitan based and becoming increasingly irrelevant. Surely as part of devolution, we should start looking into having a Scottish news service that serves the Scottish people. We should be moving towards regional and national news services.

Mr. Woodward: I acknowledge that. Of course we believe in devolution, but the programmes are a matter for the broadcasters. We already have services such as BBC Scotland. Some hon. Members were rather denigrating the BBC's creation of local news services earlier. I invite them to go and see what the BBC does and the services it offers. In an interactive age, it will get easier for people to make local programmes—exactly what the hon. Member for Perth and North Perthshire (Pete Wishart) is asking for. The BBC is moving in the direction of empowering local communities to produce local news services and local programmes. That is why I welcome the innovation that the BBC has embarked upon.

My final point about digital switchover is that we believe that the BBC is uniquely placed to deliver the benefits of digital to every viewer. That is why we put it at the heart of our plans for digital switchover. It is absolutely right that we have designed a scheme of targeted assistance to help elderly and disabled people, who are most vulnerable.

Members understandably ask whether we should do more to help the poorest people in our communities, so one important thing needs to be said about targeted assistance and digital switchover. We have learned from the 70 per cent. of the UK that has gone digital so far that the real barrier is not income. By and large, the barrier to has been age and disability. If targeted assistance is to mean anything and we are to get best value from the money given to the BBC to enable the rest of Britain to complete switchover by 2012, we will have to take some tough decisions.

On the Government Benches—and, increasingly, from what we hear, on the Opposition Benches—we all want to do something to help poorer people, but the fact of the matter is that, when it comes to digital switchover, the biggest impediment to making the switch is not one's income. I do not deny that it might be in some cases, but the real barrier is the people who are 75 or 80—or even my age of 47—and feel challenged by a remote control. We have to deal with that problem. The Bolton trial helped us to realise that more needs to be done, and the several hundred million pounds of targeted assistance will be used to help the

elderly, particularly those on pension credit, the disabled and people who are registered blind or partially sighted.

Ann Keen (Brentford and Isleworth) (Lab): The Minister has provided us with important information, because vulnerable older people often have contact only with a small number of people. Some of the most significant groups are charities and voluntary organisations, so will the Minister ensure that they are properly involved in the process?

Mr. Woodward: A categorical yes.

Mr. Swire: We are now about two years from the commencement of digital switchover, so it is critical to know what the licence fee will be before it begins, but there appears to be some dislocation. When we debated the announcement of the licence fee, the Minister stated categorically that at no stage would a date be published. However, I have with me a document, "BBC Charter Review: Your BBC, Your Say", which was printed five minutes ago from a DCMS website. It states that phase 3 includes

"Mid 2006 Parliamentary debate on Charter and Agreement",

which we are having now, I concede, but it also refers to

"Mid 2006 Licence Fee level agreed".

It is now mid-2006 and the Minister says that the licence fee level has not been agreed. One source must be wrong. Is the Minister wrong, or is it the website? If it is the website, I suggest that the Minister urge his civil servants to amend it. If he is wrong, perhaps he will retract his statement.

Mr. Woodward: I am grateful to the hon. Gentleman for bringing that to our attention. What it reveals is that we said that we were going to have a debate, which we are having. Secondly, it shows that we said that we would make an announcement about the licence fee. The hon. Gentleman has referred to the fact that a document mentions mid-2006, but it does not provide a specific date—*[Interruption.]* That is what the hon. Gentleman said. Let me tell him that he will get a date when it is right for us to make the announcement. What we will not do, however endearing, charismatic and persistent he is in his demands, is make the announcement before the right time, which will be when we have achieved the right number.

After nearly three years, this process is drawing to a close and the announcement on the fee will be made shortly. It might be made in a few months, but I am afraid that the hon. Member for East Devon will have to wait. We have conducted the debate with extensive public consultation and the issues have been discussed in Parliament through Select Committees and in Green and White Papers. An extensive process of consultation has taken place on the charter and the licence fee settlement. The end product will be a BBC that is right and forward-looking, helping to create the appropriate marketplace for the UK in the digital age.

1.56 pm

Mr. Don Foster (Bath) (LD): Whatever our disagreements, at least we all agree that for the last 80 years, the BBC has been the pre-eminent public service broadcaster, making a major contribution to our democracy, to our culture and to our standing in the world. I suspect that we all agree that in the rapidly changing world of broadcasting, we must ensure a future for the BBC that enables it to remain the best in the world and the envy of the world. That means, in my view, that it must be strong, independent—not least from the Government—and well and securely funded. It must be equipped to meet the challenges of the digital multi-channel, multi-platform age.

We believe that much in the White Paper, to which the Minister has already referred, and in the draft charter and agreement will help to achieve those aims. Liberal Democrats certainly welcome the decision to have a 10-year charter, which will provide stability for the BBC through the period of digital switchover. We welcome the increased opportunities for independent television production through the window of creative opportunity, but I hope that the BBC will work harder to provide more opportunities for independent radio producers than they have at present. We welcome the concept of service licences for each BBC service, but like the hon. Member for East Devon (Mr. Swire), I certainly believe that we need greater differentiation in the services covered by such licences.

Although I have some concerns, which I shall explain in a few moments, we welcome the improvements in the system to assess market impact and public value in respect of new BBC services or the development of existing services. We accept that the licence fee is, as the Minister described it, the least worst option currently available. It is certainly far better than alternatives such as direct Government funding, subscription, advertisements or sponsorship. We also welcome and support the planned move to Salford Quays in Greater Manchester.

As critical friends of the BBC, we have a number of remaining concerns about some of the Government's proposals—most notably governance, which the Minister dwelt on. He was absolutely right to say that the old system under which the governors were both flag wavers for and regulators of the BBC was simply untenable and had to change.

We propose that a totally independent regulator should be established for all public service broadcasters. We certainly do not believe that what the Government propose will give us what is urgently needed—a genuinely independent regulator. For example, some of the existing governors will transfer to the new trust. That is certainly evidence of continuity, rather than radical overhaul. Perhaps more importantly, the White Paper very clearly describes the BBC Trust as a

"sovereign body within the BBC",

not separate from the BBC. Whatever the Minister might say about my point about the chairman of the trust being called the chairman of the BBC being pedantic, that too adds to the confusion.

The Minister said that it was right and proper for Select Committees to give clear advice to the Government. Certainly, he will be aware that the House of Lords Select Committee on the BBC Charter Review gave very clear advice on the issue. It said that the

"proposals for reforming the governance...of the BBC are confusing, misguided and unworkable."

As I said in an intervention earlier—yes, it is surely right that the Government have carried out an extensive consultation exercise, but what matters is that they then listen to what people have said during the consultation.

[Mr. Don Foster]

We are convinced that the trust is an improvement on the current governor arrangements, but it still does not provide an independent regulator, so the BBC will be its own judge and jury. That will certainly give no confidence to people who fear that, as was suggested by the hon. Member for Rhondda (Chris Bryant), the BBC will use its powers to crowd out others from the marketplace if it does not have an independent regulator to make those decisions.

Indeed, we have already heard from a number of hon. Members that similar concerns have been expressed by a wide range of bodies in the broadcasting and media sector. I have certainly heard such views from local and regional newspapers—including *The Bath Chronicle* in my constituency, which is excellent—from the commercial radio sector and from other TV and internet companies. Yes, we have a better system now, but if the BBC is ultimately to be its own judge and jury, the system will not give the BBC's competitors confidence about whether they will be protected from being crowded out.

Just before I turn to the licence fee, I want briefly to mention three other issues relating to the BBC's future. First, although I acknowledge the advice that Lord Justice Auld gave in 2001, I fail to understand why licence fee evasion should continue to be a criminal offence. I hope that the Government are prepared to reconsider that issue, and find out whether such evasion could become a civil offence—and, incidentally, whether we could introduce a fixed penalty system, like those used for failing to pay parking fines, the congestion charge or whatever.

Secondly, hon. Members have already expressed the view that we want to see a strong BBC, but not an omnipotent BBC. The BBC benefits from competition in public service broadcasting. A monopoly would benefit no one, including the BBC. We need to do more than is currently proposed to protect the other players who deliver public service broadcasting, including some, such as Sky and those in the commercial radio sector, who are not defined as public service broadcasters but make an important contribution to public service broadcasting. I certainly welcome the BBC's proposals to work in partnership with, for instance, Channel 4, but we also need not only stronger measures to protect the market but a much more urgent review than is currently planned of what the hon. Member for East Devon called PSB in the round.

Thirdly, all hon. Members would accept that the World Service is the jewel in the crown. Many of us are delighted at the World Service's proposals to introduce a new television service in the middle east, but I simply fail to understand why, for the sake of just £6 million, we cannot ensure that it becomes a 24-hour service, rather than the 12-hour service that is proposed.

Now I come to the crucial issue of the licence fee. Like others, I am concerned by the undoubted delay in the Government's announcement of the licence fee. It worries me enormously that we will end up with two separate announcements—one about the charter and agreement, and the other about the licence fee. Surely those announcements need to be brought together. In other words, we need a menu with prices.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I, too, applaud the hon. Gentleman's sentiments about the BBC World Service, but does he agree that it is regrettable that the BBC is cutting some radio services to eastern Europe?

Mr. Foster: In fairness, I must say that the BBC has looked very carefully at that issue, and has been in discussion with the Foreign Office about the services that it will cut. I hope that the hon. Gentleman will agree that the listening figures for the vast majority of those services do not justify their continuation in comparison with the benefits that will accrue from the new television service in the middle east. Of course, in an ideal world one would want the continuation and development of all those services, but people must work within a tight budget. Sadly, the BBC cannot even get an extra £6 million for the middle east television service.

On the overall figure, the BBC proposes to use the formula of the retail prices index plus 2.3 per cent. Since it made that announcement in November, a number of its figures have changed. For example, the cost of the welcome move to Manchester has gone down, whereas its expected pension costs have gone up. I understand from the BBC that the net effect of all the changes will not substantially alter the proposal to use the RPI plus 2.3 per cent. formula. I hope that, as the Minister has indicated, the most up-to-date costings supplied by the BBC will be published in the near future.

I suggest that, for two reasons, the BBC's proposed figure is too high. First, we must be mindful of the effect of a cash-rich BBC, combined with inadequate independent regulation, on the rest of the broadcasting and media ecology. That point has been well made already. Secondly, the BBC's figures include costs that simply should not fall on the licence fee payer. Providing free television licences for the over-75s was a Government policy, and the Department for Work and Pensions rightly hands over millions of pounds every year to the BBC to make up its lost revenue. Similarly, digital switchover is a Government policy, so it should be paid for by the Government, possibly from the revenues that they will gain from the disposal of the analogue spectrum. It certainly should not be a cost for the licence fee payer.

Similarly, the Minister talks about the hundreds of millions of pounds that will be spent on the very important targeted assistance to help the elderly and vulnerable to benefit from the digital revolution. That is a sensible policy, but it is a Government social policy, and therefore it should be paid for by the Government, not by the licence fee payer. Those are not broadcasting costs, as the Government keep describing them, but Government policy costs. Charging the licence fee payer for them is simply a smash-and-grab raid—yet another stealth tax, as others might call it.

If the Government were to go still further, as some have already suggested, by imposing a spectrum charge on the BBC, which, in turn, the licence fee payer would have to bear, it would be yet another smash-and-grab raid. I therefore hope that the Government will look carefully at the independent report produced in April this year by Lecon that concluded:

"Overall we find that the case for imposing spectrum charges on such broadcasters"—

the BBC and Channel 4—

"is weak, and that it risks disrupting their ability to fulfil their public service obligation with no countervailing benefit."

I hope that the Government will listen to that view. The case for imposing spectrum charges on public service broadcasters simply has not been made. The RPI plus 2.3 per cent. formula contains items that should not be paid for by the licence fee payer.

As other hon. Members—notably, the hon. Member for East Devon—have already pointed out, it has been argued in various other reports, such as ITV's Indepen report or the PKF report, that the BBC's licence fee is too high for other reasons, and I shall deal with those reasons briefly.

Mr. Whittingdale: The hon. Gentleman is presenting a number of very good arguments. He said that the BBC's bid of RPI plus 2.3 contained elements that were unjustified. The assistance package is not included in that figure; once it is included, the bid becomes even larger.

Mr. Foster: That is absolutely true. A number of other issues have not yet been taken into account, which is why it is so important for us to debate them. However, because I do not believe that any Member of Parliament—and that includes me—is capable of doing full justice to all the competing claims that have featured in the Indepen report and the PKF report and have emanated from the BBC and others, it is also crucial for us to ask the National Audit Office not only to take a greater role in scrutinising the BBC's accounts, but to take a much greater and an immediate role in scrutinising the various reports and proposals. As I am sure the hon. Gentleman knows, some reports have suggested that the BBC has not taken adequate account of the number of new homes that will be built and the number of households that will consequently pay the licence fee. The hon. Gentleman will also know that a number of people have said that the BBC's proposals do not give enough weight to the savings that could be made through greater efficiency.

I am aware that the BBC has contradicted those claims, but as I have said, I am not in a position to judge the competing claims being made. That is why the NAO must have that crucial scrutiny role, and must report to Parliament following its scrutiny. Not only is that in the Conservatives' motion, but the Liberal Democrats proposed it back in 2003.

The hon. Member for East Devon was absolutely right to say, as does the motion, that Parliament should have the final say on the level of the licence fee. That is not a subject for a debate in a Committee Room on a negative resolution. There must be a substantive amendable motion, which must be approved on the Floor of the House. I accept what the Minister said about research evidence: the public will be willing to wear an additional licence fee—but only if they are confident that they will not be paying for things for which they should not be paying, and that they will benefit from improved quality and value for money.

This is a crucial debate, and one that the Government should have initiated by now. The BBC is the envy of the world, and we want it to remain so as we begin to meet the challenges that the digital age brings. As I have acknowledged, the Government's plan will help—but I hope that they will not just listen to, but act on the concerns expressed by many who have responded to the consultations and to those expressed here today, so that the BBC can continue to be strong, independent, and well but not excessively funded.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next speaker, I remind the House that Mr. Speaker has imposed a ten-minute limit on all Back-Bench speeches.

2.13 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): I think the House will agree that under its new chairman, Michael Grade, and its new director-general, Mark Thompson, the BBC has made a fresh and encouraging start, and that the work they have done since their appointments is commendable.

One thing that the BBC has done is make a major contribution to digital switchover through the innovation of Freeview, following the failure of the ITV digital project. I pay tribute to Greg Dyke for his initiative in bringing that about. Another of his initiatives, also deserving of tribute, is the decision to move to the north-west. I am convinced that the BBC fully intends the move to go ahead. It would be idle of me to deny that there is disappointment in the city of Manchester over the provisional decision to move to Salford—I understand that that is likely to happen, although not overwhelmingly likely, as the BBC has still to make the final decisions—but whether the move is to the constituency of my hon. Friend the Member for Manchester, Central (Tony Lloyd) or to Salford Quays, which is a superb area of innovation, what is important is the recognition that a new centre of media initiative and a new cluster of enterprise is being created. I pay tribute to the BBC for making it clear, very firmly, that it wants the move to the north-west to go ahead.

It is obvious that all broadcasters face huge challenges. As a tax-funded public corporation, the BBC has a special responsibility for meeting those challenges. When the Select Committee on Culture, Media and Sport, which I chaired before the election, looked into BBC charter renewal, we wanted—anticipating the possibility of a new 10-year charter—to think about the nature of the technological and content-related environment not just in 2006, but in 2016. Since the Committee reported and since the Government decided that the BBC should have that new 10-year charter, technological change has moved exponentially ahead within not much more than a year. Given the prospect of 10 more years following the end of this year, it is essential for the BBC, when making its plans, to take account of what Bernard Shaw had in mind in his play "Back to Methuselah" when he entitled the last act "As Far as Thought can Reach".

Already, over the past few months, we have seen vast changes. A year ago, the iPod was an enviable cult object; today it is pretty universal. The downloading to mobile phones of news, information, entertainment and music is proceeding rapidly—and, as I have said, this is only the beginning.

[Sir Gerald Kaufman]

There is great concern—and rightly so—about the declining attention paid to the BBC and other conventional broadcasters by the young people who will be key participants in technological communication in the future. Anyone who moves around any of our cities, such as London or my own city of Manchester, will see young people wearing earphones and constantly looking at their mobile phones, not simply to make calls and send text messages but for all sorts of reasons. If the BBC is to be ahead of the game, as we all want it to be, and if it is to attract the kind of participation that will justify its being financed by a tax, it is essential for it to understand one thing. Although the concerns of many Members of Parliament are focused on the most conventional forms of BBC transmission, such as Radio 4, Radio 3 and even Radio 1 and Radio 2—mentioned by my hon. Friend the Member for Rhondda (Chris Bryant)—those are now very small minority channels in comparison with what a large number of people are using the BBC and broadcasting for. The BBC must not simply keep pace with technological change; it must keep ahead of it.

It is good that—as those of us who have been watching the World cup matches will have observed—the BBC has progressed to high-definition. So far it has one high-definition channel, and I hope that it will have many more. However, the BBC needs to take another careful look at its non-direct broadcasting activities. The interactive services that it provides on BBC News 24, for example, are miles behind what Sky provides. The BBC mechanism is very clumsy, whereas Sky's is very clear.

At one time, the BBC's principal website was regarded as the pioneer for all such sites, receiving large numbers of hits. I fear that that is no longer so, and newspaper websites such as those of *The Guardian* and *The Daily Telegraph* are far ahead of what one gets from BBC Online. That is another matter that the BBC needs to consider.

It is perfectly clear that we need a public service broadcasting corporation that is not funded by advertising. I am very glad that we have the public service Channel 4, which does a superb job, as does the More4 channel. Channel 5 is now doing very well with its innovative and cultural broadcasting, but the BBC is unique, because it is funded by a tax. The House of Commons has decided that there should be a new BBC charter, and it is extremely important that the BBC reciprocates by ensuring that it leads technological change.

That must not happen just for its own sake, as the BBC must take account of social change in this country. More and more people—mainly but not exclusively young people—are creating their own visual and audio entertainment and information channels.

The day has gone when people would sit in front of a box, or drive along in their cars, and be fed by what was provided. People now create what they want. In many ways, the proliferation of the addiction to mobile phones is maddening, but it shows that people have a new way of communicating, and that they want their own voices to be heard as much as they want to listen and be told things.

On occasion, I have been considered to be something of a sceptic about the BBC, but we owe it a lot. However, as I have explained, I believe that it, in recompense and reciprocation, owes us a lot too.

2.22 pm

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): I by thank my colleagues on the Opposition Front Bench for giving us this opportunity to debate the future of the BBC. Despite the Minister's claims about the number of debates that have been held and the scrutiny that has occurred, this is the House's first opportunity to debate it since the general election. We last debated it in March last year, when we considered the report of the Select Committee on Culture, Media and Sport, which I now chair, but which at that time was chaired by the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman). It is a great pleasure to follow him this afternoon.

Since then, the Government have published a White Paper on charter renewal, and the BBC has unveiled its bid for a licence fee settlement to cover the seven years from next April. The BBC's chairman and director-general chose to reveal the bid for the first time during the course of their evidence to the Select Committee last October. The Select Committee was able to question them about their plans, and I congratulate the BBC on a bold and brave initiative, which I hope will be maintained.

The BBC bid was for 2.3 per cent. each year, over and above inflation. At the time it looked excessive, but increasing pressures since on commercial broadcasters have made it look even more disproportionate. However, if we are to consider the case for a licence fee increase, we must look at the case made at the time of the previous licence fee settlement. That was for 1.5 per cent. over inflation each year for seven years from 2000, and has led to the licence fee rising by well over a third since 1997. Yet the income from the fee has risen much faster, as the number of homes has increased steadily as well. As a result, the BBC's total licence fee income has grown by more than 50 per cent.

At the time of the previous settlement, the then Secretary of State said that he was

"not going to allow the BBC the massive injection of funds that it has sought from the licence fee—an increase reaching more than £700 million a year by 2006."—[*Official Report*, 21 February 2000; Vol. 344, c. 1239.]

In fact, the BBC's income in the period will have risen by very nearly £1 billion, so it is no wonder that the present director-general said—when he was in another capacity at Channel 4—that the BBC had been bathing in a jacuzzi of cash.

At the same time, the funds available to commercial broadcasters have been squeezed. There has been a proliferation of digital channels, and the switch to digital has meant that the main commercial broadcasters have seen a steady decline in the market share that they command and, as a result, in their advertising revenue as well.

Moreover, advertising spend has been diverted to online services. Yesterday, the Select Committee heard that TV's share of advertising had declined from 32 per cent. in 2004 to a forecast 27 per cent., while internet advertising has grown by 50 per cent. The introduction

of personal video recorders and timeshifting will exert even greater pressure on commercial television. For that reason, the BBC's claims that, even after the licence fee settlement, it will have a smaller share of media revenues is at best disingenuous, since that includes internet advertising.

In 1998, ITV and Channel 4 revenues exceeded the licence fee income by £300 million. Indeed, the BBC argued at the time of the previous settlement that it needed an increase to keep up with commercial television. Now, the income from the licence fee is significantly greater than the combined advertising income of ITV, Channel 4, Channel 5, GMTV, S4C and all their associated channels.

That is the context in which this licence fee bid must be judged. The BBC is already by far the biggest player: an increase of the size suggested would distort the market still further, and place it in too dominant a position.

Of course, the BBC claims that the licence fee is good value for money. That is supported by some opinion surveys, but as long as the fee remains a compulsory television tax that people have no choice but to pay, it is difficult to judge its acceptability.

The Government claim that the licence fee is subject to parliamentary scrutiny, but the Minister said earlier that that is achieved through the negative procedure. In no other area is a £3 billion tax increased by a procedure that does not allow amendment and which is often not even debated. When it is debated, the proceedings last 90 minutes in a Committee Room upstairs.

The negative procedure also means that Parliament has no ability to approve or disapprove particular uses of licence fee money. We know that the BBC has asked for an increase of 2.3 per cent., but that does not include the cost of the assistance package. My Committee, like others, took the view that the licence fee is a social rather than a broadcasting cost, and that it should therefore be financed from Exchequer funds. I regret that the Government are unwilling to accept that.

Chris Bryant: Will the hon. Gentleman give way?

Mr. Whittingdale: I hope that the hon. Gentleman will forgive me, but I have very little time.

We still do not know the total cost of the assistance package, but it will represent an extra amount on top of the licence fee. It will not be just a stealth tax, but rather a stealth poll tax, as the licence fee, as the motion correctly points out, hits low-income families hardest.

The reason for that is a flaw in the licence fee itself. In the previous Parliament, the Select Committee under the chairmanship of the right hon. Member for Manchester, Gorton reported that the fee was regressive and unfair. In the long term, I do not think that it is sustainable, and I regret that the Government appear to have batted that question into the long grass for the course of the next licence fee period. I hope that the Government will consider at least some of the anomalies when they come to make their announcement. One in particular has been identified by the Select Committee—that people who pay the licence fee by instalments end up paying more than those who make a one-off payment. That is another way, therefore, in which those on the lowest incomes have to bear the largest burden.

I want to speak briefly about charter renewal. I welcome the creation of the BBC Trust; it improves the position of the governors, which was widely recognised as unsustainable after the Hutton report. However, Michael Grade had already put in place arrangements to distance the governors from the management of the BBC, so it is not clear how the new arrangement differs from what the BBC has already done. It does not resolve the underlying difficulty that the final arbiter of the behaviour of the BBC is a body that is part of the BBC. Ofcom has responsibility for tier 1 questions, but not for the key areas of the BBC's public service remit—impartiality and fairness. Nowhere is that more important than in the area of the BBC's creative futures plan.

The world is changing rapidly, as the right hon. Member for Manchester, Gorton pointed out; people are accessing media via the internet, iPods and mobile phones. It is right that the BBC should make programmes available on whatever platform people choose to use, but the BBC's plans go considerably further. It is not just making its programmes available on different platforms; it proposes to introduce whole new services. To take just one example: the BBC plans to make news content available to mobile providers for nothing, so that the consumer will pay a charge only to the mobile operator and not to the news provider. When asked about the impact of that new service on ITN, the BBC told the Committee that ITN could finance the service through advertising, but advertising is not developed on mobile so that suggestion is wholly unrealistic. The result will be that the BBC service undercuts a commercial service before it has even got off the ground.

As has been said, there are concerns about the BBC's ambitions in the area of local newspapers, the creative archive and MyBBC Player, and the fact that the BBC's licence fee bid is for £1.2 billion to finance new digital services means that there will be a major impact on the market. Under the new arrangements, the BBC's new services will be subject to a market impact assessment and a public value test, which is certainly a step forward. However, although Ofcom is due to carry out the market impact assessment, the final decision—the public value test—will rest with the BBC. By definition, that will be a subjective judgment. What criteria will the BBC apply to judge the public value of a new service when compared to the market? I share the view of my Front-Bench colleagues that it would have been better to give that decision to Ofcom rather than leaving it with the BBC. If the BBC is to make it, it is essential that each new individual service is subject to a public service licence and a market impact assessment. It is not good enough to have one service licence embracing all of them.

The BBC is an immensely powerful organisation and is often a force for considerable good, but it needs to be subject to proper checks. The measures in the motion will achieve that.

2.33 pm

Ian Stewart (Eccles) (Lab): I am a firm supporter of a strong, independent BBC. The BBC is a world-standard broadcaster of international renown and enjoys a high level of domestic satisfaction, which we should remember. We like the Beeb. I want to see the BBC grow, prosper and diversify.

[Ian Stewart]

In 2004, the BBC gave a commitment to relocate some of its activities to the regions. That will complement the Government's strategy for investment in the regions, and the north-west is perfectly placed to nurture that creative investment and capitalise on it, which will be most beneficial to my Eccles constituents.

In 2004, the BBC committed itself to establishing a state-of-the-art BBC centre in the Manchester area with "brilliant career and creative opportunities", moving London-based children's TV and radio—including CBBC and CBeebies—BBC Sport, Five Live and Five Live Sports Extra, new media headquarters, research and development and formal learning departments to the Manchester city region; moving an estimated 1,800 staff from London to the Manchester city region; increasing the amount of TV drama filmed outside London from 30 to 50 per cent. during the next charter period; and creating a media zone that could include other broadcasters, publishers and independent companies. All that was to be achieved by 2010.

It is a wise commitment. In the past decade, cultural and economic development in the north-west has been increasing rapidly, and the area is now the busiest production centre outside London. The success of the BBC's investment will be central to sustaining the growth of the media industry and the regional economy. I shall summarise that growth. Filming in Manchester rose by 30 per cent in 2005-06, with 2005 being the busiest year ever. In the first quarter of this year, production in Merseyside reached £6.7 million, constituting a huge increase on the previous year. Following the opening of North West Vision's film office in Cumbria, a two-week shoot in the county was secured for the Hollywood feature film "Miss Potter", starring Renee Zellweger. The Cheshire-based company Mackinnon and Saunders won its first children's commission for the BBC after receiving development investment from North West Vision. One hundred and fifteen Lancashire-based crew and facilities companies with current TV credits have registered on the North West Vision database used by productions that need to employ crew and use facilities.

Last week, the BBC announced in principle that it is proposing to establish a northern centre in Salford's MediaCity:UK, based at Salford Quays, subject to resolving some outstanding issues. The project must also pass the two tests of value for money for licence fee payers and affordability, so the BBC has said that a final decision cannot be taken until the licence fee settlement is known. There are lots of t's to be crossed, but everything is still to play for.

I do not blame the BBC for using its bargaining strength to get the best possible funding deal. As a former negotiator myself, I respect that tactic. However, although I support a reasonable increase in the licence fee, I point out to the BBC that the Salford MediaCity:UK is such an exciting, world-class development that its move there should be confirmed in any case. The move should go ahead whether or not there is an above-inflation increase in the licence fee.

Although the new MediaCity:UK—about which I would like to say a little more—will be located in Salford, it will bring considerable benefits to the Greater Manchester area and the region as a whole, as I have just demonstrated. The project has the support of the Northwest Development Agency and a range of partners across the region. The vision is powerful: a globally significant, new media city to compete with emerging media cities in Seoul, Singapore and Dubai; and a modern, digital city for the UK, surrounded by four excellent universities, which will be the centre of BBC production on Salford Quays. Salford will have a silicon canal to match the US silicon valley and Scotland's silicon glen. It is estimated that the project will bring 15,500 jobs, and it includes a recording studio for the BBC Philharmonic orchestra, floating stages for concerts and theatre, studio and technical facilities for media industries, a media skills institute and a research academy. I support the proposal that the BBC should become a world player as a search engine, but I am also keen to see the corporation established as a media and communications-oriented digital global university.

I understand that some BBC staff may be fearful of a move north. Relocations have to be managed positively and sensitively, but I believe that BBC workers will be pleasantly surprised by the varied and vibrant environment of Greater Manchester. I hope that the Government will give the BBC all the support it needs in that regard.

To sum up, we need an early but considered licence fee decision from the Government. It is important to get that right. Even if the BBC does not achieve the licence fee it wants, it should carry out its commitment to relocate to the Manchester city region and be a partner in the development of the exciting new media city in Salford.

I hope that the House will forgive me if I leave now, as I hope to contribute to the Westminster Hall debate on funding for local transport—yes, the new media city proposal will involve development of our successful Metrolink tram network to service the city and local people, so I shall go into the Government Lobby to oppose the Conservative motion.

2.40 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): It is a great pleasure to follow the hon. Member for Eccles (Ian Stewart). I would like to say that he is a friend of mine. I like him very much and my wife is very fond of him as well, as he knows.

The most important thing that I have picked up in the debate—I was listening carefully to what the Minister said—from the point of view of politicians and the scrutiny by Parliament of the BBC, is the question raised by my hon. Friend the Member for Gainsborough (Mr. Leigh), the chairman of the Public Accounts Committee. He called for a greater role for that Committee in scrutinising the BBC licence fee. I was greatly encouraged by my hon. Friend the Member for East Devon (Mr. Swire), when he assured us that the next Conservative Government would allow greater interaction from the Public Accounts Committee on that issue. I am still somewhat mystified by the Minister's response. I do not really understand what he said in that regard, so I shall write to him.

The BBC is a tremendous asset for our country. The first time that I realised its importance was on a visit to Warsaw in 1983, immediately after the martial law imposed by General Jaruzelski. Many of my friends in

Warsaw were listening intently to the BBC World Service, which brought a true reflection of the world to those oppressed people—it brought them the reality. It also brought great hope to people behind the iron curtain. It could be argued that the BBC World Service helped to bring about the revolutions in eastern Europe that finally drove out the communist oppression that had held them for such a long time. People could not trust their local radio. I feel a great shame, as I said in my earlier intervention, that the service to eastern Europe will be cut. I am pleased that the Foreign Secretary was defeated by 24 votes to one in her intention to stop the BBC and other channels broadcasting the events of the Council of Ministers, because broadcasting has an important role to play in the scrutiny of this Parliament and of what goes on in Brussels and the European Parliament.

The BBC's pedigree is tremendous, and gives it the opportunity to challenge CNN and other American broadcasting corporations when it comes to being the global voice of broadcasting. That is important in today's global world. I know that President Chirac of France is intent on spending hundreds of millions of euros on trying to come up with an equivalent to the BBC World Service and CNN. He realises that France is losing out on a tremendous amount of influence globally because it does not have an equivalent. The French version of events is not being broadcast around the world.

The BBC World Service is excellent and is very broad in scope. Its programmes involve many discussions about political, social and economic issues all around the world. Recently, I watched a television programme on the BBC World Service that was extremely incisive about the new political developments in Bolivia. I wish that we had more of that type of broadcasting in the United Kingdom. We need to have more programmes like that to teach our children about other countries and cultures. We live in an increasingly multicultural United Kingdom and we need to make sure that our young citizens know about the good things around the world, rather than just listening to the coverage at the moment, which is so negative about world events. *[Interruption.]* Yes, about the Government in particular—quite right. I should say negative but effective and correct. The programmes that we tune into on the domestic BBC tend to focus on problem areas such as Iraq, Afghanistan and other areas of great conflict. There is a tremendous amount of good going on around the world, particularly in developing countries. The BBC World Service does a good job of highlighting that and I regret that the domestic BBC does not follow suit.

There have been suggestions that the licence fee could rise to £180 by 2013. Many vulnerable groups would struggle to pay that sort of fee. I applaud the Government for the action that they have taken to introduce free TV licences for those over 75. I hope that if the licence fee does go up to £180, the next Conservative Government—of course, we will have a Conservative Government by then—will ensure that other vulnerable groups are helped to pay that fee.

The impartiality of the BBC is critical to the future success of the corporation, and its impartiality has been debated on a number of occasions. I remember in 1986, as a passionate young Conservative, being furious about the BBC coverage of the bombing of Tripoli in Libya. I believed at the time that the coverage was extremely biased. However, I was greatly encouraged by the way in which the BBC exposed the Labour Government over the weapons of mass destruction in Iraq and the way in which it stood by its guns over the issue. That has led me to believe that although there are times when political parties feel that the BBC is acting against their interests, overall it is impartial.

Mr. Vaizey: Does my hon. Friend share my concern that an independent report on the BBC's coverage of the middle east showed that it tends to report the middle east in an extremely biased way and is very anti-Israeli? That report has been completely glossed over by the BBC governors.

Daniel Kawczynski: I do, and I thank my hon. Friend for that intervention. Although the BBC is impartial on domestic politics, there is a lot that it can do to counteract that bias against the Israeli authorities.

Chris Bryant: Will the hon. Gentleman comment on what a senior BBC executive said to me only a couple of weeks ago? He believes that the Welsh nationalist party was founded in the bowels of BBC Wales and is mostly sustained by BBC Wales.

Daniel Kawczynski: Well, as a Member of Parliament in England, albeit with a border with Wales, I try not to get involved too much in Welsh politics—I will leave that to my hon. Friends who represent Welsh seats. However, I take the hon. Gentleman's point on board.

The BBC is impartial, but we need to safeguard its impartiality. We need a regulator with teeth to arbitrate and manage that impartiality. I was quite surprised by the way in which Greg Dyke behaved during the course of the controversy with the Government. Although he was a socialist and a supporter of the Government, he stood up to the Government—despite all the pressure that was being put on him. He went up in my estimation for the way in which he handled the situation. However, we cannot leave it to chance that we will always have somebody like Greg Dyke who will stand up for the best interests of impartiality and the BBC, no matter how much force is brought to bear on him or her. I will go as far as to say that I was appalled by the way in which members of the board of trustees left him out to dry. It is important that we have more professional people on that board and that they stand by their director-general and look after the interests of the BBC, rather than pander to the Government.

I want to give my hon. Friends the chance to speak, so I will conclude on a more light-hearted note. I wish that we could have more culture programmes on the BBC. My wife and I love to watch romantic costume dramas such as "Pride and Prejudice" and Charles Dickens programmes—*[Interruption.]* The hon. Member for Rhondda (Chris Bryant) and others might not be especially interested in culture and theatrics. Perhaps the hon. Gentleman does not realise that such programmes give young people tremendous benefits from the point of view of culture and a historical background.

2.50 pm

Mr. John Grogan (Selby) (Lab): It is a pleasure to follow the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski), who spoke with great verve and style about the international role of the BBC and the importance of the BBC's independence, as well as costume drama. I will concentrate on perhaps the oldest service that the BBC has provided, although it is one in which there has been plenty of innovation in recent years: BBC radio. Before I do so, however, I wish to make a few observations.

It is possible to overstate the strength and power of the BBC. I respond directly to the remarks made by the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale)—we have discussed this matter before. We should consider the total industry revenue. I admit that advertising has declined in the commercial sector, but Sky's subscription revenue and online revenues are extremely buoyant. When Mrs. Thatcher left office, the BBC had more than 40 per cent. of total market revenue, but now it has 23 per cent. Even if the BBC got what it wanted from the licence fee settlement, best estimates suggest that it would have a fifth of industry revenue. It is thus worth putting the power of the BBC in perspective.

As the Minister pointed out, the licence fee has fallen as a proportion of people's income in recent years, and it will probably continue to do so. Importantly, the licence fee has also fallen as a percentage of the income of the bottom 10 per cent. of the population, although that is not to say that it is not a burden on many households.

We must consider the overall output of our system of broadcasting, of which the BBC is such an important part. In Britain, $75 a head is spent on home-produced programming each year, which is more than is spent in the United States and Germany. That is a product of a strong BBC and a strong licence fee.

We have heard about the BBC's plans to innovate. My right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) talked about the success of Freeview, and we have heard about the success of BBC Online under Greg Dyke's predecessor, John Birt. Those proposals were controversial in their time. The commercial sector asked whether it was right for the BBC to go into those areas, just as it now asks whether it is right for the BBC to create an open and a creative archive so that licence fee payers can access BBC content. People ask whether it is right that the BBC produces local television news. There are many options for partnerships with commercial interests. For example, in the west midlands, where local television news is being pioneered, the BBC has signed a joint letter of intent with Trinity Mirror, the commercial organisation that runs the main evening newspapers in Birmingham and Coventry.

It is thus possible for the BBC and the commercial sector to be partners, but I would urge hon. Members to be sceptical about some of the commercial sector's claims that the BBC crowds it out. Since the BBC's inception, it has been in competition with the private sector and has thus distorted the market. BBC Parliament is probably the only BBC product that does not distort the market because it does not have a commercial competitor—*[Interruption.]* It is unlikely to have one, too.

To respond to a point made by the hon. Member for Shrewsbury and Atcham, is it not one of the great glories of the independence of the BBC that all the different views expressed in this debate, some of which will be critical of the BBC, will be reported on "Today in Parliament"? After the Hutton inquiry, output at all levels of the BBC reflected the different views expressed. Sky News would never broadcast a discussion on the Murdoch empire or the fact that no one is watching test match cricket on Sky and that access to one of our crown jewels of sport is thus being reduced. One of the great things about the BBC is that it has such independence and thus no thought can be unspoken.

Let me move on to radio, as I promised. The commercial sector makes three criticisms of BBC radio: it is too big; it should be more involved with the independent sector on programming; and Radio 1 and Radio 2 should perhaps be privatised. It is true that the BBC has a 56 per cent. share of the radio market. Two or three years ago, the BBC and the commercial sector were saying that given the advent of more stations due to digital radio and the powers in the Communications Act 2003 to allow commercial radio stations to merge, the BBC's share would have gone down considerably by this stage. To an extent, the BBC is embarrassed by its success. The situation reflects not only the decline in the independent sector's advertising revenue, but the sector's lack of ambition. The programming on many commercial stations is in exactly the same format.

The Commercial Radio Companies Association has a case to make, but sometimes it overstates it. For example, its briefing for today's debate says:

> "Radio 2 has refocused towards younger listeners."

BBC Radio 2 has changed in recent years, so I wondered whether the allegation that it had suddenly abandoned the middle aged and elderly of Britain and gone for 15 to 24-year-olds was true. The audience of Radio 2 is very homogenous. The average age of listeners to Terry Wogan is 52, as is the average age of listeners to Jeremy Vine. The average age of listeners to Jonathan Ross—we have heard about him—is 52, and the average age of listeners to Steve Wright is 50. That makes me feel like a young man again.

Radio 2 has innovated and has a broad range of programming. Radio 1 and Radio 2 play much more original music than the commercial sector and have a much richer range of programming. We have heard about the importance of involving youth in the BBC and the media. "Newsbeat", which is broadcast on BBC Radio 1, is the news programme that attracts more 16 to 24-year-olds than any other, as it has done for many generations. In debates in previous Sessions, Conservative Front-Bench spokesmen talked about privatising BBC Radio 1 and Radio 2. I am glad that we have not heard such comments today. Such privatisation would be a shame, not least for the commercial sector, because unless the advertising market expanded by 25 per cent., many existing commercial stations would lose out.

Let me say a word about the contribution of the independent sector to BBC radio. I am pleased that

BBC radio is committed to more than doubling the proportion of hours that it will guarantee to independents. It says:

"The floor will move from around 2,600 hours at present to 7,300 hours by 2007/8".

Although the outsourcing of television programmes to independents has been successful, it is more difficult to outsource radio programmes. Part of the reason for that is the fact that the independent sector is still developing in the radio market and much of radio is live. It would probably be difficult to outsource a lot of programming on BBC local radio, which is one of the jewels in the crown of BBC radio that reaches all our communities. Indeed, there might be cost advantages in keeping programming in-house, and I am pleased that the BBC is addressing the matter. Some radio sport coverage is being outsourced. For example, the coverage of grand prix has been outsourced this year for the first time.

I hope that the Government will continue to value both the international BBC World Service, which, as we have heard, has record audience figures, and BBC radio itself. I am pleased that it looks as if we will have much-needed competition from the commercial sector on speech radio for the first time. If Channel 4 successfully gains digital space, it will be good for the BBC and will probably reduce its 56 per cent. share of the market slightly.

I conclude by saying a word about BBC Sport and the importance of having a well-funded BBC to take on subscription TV in particular. It is a joy in Britain that all the World cup matches are available on BBC or ITV, unlike in Germany, where half are on subscription TV, or in Spain, where more than half are on subscription TV. That is not an accident but the result of an intervention in the broadcasting market, as a result partly of a desire to show the crown jewels of sport, of which the World cup is one, and partly of the fact that we have a sufficiently funded BBC licence fee, so that it can compete in the market and secure such rights. Is not it a joy, Mr. Deputy Speaker, to watch some of the games without adverts? Is not it a joy that every pub and restaurant in London can put up a TV and everyone can watch them? Is not that a contrast with cricket, which is only shown on subscription TV and has only 200,000 viewers on Sky? Long may the BBC have a sufficiently funded system so that, according to the old adage, it can make the good popular and the popular good.

3 pm

Pete Wishart (Perth and North Perthshire) (SNP): I shall confine my remarks to the future of the BBC as it applies to Scotland, which is perhaps not unsurprising. It is fortuitous that we are holding the debate because I do not think that the BBC has ever been as irrelevant—it is almost approaching irritating—to the people of Scotland as it is now. It might surprise a few hon. Members to know that the vast majority of viewers in Scotland do not want or require an early update on the progress of Wayne Rooney's foot or Michael Owen's knee. Sometimes we like watching our football games with the real World cup contenders—the Argentinas, the Netherlands and the Portugals—without constant reference to the English football team. Perhaps at half-time we could get an analysis of the game that we are watching, not some extended update about the progress of the England team. All that is fine for English Members—it is great that they are getting that; it is fantastic, right and appropriate—but Scotland does not need the commentary on another nation, but that is exactly what we are getting.

We can use the red button on our remote to get different BBC commentaries, but they range in their support for England from the mildly hysterical to the apoplectic. The button that we in Scotland are using more and more is the volume button to turn down some of that nonsense.

While that is merely irritating, it starts to get a bit more serious when it comes to news coverage, which is increasingly irrelevant to public life in Scotland. The crux of all that is the need, desire and real requirement for a Scottish 6 o'clock news that will adequately reflect Scottish public life and political life post-devolution, with our own Scottish Government.

The history of that campaign has been protracted and is one of the greatest stories of political subterfuge in the past few years. We witnessed the actions of the former director general, John Birt, who took it upon himself to make it a political mission to stop the "Scottish 6" happening. He saw it as a great threat to the Union of the United Kingdom. To support his cause, he involved the most powerful allies he could, including the Prime Minister. John Birt is clear in his autobiography what he got from him. He went to the Prime Minister, who was quick, as ever, to grasp the case. "Let's fight," the Prime Minister said. He of course enlisted the help of Peter Mandelson, who at the time was Minister without Portfolio, and his most trusted aide-de-camp, and he worked with the BBC on a plan of action to stop the "Scottish 6".

That was later confirmed in the diaries of Lance Price when he recorded on Friday 30 October 1998 that

"John Birt has been in touch. He wants to stop BBC Scotland doing their own six o'clock news on TV and wants help leaking a survey showing most Scots don't want it."

It was collusion at the highest level between the Government and the BBC to stop a "Scottish 6". That is the campaign that the "Scottish 6" was exposed to. It is entirely at odds with the commitment in the BBC's royal charter. It is intended to be an independent corporation. That is why it remains such a hot issue. Most recently, the new director-general of the BBC once again ruled out a "Scottish 6", saying that there was no clamour in Scotland for such a service.

Mr. Devine: The hon. Gentleman says that that is a hot issue in Scotland. I have been an MP only since October, but I have never had one letter or heard from one constituent, one friend or one individual on the subject.

Pete Wishart: The hon. Gentleman has obviously not engaged in debate in Scotland on that. It is supported across the political spectrum, not just within political parties, but in civic society as well. There is a determination that a "Scottish 6" is a requirement. Opinion polls clearly show that the majority of the Scottish people want it. Let me assure him that come the run-up to the next Scottish parliamentary elections,

[Pete Wishart]

we will hear a lot about the future of Scottish broadcasting. We believe—this is fundamental and important—that we require our own broadcasting in Scotland to develop the talent in our creative industries. There is a great source of people working within the television sector in Scotland.

Concessions were given. We were denied the "Scottish 6", but were given "Newsnight Scotland"—a 20-minute opt-out at the end of "Newsnight". Some of my less charitable colleagues refer to it as Newsnicht, but it has been supremely successful. It has more viewers than the traditional UK-wide programme. People are tuning into "Newsnight Scotland"—

Chris Bryant: People in Scotland.

Pete Wishart: Yes, of course.

Those viewing figures are reflected across the spectrum, whether it is "Reporting Scotland" or the ITN version. People are turning on and tuning in to see Scottish news coverage because they believe that it is important that their national life is seen on the television.

It is a challenge to the BBC. Why does it not accept that? I have written to Scottish Television to say, "Get ahead of the BBC on this one. If you provide a Scottish 6 o'clock and 10 o'clock news service, you could steal a march on the BBC. Grasp the thistle. Go for it, Scottish Television." It would find that it could probably steal a march on the BBC by securing the viewers for the rest of the evening.

Furthermore, we can do that on radio. We have the supremely important and successful "Good Morning Scotland" programme, which competes very effectively with the "Today" programme—in fact, it beats it in terms of listeners. They want a diet of Scottish news in the morning and it had some 11.2 per cent. of audience share in Scotland in 2004. The question has to be asked: if we can do that so successfully on radio and corner such a large share of the market, why can we not do it on television?

We then have to ask: what do Scottish viewers get out of the 6 o'clock and 10 o'clock bulletins? Aberdeen university asked that question, researched it, and came to the depressing conclusion—not very much at all. Just 2 per cent. of stories on the 6 o'clock news network could roughly be called Scottish compared with 34 per cent. of those that could be considered English. It found that there was probably 10 times more English cricket on the BBC 6 o'clock news than there was Scottish politics. We are constantly served a diet of irrelevant news stories, which headline the 6 or 10 o'clock news. They are to do with English health, English education or English criminal justice, which have nothing whatsoever to do with the Scottish people. In fact, they are as irrelevant to the Scottish people as the health and education policies decided by the French Government.

The people of Scotland pay their fair share of the BBC licence fee and are right to demand that BBC programming reflect their interest on an equally fair basis. There is at least recognition—*[Interruption.]* Does the Under-Secretary of State for Scotland want to intervene?

The Parliamentary Under-Secretary of State for Scotland (David Cairns): No.

Pete Wishart: There is recognition at last by some of the people and players in the BBC. The former national governor for Scotland said that there was "some way to go" in the BBC

"to properly reflect the devolved nature of Scotland in national programming."

Michael Grade at last recognises that there is

"an imbalance and a lack of sensitivity"

towards Scotland in the BBC's coverage of the UK in its national news bulletins. Quite, Madam Deputy Speaker.

It is not just in the core areas of news and sport that Scotland is short-changed by the BBC. We are told that the new licence fee—the massive inflation-busting hike—is to pay for all the new interactive services that are supposed to be put in place, but many of my constituents cannot access the new digital services. However, they will be asked to pay an increased licence fee.

We have also looked at the disparity of what is collected in Scotland through the licence fee and what we are given back in return. In 2003-04, the licence fee raised was £2.798 billion, of which the Scottish 8.5 per cent. pro rata contribution was £246.2 million. However, Scotland has 9 per cent. of all UK households, suggesting that the licence revenue from Scotland could be as much as £251.8 million. In contrast, BBC Scotland's income was a mere £160.4 million, of which £10.1 million came from external sources. Under the current arrangements, Scottish broadcasting expenditure is £32 per person. If the full revenues were realised, Scotland's figure could be up to £50 per person.

If we compare like-sized countries throughout Europe—comparing Scotland to, say, independent Ireland or Denmark—it is clear that less money is spent and fewer jobs are created in Scotland's creative sector. RTE in Ireland, for example, employs 2,169 people and DR in Denmark employs 3,464 people. That compares with 1,427 employed by the BBC in Scotland. Clearly Scotland is getting a poor return from its licence fee contribution under the devolved settlement, in which broadcasting remains under the control of Westminster and the BBC is controlled from London. If every pound paid by Scottish licence payers were reflected in jobs, Scotland would see an additional 690 broadcasting jobs for no additional cost.

A distinctive BBC in Scotland is now absolutely required to allow us to promote our indigenous culture and to portray Scotland to the rest of the world. A distinct channel would be our window to the world, reflecting our people's priorities and playing an integral part in everyday Scottish life. By establishing a sustainable television industry north of the border, high-value jobs would be created, boosting our economy and offering opportunities for the skilled media graduates. The charter review provides an opportunity to go down that road, making the BBC in Scotland truly autonomous, giving Scotland control over its broadcasting, increasing the capacity in Scotland and ensuring that the BBC in Scotland reflects the cultural life of our nation.

Several hon. Members rose—

Madam Deputy Speaker (Sylvia Heal): Order. There is already a time limit on Back-Bench speeches, but I notice that the time left for this debate is getting shorter, so perhaps Members would like to reduce their comments and then more might be successful in catching my eye.

3.11 pm

Mr. Michael Wills (North Swindon) (Lab): I will take heed of what you have said, Madam Deputy Speaker.

I start by declaring an interest. In my previous profession as an independent television producer, I benefited from BBC commissions and suffered from its management.

There has been agreement on many things across the Floor of the House in this debate. Of course the BBC must be efficient; of course any increase in the licence fee must be justified; of course the management of the BBC must be transparent; and of course the BBC must not crowd out competition in a very fast-moving industry. There is general agreement, too, that the BBC is an excellent national institution of which we can all be proud—but I am concerned that there has been relatively little discussion this afternoon about the source of that excellence: the people who work in the BBC. It is no accident that the BBC is so excellent. Good broadcasting and communications are the product of training and experience in a centre of excellence, and the BBC is the major source of that for the entire industry in this country.

Any efficient market must operate within an infrastructure that is often not provided by that market. That is the case in broadcasting and other communications industries, and in this country the BBC is the major source of that infrastructure. For generations it has acted as a centre of excellence, training some of the brightest young people in this country and giving them the experience of making programmes—letting the talent flourish in a secure environment. That is largely as a result of the existence of the licence fee. We would be very foolish indeed to do anything that jeopardised that centre of excellence, because it fertilises the entire industry.

When we talk about crowding out, unfair competition and everything else, I hope that Members will remember that it is the BBC that enables the market to work so well by providing the talent and training the talent that everybody needs. When we consider the public value test and the market impact assessment, I hope that we will also remember the role of the BBC in providing the infrastructure. When we look at the independent sector—not much has been said today about its role; I speak as a former independent television producer—I hope people will not be deceived by any belief that it can provide the breadth of training and expertise that the BBC can provide.

Of course the independent sector has a role to play—I was grateful in my previous life when that role was extended, as I benefited from it—but we should not go too far. It is an ephemeral and polarising industry, which is highly segmented and driven by very short-term considerations. It cannot take the long-term perspective or train people and give them experience in programme making as the BBC does across the piece. Many hon. Members have today rightly characterised the industry as fast moving, and we cannot preclude the BBC expanding into such areas in order to provide the experience and expertise necessary to fertilise the industry as a whole.

I hope that when we consider the motion we will reflect carefully on how the Government have tried to balance all those different perspectives. It is a very difficult job. My hon. Friend the Minister made a cogent and compelling argument for why the Government have taken the approach that they have. They have the balance right; their approach will enable the BBC to continue to flourish as that centre of excellence and as an organisation that will give the country the talent that it needs for the creative industries to flourish. I therefore hope that the House will vote against the Opposition motion.

3.15 pm

Mr. Edward Vaizey (Wantage) (Con): I am grateful for the opportunity to participate in the debate, and to follow the hon. Member for North Swindon (Mr. Wills), who, as he said, benefited very much from the largesse of the BBC—and also did his bit to support the career of my hon. Friend the Member for Surrey Heath (Michael Gove) when he was a journalist.

I share the hon. Gentleman's point—indeed, I was going to make it myself—about the cross-fertilisation of the BBC and the private sector, but with the greatest respect to him, his experience is based on broadcasting and programme making, and the problem that I want to address in my remarks is the enormous expansion of the BBC into areas where hitherto it has not had a role. That expansion has been driven by new technology. There are those who advocate that the BBC should certainly be playing a role in those new areas, but the House must be aware of the hugely damaging impact that the BBC's expansion might be having on creative industries in those new areas. I certainly take on board the point that, as Salford media city gets under way, the BBC will act begin to as a pump primer for many new technology industries, but I want to put the other side of the case, about how it could inadvertently undermine some successful private companies in this country.

In the debate in the other place on the House of Lords Select Committee report on the media, the Government spokesman said that the BBC had to operate in a market without strangling or unduly compromising the competition, and I agree with every word. It is welcome that the Government recognise the importance of scrutinising the BBC in that area. However, the power of the BBC has increased, is increasing and ought to be diminished. In some areas, the BBC is becoming the Roman Abramovich of the content-broadcasting digital world. It has a huge amount of financial muscle and can quite easily outspend its competitors.

Mr. Wills: The hon. Gentleman is generous in giving way. I accept his point, but he characterised me wrongly. I accept that the BBC can crowd out new industries. Indeed, as an Education Minister I fought unsuccessfully to try to prevent it from doing just that in one sector. Does he agree, however, that it is important that the BBC is in such areas, partly to provide the pool of talented people who can if

[Mr. Wills]

necessary leave the organisation to set up creative industries in this fast-changing world?

Mr. Vaizey: I certainly agree with the hon. Gentleman, although I would add that the BBC is now drawing on a pool of talented people who gained their experience in the private sector. There is cross-fertilisation—and the BBC's role in education is precisely what I want to talk about.

Earlier in the debate, the hon. Member for Cannock Chase (Dr. Wright) said that the BBC was crowding out the private sector because it was driving out mediocre and bad firms. I am very much looking forward to writing to the chief executives and employees of the two firms to which I am about to refer, which are being crowded out, to let them know that a senior Labour Back Bencher considers them to be mediocre and bad people.

The two companies that I am thinking of are RM plc in my constituency—a classic British success story, which was started 30 years ago by two graduates and now employs 2,000 people—and Harcourt Education, part of the Reed Elsevier group, which is based just outside my constituency and employs many people. Both of them, as the hon. Member for North Swindon is aware, are successful providers of educational software, but they face a significant threat from BBC jam. We could have a separate debate on BBC jargon and names, but BBC jam—formerly the BBC Digital Curriculum—provides a broadband learning service for five to 16-year-olds. It was launched in January 2006, after extensive consultation and approval by the DCMS in January 2003.

At the time the industry warned that BBC jam would be anti-competitive, and would threaten the existing commercial market and drive out innovation and diversity. To their credit, the Government accepted that argument, because the DCMS said that

"the proposal would have had a significant: impact on the market, potentially disproportionate to the evident public benefit, in the absence of measures which would prevent such an impact".

To mitigate that impact, the Government set out 18 conditions, the fourth of which stated:

"The service must innovate continually, and exploit the extensive archives of the BBC and its media-rich resources, and promote technological and pedagogical experimentation. The service, taken as a whole, should be distinctive from and complementary to services provided by the commercial sector."

Hon. Members will not be surprised to learn that people who know the service well do not think that the BBC has exploited its extensive archives, or provided a complementary service.

In summer 2005, the content advisory board wrote to the BBC expressing concern about the development of BBC jam, and questioned whether the service complied with the fourth condition. That board was set up by the Government, and its members include officials from the Department for Education and Skills, the Department for Culture, Media and Sport and the Department of Trade and Industry. DCMS approval for BBC jam included a requirement that

"the BBC...work closely with the...Content Advisory Board".

In summer 2005, the board recommended that BBC jam be subject to immediate review to address the question of whether it had complied with the fourth condition. In February 2006, however, Lord Adonis, a Minister in the Department for Education and Skills, rejected that recommendation. On 7 March, in a written answer to a question that I had tabled, he confirmed that it was "too soon" to review the service.

BBC jam will be launched in full in September 2006. Industry sources estimate that its advertising budget is £3.5 million—three and a half times the advertising budget of its nearest private sector competitor. That figure does not, as far as I am aware, include the promotion and cross-fertilisation of programmes in the BBC family—a practice that has become all too prevalent. Should we be worried that a big beast has moved into the sector? On the surface, the BBC is about to offer primary schools free broadband digital content. That sounds fantastic, but in fact that content is not free, because it costs the taxpayer £150 million a year. If the service is successful, it will be at the expense of jobs, opportunities and innovation in the private sector, and it will damage leading global businesses in the UK.

The provision of educational software to schools is not simply a matter of sending a pack to schools, because the companies that I have mentioned have enormous experience in the field, and work extremely closely with schools and other organisations to provide technical support, know-how and training for teachers. The BBC, however, is in danger of creating a monopoly. It has blundered into the area without careful thought, simply because it has the money and resources to do so. That small example, which is close to home as it affects my constituency, is symptomatic of the new BBC. People who worked for the BBC used to be prepared to accept lower pay in return for greater job security and a better pension. Now, however, people who work for the BBC earn as much as people in the private sector, if not an astonishing amount more. The salaries received by Jeremy Paxman and Jonathan Ross are not simply a matter of tabloid tittle-tattle, because they go to the heart of what is happening in the new BBC. As a matter or urgency, the Government should make the BBC publish a list of salaries, as they are another example of BBC largesse distorting the market.

There has been extensive discussion of the BBC's coverage of the World cup. That, too, is an example of its largesse, as it has three times as many technicians and reporters in Germany as ITV. The BBC has therefore not made the case for an enormous increase in the licence fee.

In conclusion, we should look at the role of the private sector in public service broadcasting. There is false consensus that the BBC alone can undertake public service broadcasting; if it does not operate in a particular field, it is thought, a public service is not available. I bumped into the broadcaster Henry Bonsu two days ago. He left the BBC to set up a radio station for a black audience, because the BBC thought that a black audience wanted only music and entertainment, when in fact it wanted talk, politics, debate and discussion. He has set up a digital station—Colourful on the Sky platform—thus providing public sector broadcasting that does not cost a penny of taxpayers'

money. I hope for his sake that he is not too successful; otherwise in a year's time the BBC will set up a rival and drive him out of business.

3.26 pm

Laura Moffatt (Crawley) (Lab): I am delighted to participate in our debate and intend to be brief so that another Member can contribute.

I congratulate commercial broadcasting organisations throughout the United Kingdom, and not just Scotland. In the spirit of the contributions from the hon. Member for Wantage (Mr. Vaizey) and my hon. Friend the Member for North Swindon (Mr. Wills), I shall consider whether the BBC contributes to the well-being of broadcasting and whether there is cross-pollination. We have excellent commercial broadcasting, simply because of the existence of the BBC, which drives up standards. In our debates, we must focus on transparency and the cost to licence fee payers while supporting the BBC and the innovations that it hopes to achieve.

The White Paper on the BBC outlined clear pathways in respect of what the BBC is about, which is high-quality programmes that are challenging, original, innovative and engaging. Those are qualities that we can all sign up to, and they offer a clear opportunity for the BBC's future. In the few years preceding the White Paper, we began to wonder about that future, but I firmly believe that this debate will demonstrate that it is very safe.

I well remember that a constituent of mine, Mr. Wheeler, launched a one-man campaign to get himself on to the BBC board of governors, because he was very concerned about its lack of openness and transparency. He had an absolute hatred of the irritating little logo that appears in the corner of the screen from time to time—many Members present probably share that view—often in the middle of an important programme. Mr. Wheeler will greatly welcome the new plans for the BBC, because they very much involve what he was looking for: a champion and a proper voice for licence fee payers, to ensure that there is no muddling of their views.

We may not be actually pleased to pay the licence fee, but, as with most of the bills that we receive, we know that we have to. However, we have to make sure that it is worth paying, and this debate is about ensuring that we understand that point. We must keep a careful eye on the most vulnerable groups, who may have difficulty paying their fees. Although this point does not relate strictly to the BBC, I sincerely hope that we will look carefully at the criminalisation of licence fee payers. I do not believe that people should not pay the licence fee simply because they cannot be bothered, or because they do not think that they need to, but we should take a genuine look at those for whom paying is a major problem.

The problem with today's debate is that the biggest issue in broadcasting has not been raised: the demise of "Top of the Pops", which is a very serious matter. Looking around the Chamber now, I see quite a few Members who must have watched the show at a particular time. However, although its demise is sad, I completely understand the reason for it. This is an opportune moment to reflect on its demise and to realise the difficulties that the BBC faces. For many of us who grew up in the 40 years since it was first broadcast, "Top of the Pops" was the only way to get to know exactly the sort of music to listen to, and who was fashionable and what they were wearing. Young people today have a very different panoply of media to go to, which demonstrates the challenges facing the BBC.

I have noticed that there is a growing interest in podcasting. It is now possible to get John Humphrys on tap; to be frank, that would not be heaven for me, but it is a different way of using our media. We need to respect and understand why the BBC has to change, and why Members of Parliament need to take a close interest in these issues on our constituents' behalf. I hope that the Minister will say a little more about the question of Members consulting constituents on these issues, because we are interested in their views and want to put them forward. We also want the BBC to thrive and flourish.

3.32 pm

Mr. Philip Dunne (Ludlow) (Con): It is a pleasure to follow the hon. Member for Crawley (Laura Moffatt), and I congratulate her on bringing the passing of "Top of the Pops" into this debate. She is right say that that illustrates that programming has to change and evolve regularly. It is extremely rare to find a BBC programme that has endured as long as "Top of the Pops", and personally, I see its passing as a sad reflection of my advancing middle age, as much as anything else.

In the time available to me, I should like to touch on a few points, the first of which is the size of the licence fee. The Minister said that the Government were going to take time to get it right and that the proposed increase would not be excessive. I regret to say that he did not tell us the criteria by which that increase will be judged, or the methodology that the Secretary of State intends to use in arriving at the eventual figure. The Minister did claim that the licence fee had declined as a percentage of household income in recent years—I think that that was the comparison he made; I fail to recall exactly what period he was referring to—but that is not a very spectacular claim when the cost of media hardware and software has been falling around the world. It is because costs have been coming down, thanks to technological advances, that there is such a proliferation of alternative outlets for media use, so there is no great argument over whether the licence fee, as a proportion of household income, should be coming down. By definition, it should be, so such a decline is no justification for the above-inflation increases that the BBC is proposing.

Why should the BBC get the generous settlement that it seeks for the next seven years? It is looking for twice inflation, guaranteed for seven years. In the context of any other economic endeavour, that would be extraordinary. Across the commercial sector, any sector would be delighted to have a guaranteed source of income of twice inflation during an era of rapid price deflation in most of the markets in which it operates.

Let us compare another sector, the water industry, which is subject to regulatory oversight by a regulator, Ofwat. Water bills are affected by the K factor. In the first years after the water industry was privatised, that meant inflation minus a K factor. Subsequently that has changed to a positive K factor, but not to the level sought by the BBC. All that took place when the water

industry had an enormous capital expenditure obligation to fulfil each year to renew its decaying pipe infrastructure, which had been in significant decline. Can the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Tottenham (Mr. Lammy) tell us what comparators the Government will use when they come to set the licence fee?

In an intervention on the Under-Secretary of State for Culture, Media and Sport, the hon. Member for St. Helens, South (Mr. Woodward), I raised the issue of transparency. I very much welcome the pledge given by my hon. Friend the Member for East Devon (Mr. Swire) to bring the BBC within the remit of the National Audit Office under the next Conservative Government and to allow the Public Accounts Committee to scrutinise all spending of the licence fee, and not just by permission. I was disappointed by the Minister's reaction. He was signally unable to give a single example to support his contention that that would mean some undermining of editorial integrity. I will take up his generous offer and write to him, to give him an opportunity to explain what he has in mind.

There is no doubt that as technology constantly evolves and the outlets for BBC output expand, there is a need for regulatory oversight of this increasingly substantial amount of what is effectively a tax, as we have heard today. That in itself justifies the full scrutiny powers of the National Audit Office.

I shall touch briefly on two aspects of what the licence fee should cover. The Minister spoke about digital switchover. It is appropriate for the BBC to have a responsibility to secure coverage for those who are paying for the service. I raise the matter with an eye on my constituency and my own household. At present, analogue access is poor on both sides of the Welsh border, including in my constituency in Shropshire, where many households, including my own, do not receive a clear signal through an aerial. *[Interruption.]* From a sedentary position, my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) includes Shrewsbury in that category. I am sure he is right. In my home it is not possible to receive BBC Radio Shropshire either, because of the topography.

At present, I understand, there are no plans for the digital signal to expand its coverage when the analogue signal is switched off. It is entirely reasonable that part of the increase in licence fee should be used to bring TV coverage to people who are paying their licence fees, so that we achieve .100 per cent. coverage. It is extraordinary in the 21st century that we are proposing a new system of technology that does not allow for universal coverage.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP) *rose—*

Mr. Dunne: If the hon. Gentleman will excuse me, I have very little time.

On the second service aspect, Labour Members referred to the pilot local TV service that has been introduced in the west midlands, covering six counties, including Shropshire. For hon. Members who are not familiar with it, the service provides a 10-minute per hour magazine-style feature of four to six packages. It is a high-quality service, as one would expect from the BBC. It is welcome to those of us who occasionally feature on it and, I assume, to those who are able to view it.

The service is of considerable concern to the commercial media outlets. Representations have been made by local newspapers in particular, whose revenues are under pressure from the decline in advertising revenues, about which we have heard. It is important that a market impact assessment be undertaken on the impact of the local TV service before we find ourselves setting up a tax-funded monopoly that crowds out other local outlets.

3.39 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It will take me about one minute to express my thoughts.

I am glad that we are having this debate, although I am curious about where the Secretary of State is today, because we have still not had a response from the Government on that front.

We are all products of the BBC, which I grew up with. One of my heroes was Brian Cant on "Playschool", and I am sure that everyone was moved when John Noakes's dog died on "Blue Peter". I also remember when "Nationwide" flummoxed us all by giving us the impression that spaghetti grows on trees. We take an interest in the BBC not only because we are taxpayers, but because it has been part of our lives throughout the past few decades.

Why has the National Audit Office been ruled out of having an accounting profile in looking after the BBC? The Minister was asked twice to give an example of when the editorial content of the BBC would be challenged if the NAO were to play a role.

Although the debate has been thorough, we need another, because we have identified more questions than answers. I hope that the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Tottenham (Mr. Lammy) will reflect on some of those questions when he winds up. We still do not know how the trust will be made up, how accountability will be established, why the NAO will not have a role or who will pay the spectrum charge.

Time is running out, but I hope that we will have more opportunities to debate this important aspect of British society.

3.41 pm

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): My hon. Friend the Member for Bournemouth, East (Mr. Ellwood) has summed up our proceedings this afternoon by pointing out that the debate has raised more questions than answers. Judging by the list of speakers, the debate has been popular, and it is regrettable that they had so little time because the Minister took nearly an hour of Opposition time at the Dispatch Box.

Mr. Woodward *rose—*

Mr. Moss: No, I will not give way. It is normal courtesy for the Minister who is leading on an Opposition day to say why the Secretary of State is not present.

The Minister has said that the BBC will get the settlement that it needs to deliver public service broadcasting—a sentiment with which we can all agree—but without proper debate the charter review and licence fee settlement will not enjoy universal or even majority support. He boasted of the unprecedented consultation conducted by his Department, but are the Government and the BBC actually listening? We cannot have a proper debate without openness and transparency, particularly in the definition of what actually constitutes public service broadcasting and in the detailed scrutiny of the figures and planning assumptions behind the BBC's application for an unprecedented increase in its licence fee.

Indeed, the Minister seems miffed that we have called the debate, which was warmly welcomed by my hon. Friends the Members for Shrewsbury and Atcham (Daniel Kawczynski), for Wantage (Mr. Vaizey) and for Maldon and East Chelmsford (Mr. Whittingdale) and the hon. Members for Bath (Mr. Foster) and for Eccles (Ian Stewart). It is no argument to say that the Government are calling a debate on the BBC next month, because that debate will cover only charter renewal and not the licence fee.

My hon. Friend the Member for East Devon (Mr. Swire) has already mentioned the DCMS website, but the Minister failed adequately to deal with his point. The section of the DCMS website entitled "BBC charter review" states that the charter review is expected to be completed in mid-2006. It also states:

"Mid 2006 Licence Fee level agreed"

and—this is the crunch point—

"Mid 2006 Parliamentary debate on Charter and Agreement."

In other words, both the charter and the licence fee were expected to be on the table for next month's debate.

On 6 June, however, the Secretary of State, who was speaking to the all-party group on the media at a Channel 4 bash, said that the decision would be made towards the end of the year. Why did the media section of *The Guardian* state that that comment scotched speculation that a deal might be concluded before Parliament goes into its summer recess? The "speculation" was on the DCMS website. Mid-2006 does not mean October and November, but June and July—when Parliament is sitting, not when it is in recess.

The DCMS website gives the game away. Something has happened between the publication of that and what the Minister said today and the Secretary of State said at the drinks bash the other evening. The real reason is that the DCMS has been rocked by criticism from the independent commercial sector. The PKF report commissioned by the Department, which is yet again mired in an ongoing difference of opinion with the Treasury, concluded:

"there are a number of areas which point towards a significant need for discussion in regard to the BBC's Red Book bid for the licence fee settlement for the next period. We consider that our detailed report contains specific information for the Government to progress discussions with the BBC which would point to a lower settlement than currently sought. There are, however, a number of areas, especially in relation to digital switchover, where figures can only be finalised following policy decisions by Government".

In his excellent opening speech, my hon. Friend the Member for East Devon called for several questions to be answered. We need proper scrutiny of the BBC through the National Audit Office, not the voluntary scheme that we have at the moment. What is the point of the NAO being told by the BBC when it can and cannot look into financial matters? The Minister said that the NAO should be involved in licence fee negotiations. Perhaps the Minister who responds could clarify what he meant by that. He said that there could be an attack on editorial independence, but he did not answer a straight question and give some examples of what he meant by that.

Will the Minister confirm at the Dispatch Box next month, when we have the debate on the charter review, that all the figures featured in the Government's negotiations with the BBC will be public and transparent so that everyone can see what is going on? There has been a powerfully expressed view in the media that the bid offered by the BBC in October 2005 requesting the RPI plus 2.3 per cent. settlement presents no more than a superficial wish list of spending demands that is not grounded in adequate evidence or justification. The House of Lords Select Committee on the Review of the BBC Charter said that the BBC's costings were

"rudimentary and could be significantly reduced...the BBC has admitted that the figure in the bid was based on the easiest calculation possible rather than on a real estimate of how best value could be provided."

The PKF report found that

"costings used to support the investment programme are generally best estimates...in the past five years...the BBC...has delivered only marginal cash releasing organizational efficiency savings".

Several Members pointed out that the extra money going to the BBC in future might distort the marketplace and stifle innovation. My hon. Friend the Member for Maldon and East Chelmsford said that it would crowd out competition and asked why Ofcom will have only a limited input in looking into BBC practices. According to the way in which the charter review is worded, the BBC Trust will act as both poacher and gamekeeper. Licences for online services seem to be lumped together whereas, as several hon. Members have said, each online activity should have its own specific licence.

A report published last month by the consultancy, Indepen, commissioned by ITV, said that the BBC's bid risked fuelling "super-inflation" in the recruitment of on-screen talent. It also claimed that the proposed above-inflation rise in the licence fee would hit lower-income families harder and contradicted the BBC's claim that the cost would fall as a percentage of disposable income.

I have had only 10 minutes and there is much more to say, but I need to leave 10 minutes for the Under-Secretary's winding-up speech. It is a pleasure to see the Secretary of State in her place. However, it would have been far better if she had been here at the start to deal with the Government's lack of response on the subject.

3.49 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): The debate has been stimulating, and pre-empts the debate

[Mr. David Lammy]

that we scheduled for next month. Some constructive—but also not so constructive—contributions were made on a range of issues.

During the charter review, we found a great appetite for discussing the BBC among the range of stakeholders and the public. It is clearly one of the nation's most trusted and loved institutions, which touches the lives of almost everyone in the country. That appetite has been reflected in the breadth of debate today and the wider parliamentary and public discussion that has taken place in the past two and a half years. Hon. Members will have another opportunity to debate the new charter and agreement in full. That will provide further openings for hon. Members to make their points.

The policies in the White Paper that are given life in the new charter and agreement provide for a strong BBC, independent of Government but accountable to licence fee payers. They provide for a BBC that will co-exist with a vibrant and dynamic commercial sector, which is the envy of the world. They also provide for a BBC that can continue to fulfil its role as a trusted guide, bringing the benefits of new technologies to audiences.

The BBC has always played such a role, from the earliest days of radio, to black-and-white and then colour television, to FM radio, digital television and radio and the internet. We have much for which to thank the BBC. In many ways, it has grown the market. That is why I do not agree with the hon. Member for East Devon (Mr. Swire), who contests the idea that Mark Thompson should be ambitious to ensure that the BBC competes with the best in digital and online services.

We have heard a great deal today from Opposition Members, especially the hon. Members for East Devon and for Maldon and East Chelmsford (Mr. Whittingdale), about a lack of parliamentary involvement in setting the licence fee. As my hon. Friend the other Under-Secretary set out in a compelling case, apart from the fact that Parliament has the right to object to changes in the licence fee, the process so far has been characterised by an openness not previously experienced under any Government. I remind Conservative Members that since the BBC's inception, most charter reviews have been conducted under Conservative Administrations. There has been more openness under the Labour Government than ever before.

The public have told us that they do not want Parliament to have more control than it currently has. That raises wider issues beyond the scope of the debate, but it means that the focus of the argument has been, rightly in the Government's view, on the public rather than the parliamentary sphere. However, in that context I pay tribute to the work of the Select Committee on the BBC Charter Review in another place, whose thorough scrutiny over a lengthy period has contributed much to the debate. I must not overlook the work of the Select Committee on Culture, Media and Sport, whose review in 2004, towards the start of the process of charter review, set the tone. We are especially indebted to my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman), whose characteristically robust approach was of considerable influence.

Today, my right hon. Friend set out, in an insightful and intelligent speech, the opportunities and challenges that the BBC and the media more widely face as technologies change. We agree that the BBC must be able to respond and even lead the changes, to stay relevant to licence fee payers. It is also important that the BBC should not stifle growth and development in the commercial sector. These principles are at the heart of the new charter and agreement.

The hon. Member for Bath (Mr. Foster) was supportive of the new arrangements to the extent that he agreed that we should keep the licence fee. He also agreed about the role of—

Mr. Swire: Will the Minister give way?

Mr. Lammy: I will not give way, given the short amount of time that I have available.

The hon. Member for Bath agreed that—

Mr. Swire: Will the Minister give way?

Mr. Lammy: I said that I would not give way—

Mr. Swire *rose*—

Madam Deputy Speaker: Order. If the Minister is not prepared to give way, that is all that can be done about it.

Peter Bottomley (Worthing, West) (Con): On a point of order, Madam Deputy Speaker. For the benefit of the House, will you tell me whether I am right in saying that this debate does not have to finish at 4 o'clock?

Madam Deputy Speaker: That is absolutely right, but it is in the gift of Her Majesty's Opposition to determine when the debate finishes, and I have had an indication of when they wish that to happen.

Mr. Lammy: I want to reassure the hon. Member for Bath that the new trust will be a powerful body that will have ultimate responsibility to the licence fee payer, as defined in article 9.3 of the agreement. Hon. Members have raised the issue of the delay in the announcement of the licence fee, but we have never specified the date on which we would make that announcement. We have said that this is an important issue and that it is right that we think about it clearly and work with the BBC and others to get it right. We will make that announcement in due course—

Mr. Swire: Will the Minister give way?

Mr. Lammy: I have said to the hon. Gentleman—I hope that he can understand English—that in the four minutes that I have available, I will not give way. I want to deal with the points that all hon. Members have raised.

The hon. Member for Maldon and East Chelmsford raised the issue of the role of Ofcom and the BBC Trust in relation to the public value test. We recognise that Ofcom has a key role to play, in that it will provide the market impact assessments that will be an important element of the public value test. The hon. Gentleman says that he accepts that. The trust will be the body that is responsible for upholding the interests of BBC licence fee payers, so it is right that it should make the final decision about whether a new activity should go ahead. It must make such decisions

objectively, after consultation, and it must publish the reasons for its decisions. The hon. Gentleman also—

Mr. Swire: On a point of order, Madam Deputy Speaker. I am left with no alternative but to raise a point of order as the Minister will not let me intervene on him. He has raised a number of points, not least on the delay in the announcement of the licence fee. As you have heard, this was announced by the Secretary of State—who has now honoured us with her presence—albeit at a drinks party rather than in Parliament. Neither she nor any other Minister has given any proper explanation as to why they were unable to attend this debate. I understand that the Secretary of State was at the lottery monitor conference this morning in London, but she was spotted at a nearby restaurant between the hours of 1 and 2 o'clock, when she could readily have been attending this debate to do her job—

Madam Deputy Speaker: Order. That is not a point of order for the Chair. The appointments of any Minister or any Member have nothing at all to do with the Chair.

Mr. Lammy: Thank you, Madam Deputy Speaker.

The hon. Member for Maldon and East Chelmsford raised the issue of the BBC's income increasing by £1 billion. Much of its additional income is due to its own efforts to reduce evasion and cut collection costs, which must be a good thing. Over the period, the range of services offered by the BBC has grown and licence fee payers and the public say that they support that.

My hon. Friend the Member for Eccles (Ian Stewart) gave an engaging speech about the importance of the BBC's move to the north-west to that region. Underlying his comments was his deep concern, as we would expect, with issues of social inclusion. We rightly welcome the latest indications from the BBC governors that they are serious about moving significant amounts of production to centres outside London. The governors' announcement on 15 June to give Salford preferred bidder status—

Mr. Patrick McLoughlin (West Derbyshire) (Con) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 218, Noes 288.

Division No. 269] **[4 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Mr. Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jackson, Mr. Stewart
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mr. Peter
Rogerson, Mr. Dan
Rowen, Paul
Ruffley, Mr. David
Russell, Bob

Salmond, Mr. Alex
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Williams, Hywel
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Andrew Rosindell and Mr. Crispin Blunt

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Ronnie
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jimmy
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda

Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Russell, Christine
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Usher, Kitty
Vaz, Keith
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woodward, Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Mr. Alan Campbell and Mr. Ian Cawsey

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MADAM DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes that the decision on the next licence fee settlement will represent best value and be announced in good time to take effect before the current settlement expires in April 2007; further notes that the decision-making process has been one of unprecedented public consultation and transparency and that the settlement should ensure a strong and independent BBC; further notes that the costs of switchover will be one of the considerations in setting the level of the licence fee; welcomes the strengthening of the arrangements for the National Audit Office's involvement with the BBC; and recognises that changes to the level of the licence fee are subject to Parliamentary scrutiny by the negative resolution procedure.'.

Planning

4.15 pm

Mrs. Caroline Spelman (Meriden) (Con): I beg to move,

That this House shares the concern of communities throughout the United Kingdom over the scale of residential development on garden land; recognises that the density and speed of such development can cause irreparable damage to neighbourhood character and cohesion; notes that the loss of garden land threatens urban biodiversity and environmental sustainability in towns and cities; further notes that garden land developments rarely exceed the threshold at which affordable housing must be provided and displaces the regeneration of derelict land; believes the official classification of garden land as brownfield to be inappropriate and misleading; and therefore urges the Government to amend all relevant planning guidance to remove gardens from the definition of previously developed land and thereby return decisions over proposed garden land developments to the discretion of local planning authorities.

I am grateful to the Secretary of State for Communities and Local Government for choosing to respond to this debate. A reshuffle always gives a Government the opportunity to revisit the effectiveness, or otherwise, of their policies. The creation of the new Department presents an opportunity for the Government to close a loophole in the planning process and put an end to the blight of inappropriate garden development.

After all, since there can be no personal suggestion of a U-turn on the part of the Deputy Prime Minister, few would criticise the new Secretary of State for wanting to put her stamp on the Department. What better way is there to do that than by reversing an unpopular and destructive policy?

I think that the Secretary of State knows, deep down, that the prioritisation of gardens for development is unfair to local communities and unsustainable for the local environment. She has intervened many times in her constituency to prevent such development from happening, as I have done in mine, and, like me, she may well have found her constituents being overruled by the Deputy Prime Minister. Her reason for getting involved might be the same as mine—that the present planning guidance is failing communities, which are powerless to prevent gardens and urban green spaces from being developed.

The planning guidance is also failing first-time buyers, who simply cannot afford the expensive apartments that are being built, and it is failing residents because there is a lack of supporting infrastructure. Finally, it is failing future generations, as they will have to live with the environmental legacy of the rush to build on our urban green spaces.

Michael Fabricant (Lichfield) (Con): My hon. Friend talks about our legacy, but does she agree that all hon. Members are the stewards of our nation's future? Cathedral cities such as Lichfield or market towns around the country represent everything that this country has to offer in terms of architectural heritage. The helter-skelter construction on gardens and other areas is destroying our neighbourhoods.

Mrs. Spelman: I thank my hon. Friend, and I commend to the House his article in this month's edition of *Town and Country Planning* magazine. His

[Mrs. Spelman]

defence of the city of Lichfield clearly demonstrates that he may have even more heritage to defend than other hon. Members.

I am trying to be generous, so I do not believe that the outcome of the planning guidance is the one that the Government sought. The problem has arisen because three separate elements—the classification of back gardens as brownfield sites, the prioritisation of brownfield land for development, and the density targets for new housing—have been superimposed on each other. It is the confluence of those policies that has created unprecedented levels of garden development.

Bob Spink (Castle Point) (Con): Does my hon. Friend agree that the proliferation of flats built as infill or on garden land is especially damaging to our communities, as it puts immeasurable stress on the infrastructure? The roads in the south-east are already too congested, and there is a much higher demand for water and for secondary school places.

Mrs. Spelman: My hon. Friend correctly anticipates the points that I plan to develop. I think that he will be pleased by what he hears.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): The hon. Lady mentioned three factors that she thinks are behind the pressures. Does she accept that people's expectation of greater space standards in their housing may also be a factor? What is her view about people who want to enlarge their existing home to build a conservatory or an annexe in their garden?

Mrs. Spelman: Under the Labour Administration, I am extremely concerned about people contemplating building an annexe to their home or a conservatory. With his expertise in local government finance, the right hon. Gentleman is probably only all too aware that such extensions are precisely the attributes of a home that his Government have every intention of incorporating as part of their council tax rebanding exercise.

Mr. Raynsford: Will the hon. Lady give way?

Mrs. Spelman: No, I want to continue.

The Government's amendment to our motion compares the situation in the 1980s unfavourably with the present, but according to a written answer of 23 May the proportion of residential development on previously developed residential land has risen—from 11 to 15 per cent. since 1997—and nobody in the Chamber can have failed to see the impact.

This debate is not an argument about whether we need more houses; the Government know that we have repeatedly said that more homes must be built. House building has not kept pace with changing lifestyles and demographics, and that needs to be remedied. We are debating where, how and what should be built.

Tim Loughton (East Worthing and Shoreham) (Con): Is my hon. Friend aware that something more insidious is going on in places such as Worthing and areas in the south? Developers are emboldened to offer premiums of at least 50 per cent. on the market value to the first house in a street of premium family homes. They then go next door and do the same deal, going as far along the road as possible doing the same thing. They apply for planning permission, which is turned down by the local council as the local planning authority, so they appeal. Their appeal is upheld on the basis of the Government's new density policies and a block of flats is built, with 30 or 40 new inhabitants and many extra cars, and the extra stress on the infrastructure causes havoc.

Mrs. Spelman: Sadly, I am not surprised by what my hon. Friend says. Such things are happening all over the country and, interestingly, are the subject of a BBC Online blog, where numerous correspondents file real concerns that are exactly the same as those he has just expressed. My only surprise is that the Government seem to have ignored those views and have stopped listening to the people who are voicing those real concerns.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Does my hon. Friend agree that the problems to which she refers, and which my hon. Friend the Member for Castle Point (Bob Spink) described in the south-east, exist all over the country—nowhere more so than in the royal town of Sutton Coldfield? Secondly, does she agree that it was a pity and a serious mistake for a Government Whip to object to the Bill proposed by my hon. Friend the Member for Tunbridge Wells (Greg Clark), which would have made a significant contribution to resolving the problems that she airs so well?

Mrs. Spelman: I share my hon. Friend's great concern about the way in which the Government's housing policy perversely results in the neglect of considerable tracts of land in the great city of Birmingham, which both our constituencies shoulder, in favour of the back garden development that has ravaged his constituency and mine. I echo his comments about the obstruction by Government Whips of an important private Member's Bill. I hope that it will not be similarly obstructed at its Second Reading on 14 July.

David Wright (Telford) (Lab): I am trying to work out the position of Conservative Front Benchers. If we are going to reduce housing density and develop only, for example, on the footprint of demolished properties in urban areas and not on back gardens, presumably, if the Conservatives are to meet our agreed house building targets, we will have to identify more land elsewhere.

Mrs. Spelman: If the hon. Gentleman reserves his judgment until I have made my speech, it will become quite clear to him where I envisage many more extra homes being built.

Mr. John Gummer (Suffolk, Coastal) (Con): My hon. Friend should not leave the point about why the Government are doing this. The Government know perfectly well that if they are to bring brownfield sites forward, they cannot make the cashback arrangements that the Treasury wants to get out of development. They have got to put their money where their mouth is. This is an excuse by the Government not to rebuild Britain on brownfield sites, because the Treasury wants the cash.

Mrs. Spelman: My right hon. Friend's considerable expertise in this area gives him an advantage over many Members in the Chamber in understanding what goes on in Government when such important strategic decisions are made. I will add one other note of scepticism: the incorporation of back gardens into the brownfield definition and the application of that through planning guidance have enabled the Government to come closer to their own set target for brownfield building. In the target-driven culture that we live in, that has furthered their own ends.

Several hon. Members *rose—*

Mrs. Spelman: I want to make a little more progress. I will take more interventions later.

Our discussion of where homes should be built could hardly be more topical, because today we had an announcement from the Government office for the south-east. It wants the house building target that was originally set to be increased by 60 per cent. I hope that the Government will understand why there is such deep concern in communities up and down the country about the way in which their housing policy, with its perverse incentives, is being interpreted.

Mr. James Arbuthnot (North-East Hampshire) (Con): Does my hon. Friend agree that one of the reasons why local communities feel so disempowered in the whole debate is the fact that decisions are being taken out of their hands? The decisions are being taken in Whitehall by people who do not know the area or the pressure on local communities.

Mrs. Spelman: My right hon. Friend is absolutely right. He is correct to point out that the Government's housing policy and the way in which power has been exercised has damaged trust in the planning system.

Mr. Frank Field (Birkenhead) (Lab): Like the hon. Member for Lichfield (Michael Fabricant), I represent a rather beautiful area. In the Birkenhead area, Wirral local authority attempts to get developments on the poorer sites along the river, but the developers want to go into the lusher areas of Prenton, Oxton, Claughton and Bidston. The local authority tries to defend its position of ensuring that development goes on in the poorest areas, but if the local authority does not agree with something, all those decisions are appealed and practically every case is lost. That is what is so wrong about the present set-up.

Mrs. Spelman: The right hon. Gentleman is absolutely right and perfectly understands the situation. No doubt that is why he and 38 of his colleagues on the Government Benches have signed our early-day motion. We tabled our original early-day motion as the motion for this debate because it has attracted such strong support from Members on both sides of the House. Surely the Government must sit up and listen to this cross-party consensus.

Greg Clark (Tunbridge Wells) (Con): Will my hon. Friend give way?

Mrs. Spelman: I am going to make a bit of headway. If my hon. Friend would like to wait, I think that he will like my next comments. I would especially like to commend him for bringing a ten-minute Bill before the House to change the classification of gardens from brownfield. We wish him well with the Second Reading on 14 July and we thank him for the extensive research that he has conducted.

Greg Clark: I am grateful to my hon. Friend for her warm words. She referred to the early-day motion. I wanted to point out for the record that it was co-sponsored by the hon. Member for Stockton, South (Ms Taylor)—I am grateful for her support—and signed by at least two Liberal Front-Bench spokesmen. It is thus a cross-party early-day motion, rather than just a Conservative one.

Mrs. Spelman: I hope that the difference with this debate will be that there is a strong cross-party consensus. We want a change to the law because people throughout the country are angry about gardens in their neighbourhoods being carved up and built on. The buildings that go up in the gardens are not just two-storey houses or bungalows, but often blocks of flats.

The first place that people who are worried about a planning application should go is their local planning authority. However, planning authorities are hamstrung by a combination of the brownfield definition, prioritisation and density. However inappropriate the development and regardless of how much it will fundamentally change the character of a neighbourhood, a developer, as the House of Commons Library puts it, thus

"still has every chance of success".

The problem for planning authorities is that irrespective of the strength of public opinion, planning guidance and housing targets will virtually grant planning permission on appeal by a developer.

The Minister for Housing and Planning recently said on the BBC programme "You and Yours" that it is at the discretion of local planning authorities to determine planning applications. However, as she well knows, that is simply not true. If an authority refuses an application, it is overruled by the Secretary of State. Now that we understand the cause, I want to examine the effect of the failure in the planning system.

Lembit Öpik (Montgomeryshire) (LD): Although it is a specialist area, is the hon. Lady aware that the same problem affects airfields, which, obviously, are large flat spaces that are attractive to developers. Several hon. Members will have experienced problems in trying to sustain an economically important airfield in their area. Owing to the changes to planning guidance, there is a risk that airfields might be treated as brownfield sites. Does she agree that the Government should clarify the situation? I should declare an interest in the matter.

Mrs. Spelman: The hon. Gentleman will know that the new planning guidance, which was sneaked into the debate on where and how we should build houses, has a centralist approach fundamentally at its heart. As he will hear—if I get the chance to complete more of my speech—I am passionate about how important it is for the re-empowerment of local communities that

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decision making should come back to where it should be: in the hands of local government.

The most obvious effect of the perverse confluence in planning policy is the destruction of gardens and green spaces. Gardens are a unique source of biodiversity, but they are being lost for ever. Large houses, which are often of local historical interest, are being demolished and replaced by blocks of flats. Trees and hedges are being torn down to make way for access routes, and areas of urban green space are being bought up, enclosed by hoardings and built on. That is changing the entire character and balance of neighbourhoods throughout the country.

The hon. Members who signed early-day motion 2130 were not subjected to an orchestrated postcard campaign or a covert campaign exercise. They put their names to it of their own free will. I believe that they were simply responding to constituents' letters and public meetings in their constituencies, and I applaud them for doing so. Hon. Members throughout the country signed the early-day motion, which proves that, as the right hon. Member for Birkenhead (Mr. Field) aptly illustrated, the problem does not affect just the south-east. In industrial parts of the north and the midlands there is a proud history of family homes with attractive gardens. It must seem to those communities, which are already suffering from the decline in manufacturing, that even their heritage is being knocked down brick by brick.

Paul Clark (Gillingham) (Lab): The hon. Lady talks about biodiversity. If she believes that the development of garden land threatens, as it says in the motion,

"urban biodiversity and environmental sustainability in towns and cities",

does she, on the same grounds, reject the proposal by the right hon. Member for Wokingham (Mr. Redwood), the chair of her party's policy group on economic competitiveness, to concrete over the Medway estuary to build a minimum of 50,000 houses?

Mrs. Spelman: I regret giving way to the hon. Gentleman; so far most of the interventions have not been of the point-scoring sort. The fundamental point, which I reiterate, is that the biodiversity in urban gardens and green spaces is often richer than it is in utilisable agricultural land.

Several hon. Members *rose—*

Mrs. Spelman: No, I will not give way. I want to proceed with the point about the demolition of our heritage.

We were pleased to read reports today that the Secretary of State has had a change of heart about the demolition of some of the Victorian villas in Liverpool. I commend my hon. Friend the shadow Minister for regeneration, who has campaigned vigorously with other hon. Members to bring about that change of heart. We hope that it is a sign that the Secretary of State is minded to review quite a few aspects of her predecessor's policies.

It is no secret that my constituency is heavily affected by development in gardens. In fact, almost half the brownfield development is on garden land. Feelings are rising so high in the borough of Solihull that more than 2,000 people have signed my petition calling for that kind of infill development to be stopped. Colleagues facing the same problem have urged me to make it a national petition, which we will do. Next time hon. Members are in a garden, I ask them to look around and imagine how it would feel if the land next door were developed and their privacy lost because they were overlooked.

Several hon. Members *rose—*

Mrs. Spelman: Just a minute.

Perhaps hon. Members would put their houses on the market and move, but it is not so easy to do that if a bedroom is floodlit by 24-hour lighting in the car park of a neighbouring apartment block, or if effluent from new houses is making its way back up the drains because the existing drainage system cannot cope. Those are genuine examples from my constituency, and they have a devastating effect on the quality of life. The impact is not just practical, but social and environmental.

The Minister for Housing and Planning (Yvette Cooper): Does the hon. Lady agree that we should build more homes? In particular, does she agree that we need to build 200,000 new homes a year by 2016?

Mrs. Spelman: The Minister is an intelligent woman and I have no doubt that she has perfect hearing. She must have been distracted when I stated at the outset, as I have on numerous previous occasions, that we agree that we need a lot more homes.

Yvette Cooper *rose—*

Mrs. Spelman: If the Minister lets me continue my speech, I shall explain where we see that house building happening.

In some places, the result of garden development has pitted neighbour against neighbour. Communities have been divided by it. People who have worked hard and saved to buy a house with a garden are now looking anxiously over their borders for signs of development. What hope is there for a family that wants to preserve its garden as a safe refuge where children can play or as an oasis after a hard day's work, when on either side high-density housing invades that space?

What of the environmental impact? Back gardens are crucial habitats for all kinds of wildlife, much of which has often migrated there from the countryside. The destruction of those precious ecosystems, which house everything from badgers and foxes to squirrels and birds of prey, should provoke outrage. Back-garden development is effectively turning access to nature and wildlife into the sole preserve of those who live in the country.

Andrew George (St. Ives) (LD): Will the hon. Lady give way?

Mrs. Spelman: Not at the moment.

I find it ironic that the Government who introduced the idea of measuring birdsong as a key indicator of

quality of life are now responsible for a policy that will do more than anything else to silence it.

Garden development also brings with it the problems of infrastructure. Villages and urban areas are growing in an unplanned and erratic way, and the infrastructure cannot cope.

Helen Goodman (Bishop Auckland) (Lab): Will the hon. Lady give way?

Mrs. Spelman: Just one minute.

Community facilities, like schools and doctors' surgeries, are not expanding at the same rate as population growth. The Environmental Audit Committee's warning that extensive house building is not sustainable where water is short is being flatly ignored. Without the necessary investment, we will simply not be able to service the increased numbers of power showers and dishwashers drawing on water supplies. Even where there are adequate water supplies, there is often inadequate drainage, and what of the roads and lanes on which the development occurs?

Several hon. Members *rose—*

Mrs. Spelman: Just a minute.

Public transport links are not sufficiently developed to service a fast-growing commuter population, and road congestion now goes hand in glove with garden development. The Department's obsession with planning the car out of new development merely results in cars littering the pavements, forcing pushchairs and mothers into the road. All that makes road crossing more dangerous, traffic congestion worse and residential areas ugly.

Several hon. Members *rose—*

Mrs. Spelman: I give way to the hon. Member for Bishop Auckland (Helen Goodman).

Helen Goodman: I thank the hon. Lady for giving way. Tory Members do not have a monopoly on representing beautiful parts of this country. In my constituency in Teesdale there are a large number of villages, and we face a problem that is the exact opposite from that put forward: the brownfield definition is too narrow. People cannot turn existing buildings into new houses in hamlets, and consequently we are having to build outside larger villages on greenfield sites.

Mrs. Spelman: At no point did I say that one party had a monopoly on this country's beautiful landscape. If the hon. Lady has a problem with her Government's housing policy and it is not working for her, I suggest that she take her objections to her Secretary of State.

Several hon. Members *rose—*

Mrs. Spelman: I shall make some more progress.

The communities that are now being asked to accommodate garden development were originally created with an infrastructure to support a particular population density. The Government cannot expect the same infrastructure to serve adequately a population often twice that size. The result is that everyone loses out one way or another—not least those who are looking to get on the housing ladder, as I shall explain.

In the past the Government have cited housing shortages and the need to help first-time buyers as a defence of garden development. I will now look at how, in practice, the policy works against providing the sort of affordable housing that the country so desperately needs.

The problem with garden development is that far too often it generates houses or apartments at a price beyond the reach of first-time buyers. The reason is very simple: location, location, location. Houses with gardens large enough to be developed are mostly in areas where house prices are high. The result is that the new build is beyond the pocket of first-time buyers. We must also be clear that much of the development that is defended on the grounds that it helps first-time buyers is not generating houses for that market. The average price of one of those new flats in my constituency is £200,000—well beyond the pocket of those on the waiting list for housing. Solihull borough, which has met its target, and half as much again, in each of the past five years, still has a waiting list of 5,000 people, most of whom cannot afford to buy what is being developed.

Part of the reason for that is a misdiagnosis of the housing affordability problem. We welcome the aim of increasing housing supply, but the wrong sort of homes are being supplied in the wrong places to meet genuine need. The perverse consequence of an affordable housing quota for larger developments of 25 or more dwellings is driving the more lucrative option of garden development, which is below that threshold. What is so frustrating is that that rush to develop gardens has meant that exciting new opportunities for regeneration are being disregarded.

We have a vision of building a lot more houses and homes as new garden suburbs for the 21st century, replacing the urban dereliction of the near-city ring. [HON. MEMBERS: "Where?"] I hear hon. Members asking where. Nearly all British cities are configured on such a pattern; perhaps the nearest such city will come to Members' minds as I speak. Those cities have a regenerated central business district. In Birmingham it is the Bullring; in Manchester it is the result of the unfortunate consequences of a bombing; in Liverpool we see a regenerated city heart, as we do in Newcastle and in Leeds. Surrounding the central business district, virtually within spitting distance, is a ring of dereliction. That is the challenge for regeneration.

Mr. Nicholas Soames (Mid-Sussex) (Con): I agree with the points made by my hon. Friend, but does she accept that none of those developments is sustainable without proper investment in infrastructure? Whether we are talking about an inner-city area or East Grinstead in my constituency, where 2,500 houses will be built on the Government's whim without any additional investment in infrastructure, how will such development improve people's quality of life?

Mrs. Spelman: My hon. Friend gave me advance notice of his intervention, and as he rightly suggests, the Government have applied the word, "sustainable", to communities that are not in the true sense sustainable.

First-time buyers are often of an age at which they want to live close to the city centre, with all its cultural

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and social advantages. They want to carry on living in the city where they studied or where they work and have a network of friends. There is a great opportunity to meet that demand with affordable housing for first-time buyers between the city centre and the more affluent suburbs. Garden development creates more commuting journeys from the outlying towns and villages to the main economic hubs, but cities will become more sustainable if we shorten the commute.

Near-city development is better suited to the stronger and more developed infrastructure already in place in our cities. There is a strong economic rationale for such development, as those sites are on former industrial land that has fallen into decay. With imagination and willpower, however, it could house apartments, shops and entire communities in new urban villages that enable people to find their feet as home owners. Our approach reflects that housing life cycle. *[Interruption.]* Hon. Members asked me to explain where those homes would be built, and I am doing so. I suggest that they listen, then they will learn.

In our vision, first-time buyers could start with an affordable house in a new garden suburb, move somewhere slightly larger in a new urban village when they settle down with a partner, then scale up to a family-sized house. Other people will want to move further out to a town or village with more space and a larger garden, so we need to create those choices. That brings me back to my starting point—gardens. The sad irony is that young people aspire to live in houses with large gardens and in neighbourhoods with green spaces, which are being lost. Of course, that pattern does not apply to everyone.

Andrew George: Will the hon. Lady give way?

Mrs. Spelman: I should like to reach the end of my thesis and explain where and why those homes could be built.

That pattern does not apply to everyone who wants to get on the housing ladder. We have championed the cause of more affordable housing in rural areas for some time, but unlike the Government, we want to empower local people to decide how genuine local need should be met. We want to restore local democracy, and the emotive issue of housing is a good way of showing that we mean it. I have spent a considerable time discussing what we will do, but I shall conclude by setting out what the Government should do.

Yvette Cooper: Will the hon. Lady give way?

Mrs. Spelman: I have already accepted one intervention from the hon. Lady. In fact, I have been—*[Interruption.]*

Madam Deputy Speaker: Order. The hon. Lady has said that at this point in time she is not prepared to give way.

Mrs. Spelman: I think that I have been generous in accepting interventions, Madam Deputy Speaker. The fact that those interventions have been made by Members from all parts of the House demonstrates the level of interest in the subject.

May I focus on what the Government should do? The simplest and most effective measure they could take is to amend planning policy statement 3 so that gardens are no longer classified as brownfield sites; that does not even require primary legislation. Local authorities should be allowed to decide the appropriate density for their community. Once a site is returned to its proper classification as a garden, there is nothing to stop someone applying for planning permission, but it is the council's responsibility to judge the application on its merits. As a result, we would lift the threat to our urban green spaces and remove the fears of people living in the shadow of unwanted development.

The Secretary of State must surely understand that gardens are not what people accept as brownfield sites. If they are to have any faith and trust in the planning system, the classification needs to be changed. The planning system should serve, defend and promote the interests of the community, but her predecessor's control of that system undermined public confidence. The Office of the Deputy Prime Minister was created to serve the man, whereas the Secretary of State's new Department has been created to serve the community and local government, as can be inferred from her title. This is her chance to live up to that title.

Madam Deputy Speaker: I inform the House that Mr. Speaker has selected the amendment in the name of the Prime Minister, and I call on the Secretary of State to move it.

4.50 pm

The Secretary of State for Communities and Local Government (Ruth Kelly): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"notes that the definition of previously developed land in draft Planning Policy Statement 3 (PPS3) was first introduced in 1985, and that the proportion of residential development on previously developed residential land is now significantly lower than it was at that time; believes that more land needs to be made available for housing in future to meet rising demand and deliver sustainable, inclusive, mixed communities and environmental sustainability in towns and cities; further believes that local authorities need to bring forward appropriate land with proper regard for sustainability, local environment and quality of design within existing communities as well as new developments; further notes that draft PPS3 includes tools and powers for local authorities to turn down inappropriate development in gardens as well as other areas; and commends the Government's policy to make better use of land for new homes by increasing the proportion of housing on previously developed land from 56 per cent. in 1997 to 73 per cent. in 2005 and provide greater protection for greenfield land as a result.'."

I thank the hon. Member for Meriden (Mrs. Spelman) for her warm words at the beginning of the debate; in fact, I am grateful to the Opposition for tabling this motion. At last, housing is moving up their list of priorities. I did a little research in the run-up to the debate, and it appears that about two years have passed since we last heard from the Conservatives on housing during an Opposition day debate. I understand that the hon. Lady led for the Conservatives on this issue then, as she does again today.

Two years ago, the Tories were concerned about too much urban sprawl—that too many houses would be built on the outskirts of our towns and cities—whereas today, they are concerned that too many homes might be built within our towns and cities. Some Members might see a contradiction, but at least it is consistent with the overall direction of Tory party policy: a different day, a different policy.

I listened with great interest to the hon. Lady, and so that no one gets the wrong impression of what is actually happening, it might be useful if I set out some basic facts.

Mr. David Drew (Stroud) (Lab/Co-op): As a supporter of an early-day motion dealing with this issue, I was somewhat surprised that I did not hear a single mention of the Affordable Rural Housing Commission—other than a passing reference—in the entire speech of the hon. Member for Meriden (Mrs. Spelman). The reason why market towns have experienced much more development is that we have strangled and stopped development in our villages. The only way that we can begin to address that problem is to allow villages, through empowerment, to have a proper level of development. Does my right hon. Friend agree that that is the right approach?

Ruth Kelly: My hon. Friend makes a good point, and, as I am sure he is aware, the draft planning guidance that we are considering allows that approach to be developed.

Let me set out some basic facts. First, between the late 1980s and today there has been a significant decline in the percentage of brownfield development on previously developed residential land—land that includes back gardens. I will develop that point later. Secondly, there has been no change in the definition of brownfield land since 1985, when the current definition was first used by the Conservatives for the purposes of land use planning statistics.

The hon. Member for Meriden made some interesting points. There have been relevant changes to planning policy guidance over the years, and, indeed, more are in the process of being introduced. As she readily acknowledged, this Government have been much keener to encourage local authorities to seek out brownfield sites for development rather than greenfield sites. Why? Because re-using land that has already been developed reduces the need to use new greenfield land and helps regenerate our cities and towns by bringing often derelict land back into use.

Several hon. Members *rose—*

Ruth Kelly: I will give way to the hon. Member for Bournemouth, East (Mr. Ellwood), and then I will make some progress before taking further interventions.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The facts of the situation in Bournemouth are very clear: the South West regional assembly is telling Bournemouth to build 20,000 more houses. This is a case of filling in and working with the developers, who simply buy up back gardens, then depart. I have checked with the Government office for the south-west, and not one penny is being spent on infrastructure in Bournemouth, which highlights the point made by my hon. Friend the Member for Meriden (Mrs. Spelman). There is a discrepancy here between development and building up the infrastructure, which has been echoed in all parts of this Chamber. What are the Government doing about this issue?

Ruth Kelly: If the hon. Gentleman feels so strongly that more money ought to be spent on supporting infrastructure, perhaps he and his party will start supporting the planning gains supplement on which we are consulting.

Jeremy Corbyn (Islington, North) (Lab): Will my right hon. Friend comment on the planning guidelines in respect of social housing on small development sites? In London the planning authorities often insist on 15 units or more before social housing is included, which in inner urban areas like mine means that no social housing at all is built on such sites. Is she prepared to look into that and, if necessary, to take powers to ensure that we get a fair share of social housing on very small sites?

Ruth Kelly: My hon. Friend makes a good point. In recent years there has been a big increase in the development of more affordable homes and social homes in London, but he also makes the point that we should consider using smaller sites for affordable home building. We are considering that in some detail.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Does my right hon. Friend accept that Conservative councils such as those that my constituency covers are complicit in measures to circumvent the spirit of the planning guidance, by encouraging and working with developers to build small developments of less than 15 units precisely to avoid a social housing obligation? Westminster city council made strong representations to avoid having to meet the Mayor of London's 50 per cent. planning target, so Conservative councils do not go along with the spirit of the Conservative motion.

Ruth Kelly: My hon. Friend speaks from her personal knowledge of these matters and she is right to suggest that there are Conservative councils that do not want to build the homes that people need, particularly affordable homes.

Let me set out the facts on brownfield development. We have been successful at making brownfield land available for development. We have seen the proportion of housing on brownfield land increase from 56 per cent. in 1997 to 73 per cent. in 2005, far surpassing our targets. This has created more homes, but on less greenfield land.

Greg Clark: Will the Secretary of State give way?

Ruth Kelly: No. I will make the argument, then I will take an intervention.

The increase in brownfield development and in density, from 25 per hectare in 1997 to 42 per hectare in 2005 means that it is possible to build 1.1 million new homes across the southern regions on less land than

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that on which the Tories planned to build 900,000 homes—a saving in greenfield land equivalent to the size of Norwich.

The hon. Member for Meriden points to the impact of planning guidance on back gardens. I shall address that now. Let me quote an example from planning policy guidance:

"Homes with large back gardens are a common feature in many urban, suburban and village areas. Sometimes it may be acceptable to develop back gardens for new housing which is in keeping with the character and quality of the local environment."

That was not my guidance. It was not the Deputy Prime Minister's guidance. No, that was guidance provided by the right hon. Member for Suffolk, Coastal (Mr. Gummer) in 1992.

The hon. Lady is right to say that appropriate safeguards must be in place to prevent inappropriate development in back gardens. Indeed, it was this Government in 2000 who gave local authorities the power to turn down inappropriate development in back gardens or elsewhere.

Mrs. Spelman: I appreciate the right hon. Lady giving way. Is she aware that her own Housing Minister admitted on 21 March that classifications under the Conservatives' last Administration had no status in planning regulations and gained status only in 2000 when her own party was in government?

Ruth Kelly: I am about to come on to how planning policy guidance changed and the impact that that had on the development of brownfield land and previously residential land. The planning guidance introduced in 2000 stated that there should be a clear priority for brownfield development over greenfield development. However, it also included safeguards for quality. It stated that

"considerations of design and layout must be informed by the wider context, having regard not just to any immediate neighbouring buildings but the townscape and landscape of the wider locality."

It went on to say:

"Local planning authorities should reject poor design particularly where their decisions are supported by clear plan policies."

Indeed, contrary to the suggestion by the hon. Member for Meriden, there was no presumption that brownfield land had to be built on simply because it was brownfield. In fact, the guidance specifically asks local authorities to consider a wide range of matters in deciding whether to allocate land for housing and whether to grant planning approvals. The range of matters includes the location and accessibility of sites, the capacity of existing and potential infrastructure, including, for example, social infrastructure such as schools and hospitals.

Mr. Richard Benyon (Newbury) (Con): On the safeguards provided by the wording, the Minister for Housing and Planning, who is sitting on the Front Bench, wrote a letter to *The Daily Telegraph* not long ago saying that the safeguards were sufficient to enable local authorities to protect sites. When I showed that letter to planners in West Berkshire council, however, they said that they were being as robust as possible, but whenever they feel that a development is inappropriate in the way that the Secretary of State for Communities and Local Government has just described, it gets overruled on appeal because of the ODPM wording. The matter is centrally controlled, and the safeguards described in the letter from the Minister for Housing and Planning, which the Secretary of State has just voiced, are not happening on the ground.

Ruth Kelly: The hon. Gentleman should have waited a few moments; if he looks at what has happened as a result of the changes in policy guidance over the years, the facts speak for themselves. In 1992, when the previous planning guidance was introduced, the percentage of brownfield development on previously developed residential land was 40 per cent. In 2003—the last available count—that figure was 33 per cent. In absolute terms, land released for development in that period fell from 978 hectares to 966 hectares, which means that the increase in brownfield land for new housing has been in the use of non-residential brownfield land, such as industrial, commercial and vacant land.

Greg Clark: If the Secretary of State had studied the statistics—unfortunately, she has started to make partisan party political points—she would know that the proportion of gardens used for brownfield sites fell in every year under the previous Conservative Government, whereas it has risen in every year since 1997.

Ruth Kelly: That is simply not the case and the facts speak for themselves. The increase in brownfield land for new housing has been in the use of non-residential brownfield land.

In December, my Department began consulting on new planning guidance. As part of that review, we have been talking to local authorities, residents and others, including listening to the views of hon. Members, about whether local authorities should have more flexibility locally in deciding what land to bring forward for development. That review will include back gardens, just as it will include all other land that is potentially available for development.

The new draft planning guidance proposes even stronger safeguards for the quality of urban space:

"a key consideration should be whether a development positively improves the character and environmental quality of the area and the way it functions."

It also explicitly states that

"although residential gardens are defined as brownfield land, this does not necessarily mean that they are suitable for development".

Andrew George: In the spirit of political consensus mentioned by the hon. Member for Meriden (Mrs. Spelman), I am pleased that the Secretary of State has acknowledged that the trend is not new. It is certainly not new in my constituency, where gardens have been built on over the past 20 years according to my records. If the Secretary of State accepts that planning is, sadly, fuelled more by greed than by need, will she accept that people do not want buildings in their back gardens, but they do want the money? Have the Government reflected on the point that significant premiums are

added to land value, and that the community might want to share the additional income generated by the award of planning permission?

Ruth Kelly: It sounds as though the hon. Gentleman is beginning to ally himself with our case that we should try to capture some of that increase in land value through the planning gain supplement. I am pleased that he has arrived at that conclusion.

Mr. Chris Mullin (Sunderland, South) (Lab): I shall be sorry if this business about back gardens deteriorates into a party political argument, because there is a problem even in a place such as Sunderland, where we have acres of brownfield sites but still have developers flying in helicopters looking for little bits of green space that they can fill in. Every week for the past few months, my local newspaper has carried a large advert calling for people with large back gardens—we do not have a lot of them—to come forward and offer them up for development. There is a problem, whatever the origin of the rules and whatever they happen to say, and I hope that my right hon. Friend will look seriously at the guidance when the time comes.

Ruth Kelly: My hon. Friend makes an important point. In December, we launched a review of the draft planning policy guidance examining whether we can give more flexibility to local authorities to bring different bits of land into use at different times. That should allow them to sequence development in the way that best meets the need for housing in their local area, while ensuring that developments are appropriate to it. The real question is this: which party is willing to take the tough decisions necessary to provide sufficient new homes to meet the needs of our communities?

Dr. Roberta Blackman-Woods (City of Durham) (Lab): I am glad to hear that the guidance is being extended and that more safeguards are being put in place. I agree with my hon. Friend the Member for Sunderland, South (Mr. Mullin). This is a big issue in my constituency, where inappropriate development on garden sites is taking place, particularly with regard to design and layout. Our local planning department says that adequate safeguards are not in place and queries what the Minister for Housing and Planning said in *The Daily Telegraph*. Will my right hon. Friend clarify how we can get through to planning officers that they have the power to refuse inappropriate development in gardens?

Ruth Kelly: My hon. Friend is right to draw attention to that point. Local authorities already have the power to refuse inappropriate development, and they should make use of those powers. The question is whether we can give local authorities more flexibility to sequence the land that they bring back into use for development in particular ways. The new draft planning policy guidance on which we are consulting attempts to do that. That should introduce new safeguards into the system.

Andrew Gwynne (Denton and Reddish) (Lab): As well as the inappropriate developments that have been mentioned, there are popular urban areas, such as parts of my constituency, that physically have no development space. We are almost completely surrounded by green belt that we want to protect, so that often, sensitive and sympathetic infill development is the only way to provide housing where people want to live.

Ruth Kelly: My hon. Friend makes an excellent point with which I completely agree.

Mr. Nick Hurd (Ruislip-Northwood) (Con): The Secretary of State should be aware that her comments could be interpreted by my constituents as suggesting that they are deeply worried about a problem that does not exist. Can she be specific in telling the House what proportion of new homes are built on gardens?

Ruth Kelly: As the hon. Gentleman well knows, we collect figures for the percentage of new dwellings built on previously developed residential land. That fell from 20 per cent. in 1990 to 15 per cent. at the last available count. We also collect figures for the land used for new dwellings as a percentage of brownfield land, and that has fallen, too. The definition includes back gardens and patios, and houses that have been demolished and rebuilt. The figure shows a significant downturn since the late 1980s and early 1990s.

Margaret Moran (Luton, South) (Lab): My right hon. Friend referred earlier to the need for flexibility in planning. Does she agree that it is unfortunate that the hon. Member for Meriden (Mrs. Spelman) appeared to dismiss the possibility of home extensions in areas such as Luton, which are green-girdled and have no space even for infill development? A large proportion of the community in my area—especially ethnic minority communities—is overcrowded and requires extension through back gardens to alleviate the severe problem.

Ruth Kelly: My hon. Friend makes the important point that extending a house can often be the simplest and best way of meeting a need for more housing space and preventing overcrowding.

The question that confronts us today is: which party is willing to make the tough choices and decisions to deliver the extra homes that are needed? In the past 30 years, there has been a 30 per cent. increase in the number of households but a 50 per cent. drop in house building. Current projections suggest that household formation will increase by 209,000 a year until 2026. In contrast, approximately 168,000 additional homes were provided last year. That gap is unsustainable.

Mr. Mark Hoban (Fareham) (Con): Yesterday, the Government office for the south-east produced a report, which was commissioned by the Office of the Deputy Prime Minister, that set out options for housing development in the south-east. One of the options envisaged building 45,000 houses a year. Does the Secretary of State rule that in or out?

Ruth Kelly: As the hon. Gentleman knows, that is a matter for the independent panel, not us at this stage. It is absolutely right for each region and local community to ask themselves the hard questions. How many homes do we need for the future? Where will we build them? How will we meet housing need? Are the houses in the places where people genuinely want to live?

Anne Milton (Guildford) (Con) *rose—*

Mr. Soames *rose—*

Ruth Kelly: I must make some progress.

If we continue to build only at the current planned rate, the proportion of 30-year-old couples who are able to buy a property will drop from approximately 50 per cent. today to 30 per cent. Do Conservative Members want that to happen? If not, how do they plan to tackle the problem? Where do they want the new homes to be?

The hon. Member for Meriden referred to building in garden cities, but she opposes development in the Thames Gateway. How credible is that?

Mrs. Spelman *rose—*

Ruth Kelly: Perhaps the hon. Lady has changed her mind.

Mrs. Spelman: I have made it perfectly clear on more than one occasion at the Dispatch Box—I am happy to supply the *Hansard* references—that we support the Thames Gateway project. We have reservations about the infrastructure because it is not clear even to those who are strong supporters of the project how the infrastructure will be secured for such an important development. We recognise the need for it and we have always supported it, so can we nail the myth once and for all?

Ruth Kelly: Absolutely not. If the hon. Lady is not prepared to say where the investment will come from to build the extra homes, she frankly does not support the homes. We have clear policies for a planning gain supplement to fund the necessary infrastructure for development. As she knows, we are working with the Treasury in the run-up to the comprehensive spending review to examine infrastructure needs.

Mr. Soames: I agree with the Secretary of State's comments about hard choices—they are, indeed, hard choices. Will she make the hard choices that her Government have failed to make about infrastructure in areas where the Government impose onerous building targets without providing one extra penny of infrastructure spending? Will she make those difficult decisions and enable us to deliver the homes in a sustainable climate?

Ruth Kelly: If the hon. Gentleman knows of local authority areas where there is a genuine demand for new homes, but they want investment from the Government to support the necessary infrastructure, he should invite those local authorities to approach the Government and bid to be a new growth point. Yesterday, I announced the conclusion of the bidding round for new growth points. Many local authorities expressed an interest, but 22 had worked out detailed bids. They were keen for new houses to be built, and included the Tory-led local council of the hon. Member for Meriden, which proposed new developments. In total, the proposals represent 80,000 new homes by 2016 on top of what is already planned. *[Interruption.]* I am delighted that the hon. Lady says from a sedentary position that she supports that increase in housing supply.

Mrs. Spelman: I appreciate the Secretary of State giving way. This issue directly concerns my constituency. I have always supported my local authority's endeavours to regenerate a council estate of 22,500 people for whom low-cost housing is in very short supply. We propose to build 5,000 new houses, and that proposal is very definitely for affordable housing.

Ruth Kelly: I am absolutely delighted that the hon. Lady supports that initiative. However, she will not make it clear to the House whether she supports the outline proposals in Kate Barker's report to increase housing supply to 200,000 units a year by 2016 in order to close the gap between demand and supply. If the hon. Lady wants to commit herself to that policy today, I hope that she will choose this moment to intervene on me to tell the House that that is the case. She shakes her head, which is very interesting.

Mrs. Spelman: In our exchanges, the right hon. Lady is always careful to put on the record her interpretation of my words and my body language. However, I think that she might not have completed her homework in preparing for this debate. If she looks at our previous debate on housing, which focused extensively on the Barker review, she will see that we gave the review a considered response. She will also see that I clearly said that we wanted to build more housing. Our dispute with the Government involves the where, the what and the how.

Ruth Kelly: That is very interesting. I think that the hon. Lady is now sticking to the position that she outlined in *The House Magazine* last year, when she wrote:

"We need to build more houses, but not on the scale that Barker recommended".

She is saying that there are questions about whether we need 200,000 more units. It is also interesting that her junior housing spokesman, the hon. Member for Surrey Heath (Michael Gove), said recently:

"It's the case that the number of new households in Britain every year is something like 200,000 but we're only building about 150,000 or 160,000 every year. So that means there's a gap...between the number of new people who need houses and the number of homes being built."

So the Conservatives' junior housing spokesman is quite prepared to accept that we need to build 200,000 more homes each year, but the hon. Lady refuses to sign up to that ambition.

One test of a political party is whether it is prepared to take the tough decisions necessary to meet the demand for new homes. The Conservatives are happiest to focus on why we should not build new homes. Today, they have singled out building in urban areas on plots between existing houses. Perhaps next time they will admit that this Government have a better record than theirs on safeguarding the quality of such developments, on giving local authorities the tools that they need to take sensitive decisions, and on concentrating more housing on brownfield land. Perhaps they will also sign up to this Government's ambition to meet the housing demand that now exists, for the benefit of future generations.

5.18 pm

Andrew Stunell (Hazel Grove) (LD): I welcome the Secretary of State to the debate. I also welcome the fact that we are debating this matter today, although I would have welcomed the debate that the Conservatives first promised even more. The subject was to have been the failure of the Government's housing and planning policy, but that has rather quickly been slid over in favour of the removal of gardens from the brownfield definition. They started off with a titanic ambition but ended up in the life raft.

A number of outside bodies will also be disappointed by the rather narrow definition that the Conservatives have given to the debate today. I received a briefing from the Home Builders Federation this afternoon that had been issued on the assumption that we were going to debate the wider issue. However, I was delighted to hear the Secretary of State introduce that wider issue, because it is important that we take the broader context of housing and planning fully into account when considering this motion.

The motion is worthy, appropriate and of great importance. Members' contributions so far have shown that the subject greatly engages us. That is precisely why my hon. Friend the Member for Solihull (Lorely Burt), supported by 10 other Liberal Democrat Members, brought her Local Government and Planning (Parkland and Windfall Development) Bill to the House. I have to say that my hon. Friend's Bill was somewhat bolder than the Conservative Opposition motion today. It was not restricted solely to gardens, but looked into the protection of parkland and recreation spaces as well.

Having heard what the hon. Member for Meriden (Mrs. Spelman) said, I hope that Conservative Front Benchers will give a clear commitment to my hon. Friend the Member for Solihull that when her Bill is debated on Friday 20 October they will ensure that the dinosaurs on their Back Benches do not hinder, obstruct or delay the measure's coming into law. Her Bill exactly encapsulates the points that the Conservatives are now making. In introducing the Bill, she said that

"by designating people's gardens as brownfield land, planning guidelines have had the unintended consequence of enabling developers to target windfall developments in preference to true brownfield sites."

She said of developers:

"If they can develop a soft target, instead of tackling polluted and more difficult inner-city true brownfield sites, they will do so."

In her telling phrase,

"It is like putting a goat in a garden and telling it to eat thistles and not the flowers".—[*Official Report*, 19 July 2005; Vol. 436, c. 1112.]

That is the essence of the case being made in today's debate.

We have to ask exactly what led the Conservatives to change the definition of today's debate from the broader one that they announced last Thursday. I did not hear clearly enough from them whether they have satisfied themselves in the meantime that the Government's housing policy is successful after all and does not require criticism. Do they now believe that the Government's planning policies are right, whereas last Thursday they thought that they merited debate because they were wrong? Is the development of back gardens all that they can find fault with in the Government's stewardship of Britain's environment, rural communities and leafy suburbs?

Mrs. Theresa Villiers (Chipping Barnet) (Con): The hon. Gentleman may not think that developments in back gardens are important enough to trouble the House with, but I can assure him that the defects in the planning policy guidelines and rules are blighting the lives of many of my constituents in Chipping Barnet. It is an enormously important issue to them.

Andrew Stunell: I do not know whether the hon. Lady had the opportunity to hear what I said at the beginning of my speech, but I made the point that, although this is an important topic, the House also deserves the opportunity to reflect on the broader issues. I welcome the fact that Secretary of State brought some of those broader issues into play. If I consider the difference between the title announced by the Conservatives last Thursday and the motion tabled for debate today, I am tempted to echo the familiar words of the England manager, "First half good, second half not so good."

Mr. Brian Jenkins (Tamworth) (Lab): On that very point, is the hon. Gentleman as amazed as I am at the full title of today's motion—"Removal of gardens from brownfield definition"? Will the redefinition safeguard gardens from further development? I do not think so, and it would be the same if they redefined them as greenfield development. Surely what we should be interested in is the type and quality of the development and the degree of imposition it represents on the lives of people who live alongside that development. We should be debating not how to define the land, but how to empower councillors to safeguard people from such developments.

Andrew Stunell: The hon. Gentleman makes an important point. Whether we are talking about gardens, greenfield development or inner urban development, what matters is what is done with the land.

One of the reasons why the Conservatives might have tried to narrow the focus of the debate is their sheer embarrassment. It started with the hon. Member for Tatton (Mr. Osborne) back in February, when he spoke of taking

"a fresh look at what we mean by a greenfield site."

He made it clear that developing what he called "marginal scrubland" could be an option to revive decaying suburbs. I am not sure whether—to take my football analogy a bit further—he suffered a twisted knee or concussion, but he has not played that tune since.

In April, the right hon. Member for Witney (Mr. Cameron) said that the current planning system was "bananas" and that it was promoting a belief that we should

"build absolutely nothing anywhere near anyone."

He derided it; he described it as "bananas"; and he slagged off Labour for not building enough homes. I presume that, some time between last Thursday and today, someone at Tory headquarters did some background research and advised the hon. Member for Meriden that to proceed on the broader front risked their looking very foolish indeed.

Mrs. Spelman: The decision about what to debate sits fairly and squarely with me. The hon. Gentleman says, "First half good, second half bad." He clearly did not like the fact that I went much wider into the question of urban regeneration and affordability in the second half of my speech—I certainly expanded the debate much wider than just classification. However, I initiated the debate because of the cross-party support for a specific change in the law that he would like and that many of his hon. Friends signed up to, and the force of that cross-party consensus persuaded me that this was a good use of parliamentary time.

Andrew Stunell: Of course the hon. Lady is absolutely right: there is widespread cross-party support for the view that the guidelines should be changed. I would point out that 40 Labour Members and a significant number of my hon. Friends have signed the early-day motion. Indeed, my hon. Friend the Member for Solihull has presented a Bill precisely in the terms that the hon. Lady is discussing.

Greg Clark: I am trying to follow the hon. Gentleman's line of argument—with some difficulty. Does he think that it is a mistake for the Conservative party to give hon. Members the chance to debate the motion, on which there is a widespread consensus? It is important that we know whether he would prefer not to debate it.

Andrew Stunell: I thought that I had made it very clear—[HON. MEMBERS: "No."] Perhaps the problem is that I have taken too many interventions. Let me make a clear statement. I have made it very clear indeed that we should have had a debate on the planning and housing policies that this country has and does not have. In focusing on a narrow aspect of that, we have lost something in the debate. I very much hope, Mr. Deputy Speaker, that you will take a broad view of the issues that should be debated, so that we can take account of the wider context of greenfield development, which certainly includes urban regeneration, rural housing and the alternative to development of gardens.

Mr. Hoban: Will the hon. Gentleman clarify whether he intends to support our motion tonight?

Andrew Stunell: Yes, I will certainly tell the hon. Gentleman that, and if he allows me to proceed a little further, he will hear entirely what I plan to do and what I will recommend that my colleagues do.

There is certainly a problem—it is familiar to every MP—and the fact that there is widespread support in the debate for the early-day motion and the two Bills that have been referred to so far illustrates that. The infilling and backfilling of larger gardens has been an increasing problem over the years in many areas, including my constituency, which is covered by Stockport council.

Andrew Gwynne: As a fellow Stockport Member, the hon. Gentleman will know that Stockport council's unitary development plan includes a local planning policy that is designed to prevent inappropriate developments in the large gardens of places such as Hazel Grove, Bramhall and Cheadle. Does he agree that that policy should not prevent wholly appropriate developments elsewhere in Stockport, especially in areas such as Reddish, where investment in housing is desperately needed?

Andrew Stunell: I am indeed a Stockport Member, although I am a member of a different party. I understand what the hon. Gentleman has said, and it is quite interesting. He and I could probably enlighten the House a good deal on the planning policies that apply in Stockport.

As the hon. Gentleman says, for many years there have been planning applications in Stockport relating to back gardens. Councillors, when they have thought it appropriate, have tried to limit the damage, in conjunction with the communities in whose areas the applications have been made. Sometimes an application could be properly refused and sometimes it could be substantially modified, but the treatment of the whole curtilage of the home as housing land has too often meant that inappropriate development could not be resisted—a situation already described by others. If it was resisted, there would be an appeal, the Secretary of State's inspectors would recommend that it be granted, and the Secretary of State would grant it.

There have been some important successes in Stockport in the tackling of such matters. As the hon. Gentleman has said, every problem has a solution, but every solution has its own problem. Stockport is now officially full. All the planning applications that should be granted, according to the Secretary of State, have been granted. The present position is that no applications should be granted, which means that the council can refuse applications relating to garden sites. Unfortunately, as the hon. Gentleman pointed out, that and the Secretary of State's guidelines have had the unintended consequence that the council cannot be flexible when it comes to Reddish. That, surely, is one of the key points to which the Government should respond. Even in one local authority planning area there can be fundamentally different circumstances, which must be dealt with by means of more flexible local policies.

Our amendment, which unfortunately was not selected, refers to the need for affordable and sustainable housing. That seems to me a crucial matter which the Secretary of State's guidelines must take into account, but the Conservatives may have been a little too clear in their statement that such development was not permitted at present.

Mr. Soames: Would the hon. Gentleman be good enough to give us his interpretation of the word "sustainable"?

Andrew Stunell: I can certainly do that, if the hon. Gentleman wishes. I am referring to environmental sustainability, economic sustainability and social sustainability. Social sustainability means balanced communities in terms of demography and tenure; environmental sustainability means buildings with a very small carbon imprint; and economic sustainability means that employment and public services must be readily available to communities. I hope that helps the hon. Gentleman.

Liberal Democrat-led South Shropshire district council has found a way of promoting both affordability and sustainability even on the smallest infill and garden sites. We in the House of Commons should take account of the flexibility and innovation of local planning authorities that have a mind to take such action. We should be saying "Please go and experiment. Please find the policies that work for your area. Please listen to your local communities. Please take account of the local situation. Do not impose inflexible national guidelines that prevent any possibility of the right kind of development."

I say to the Secretary of State, "Please look at the circumstances in Stockport, which have been illustrated by two of us in this debate already today. Please look at the situation in South Shropshire district council. Learn from examples of the practical application of the existing policy and see what you can do with the revision of the guidelines."

Jeremy Corbyn: I am interested in what the hon. Gentleman is saying about flexibility and reducing the threshold to incorporate social housing on small-site developments. Will he explain why Liberal Democrat-controlled Islington council has consistently refused to lower the threshold below 14 units, thus preventing the development of social housing anywhere in the borough? Is it because the council does not want to produce sufficient social housing, and that it would prefer simply to export the poor out of London?

Andrew Stunell: I am sure that Islington, like almost every other local authority in the country, has a rising council house waiting list. For example, Stockport has 13,000 council homes, and a waiting list of 6,000 households looking for social housing. The council would willingly provide more social housing units if it were given the finances and authority to do so.

I want guidelines that are flexible and reflect the local community's legitimate concern to ensure that development is appropriate. The guidelines should also make it clear that any development should be sustainable, should protect biodiversity and should take into account legitimate concerns about local amenity. I have referred already to the Bill introduced by my hon. Friend the Member for Solihull, which I believe sets out very clearly the framework within which we should proceed.

However, there is a serious case to answer on the broader issues. I hope that the Secretary of State, or the Minister for Housing and Planning, will respond positively to the problems that exist, and explain how she intends to develop her policies to tackle them. I am sure that the Secretary of State will be sympathetic on the specifics; she certainly should be, as she has taken plenty of trouble in the past to protect the interests of her constituents faced with similar problems. I am sure that she will want to ensure that the same protection is available to people in Stockport, Solihull, Meriden or anywhere else.

I hope that the right hon. Lady recognises that her Department's responsibility for planning guidance and law on the one hand, and for building regulations and codes on the other, gives her a unique opportunity to bring together coherent and long-overdue policies to promote environmental sustainability, ensure the preservation of biodiversity and increase the affordability of housing.

As part of that comprehensive guidance, the Secretary of State should also make it clear that any proposed garden developments must comply fully with those criteria and that they will be refused if they do not. That is what my colleagues in Stockport and south Shropshire are doing, when they consider it appropriate.

Mr. Jenkins: I thank the hon. Gentleman for giving way to me again. He is very generous. Was he as pleased as I was to hear my right hon. Friend the Secretary of State say at the Dispatch Box that she would revisit the planning rules, with a view to redefining them so that we can be sure that developments in back gardens are appropriate and in keeping with the environment? She also said that she would do everything that she could to give local authorities the power to ensure that.

Andrew Stunell: The hon. Gentleman makes a second very helpful intervention, and I thank him for it. I agree that it is good that the Secretary of State is prepared to move on this question. There is plenty of movement to be had, both on the specific matter of protecting gardens and on the more general point about ensuring that housing development is sustainable whenever and wherever it is built.

Andrew George: My hon. Friend is making a good point. On 5 October last year, I wrote to the Minister for Housing and Planning about developments in gardens and was informed in her reply of 24 October:

> "It is ultimately for local authorities to make judgments on the basis of all relevant information, weighing in balance the need for housing development, the need for wider housing opportunity",

and so on, as my hon. Friend describes. However, when I showed that letter to my local planning department I was told that many of the applications it refused were given permission on appeal. Does he agree that that is a matter of great concern?

Andrew Stunell: Yes, my hon. Friend is right. Many letters written by Ministers to Members of Parliament are in the same vein as the one that he received. They say that such and such a decision is a matter for local discretion. Whether we ask about schools, social services or planning, we receive the same letter and it is absolutely meaningless, because local authorities do not have the flexibility or authority, and certainly not the money, to deliver on the choices that Ministers say that they can make.

The Secretary of State has a housing problem. An extra 500,000 families have been added to council house waiting lists since 1997 and 100,000 people are registered as homeless. As she said, the gap between homes built and households formed grows wider each year; it is substantial and will create ever-increasing problems of affordability and accessibility and for promoting sustainable communities, although I am pleased that she said clearly that she wanted to do something about it. She may hesitate to accept the motion, which we shall support. No doubt she will argue that to support it would in some mysterious way make the problem worse, but I urge her to recognise that bringing just a fraction of the 680,000 empty properties in England back into occupation would go a long way towards ameliorating the position, as would even half of the 1 million homes that her funded working group recommended be developed in commercial premises and over shops. If only a fraction

[Andrew Stunell]

of her working party's recommendations were implemented there would be a tremendous step forward in housing availability.

Margaret Moran: I thoroughly agree with the hon. Gentleman about bringing empty properties back into use. Does he acknowledge the fact that the Government have, for the first time, introduced targets to bring long-term empty properties back into use by 2010? But is he aware that Liberal-controlled Luton council could not even provide me with the number of empty properties in the borough so that I could ensure that the council is acting on the Government's intention to bring such properties back into use for homeless people?

Andrew Stunell: I am interested in the hon. Lady's comments, because I have in my hand a table showing the number of empty homes by region, subdivided by authority, so there seems to be no problem about finding that information. Perhaps the hon. Lady did not ask in a polite enough tone of voice.

The Secretary of State should insist that when and wherever new homes are built they meet the highest environmental standards. Her Department must make a contribution to the Government's overall aim of reducing carbon emissions and limiting climate change and the way in which she exercises her important responsibilities on planning and building regulations, regardless of the site of the houses, will offer opportunities in that regard. Our housing stock should at least be at the same level as the rest of western Europe in terms of sustainability and the reduction of environmental impact. We must not simply go for cheap and cheerful solutions that are expensive for the environment.

Sadly, the Government amendment is silent on those key points; it is bland, vacuous and self-congratulatory. In contrast, we need the Secretary of State to acknowledge that providing sustainable and affordable homes is a key task for her and the Government that she supports. Today's debate and the motion before us take a look at just a small aspect of a much broader major policy area that needs prolonged, thoughtful and urgent action.

Tom Brake (Carshalton and Wallington) (LD): I think that my hon. Friend may be about to come to his conclusion. I wonder whether he hopes, as I do, that when the Minister responds to the debate she will set out clearly how she is going to shift responsibility to local authorities to give them much greater discretion over the decisions that they take, so that there will be no need for groups such as the Rotherfield action group, which is trying to stop four detached houses being demolished and turned into a development of 30 or 40 flats. We need to hear from the Minister how the local community can have its say on that matter, but also on other controversial issues such as telecoms masts.

Andrew Stunell: I entirely agree with my hon. Friend, except when he talks about responsibility. Ministers are only too willing to transfer responsibility, but they are not willing to transfer the power and money to implement those responsibilities. Surely that is what is needed.

We have had a wide-ranging discussion so far and no doubt it will go further in the remainder of the time available to us. I hope that the Secretary of State will not waste the opportunity to make sure that her Department redoubles its efforts to deal with housing and planning issues to give us sustainable communities and a safer world to live in.

ROYAL ASSENT

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Acts:

Work and Families Act 2006

Climate Change and Sustainable Energy Act 2006

Children and Adoption Act 2006

HBOS Group Reorganisation Act 2006

Planning

Question again proposed, That the original words stand part of the Question.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. I should remind the House that Mr. Speaker has imposed a 10-minute limit on Back-Bench speeches. Thirteen hon. Members are seeking to catch my eye and there is less than an hour before the winding-up speeches. I just mention that so that hon. Members can try to exercise a degree of self-restraint in order to accommodate as many other hon. Members as possible.

5.47 pm

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): I will start by agreeing with the hon. Member for Hazel Grove (Andrew Stunell) on one point: the importance of housing as a subject and the expectations that many of us had when we first understood that there was going to be a housing debate today. We hoped that we would hear from the Opposition on a number of rather important issues. They include how we can expand the supply of new homes, both for sale and for rent, in areas where they are needed; how we can ensure that we have sustainable developments that will prove attractive for people to live in for many years ahead, and that we do not repeat the mistakes of some past patterns of development that have not proved satisfactory; how we can raise design standards and environmental performance in housing and so reduce carbon emissions; how we can help first-time buyers to get a foot on the ladder and extend opportunities for affordable home ownership; how we can ensure an adequate supply of rented housing for those who need or want to rent, rather than buy; how we break down some of the pernicious divisions between tenures that characterised much of 20th century housing policy; how we can ensure better provision for the homeless and for those requiring support and care, as well as a roof over their head; and how we can best continue to improve the conditions of poorer-quality housing and areas in need of regeneration. We would have liked to hear from the Opposition on those, and many other vital issues for housing, but, sadly, we were disappointed.

David Taylor (North-West Leicestershire) (Lab/Co-op): Will my right hon. Friend add one more issue to his list? I am talking about how to bring the 680,000 empty houses back into useful occupation without that being depicted as the confiscation of the houses of widows who just happen to be in hospital at that moment. That is the level of debate.

Mr. Raynsford: My hon. Friend makes an important point about empty properties. As I was indicating, there are many other issues in addition to those that I highlighted that could usefully be considered.

Mr. Simon Burns (West Chelmsford) (Con): Will the right hon. Gentleman give way?

Mr. Raynsford: No, I will not give way any more, because we are time limited. I am afraid that there is now the likelihood of a list system. If one starts listing things and gives way once, everyone else wants to get in to make their particular point. I will therefore take no further interventions.

Mr. Burns: On a point of order, Mr. Deputy Speaker. I am sorry to have to raise a point of order, but I had hoped that the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) would give way to answer this question. Given the right hon. Gentleman's entry in the Register of Members' Interests, does he think that it would help the House if he would declare it, if it is still accurate?

Mr. Deputy Speaker: We rely on all right hon. and hon. Members to declare any interest that they believe is relevant to the debate that is taking place. That is a personal matter for them.

Mr. Raynsford: Just to avoid any possible uncertainty on the matter, I should declare that I am the chairman of the NHBC Foundation, a not-for-profit organisation that makes grants to voluntary housing bodies and other organisations undertaking research in the housing field. I was a member of the board of the Notting Hill housing trust, but in case the hon. Member for West Chelmsford (Mr. Burns) was thinking of that interest, I must add that I no longer am.

Over the past 10 years, there has been a remarkable shift in the location and character of new housing development. Whereas new housing in the 1980s and early 1990s, when the Conservative party was in government, was characterised by sprawling development which was often poorly designed, of low density, usually on greenfield sites, usually exclusively for sale, and ate remorselessly into the countryside, in recent years there has been a dramatic increase of mixed tenure developments on brownfield sites, and a great step forward on the regeneration of many of our inner-city areas. There have also been real improvements in the quality of design and environmental performance. We have not gone as far as we should, but there have been very fine exemplars of good development.

I recommend a visit to Greenwich to any hon. Member who doubts that. They would see there not only some of the country's finest historic architecture—several hon. Members have praised the quality of the architecture in their constituencies, but I give way to no one in that regard—but exemplars of high-quality new housing development, such as the Greenwich millennium village and the regeneration of the Royal Arsenal in Woolwich. They are clear illustrations of how wrong the hon. Member for Meriden (Mrs. Spelman) was to claim that garden development is diverting development away from the more appropriate regeneration of brownfield sites. There could not be a clearer illustration of how totally wrong she was, so I hope that she will come to see the fine regeneration taking place in Greenwich.

Mrs. Spelman *rose—*

Mr. Raynsford: I said that I would not take any more interventions, but I will give way to the hon. Lady because I referred to her.

Mrs. Spelman: I am grateful to the right hon. Gentleman; I gave way to him during my speech. The site to which

[Mrs. Spelman]

he refers is of course exceptional because everyone will remember it as the site of the dome. It is thus in a category of its own in terms of its need for regeneration.

Mr. Raynsford: Again, the hon. Lady is wrong. There is not just the dome but the Greenwich peninsula, the Woolwich Arsenal and the Kidbrooke regeneration. There is a series of major sites on which we are seeing high-quality new urban development. The hon. Lady seems to shake her head—she does not want to know. Her whole attitude has been one of visceral hostility to new housing. We heard that for years during the previous Opposition regime, when she was given a fairly free rein to oppose housing developments. She now has to choose her words slightly more carefully, but she has the same message: hostility to housing.

The quality of the Greenwich development should not be in any doubt. That development ensures that people have good-quality homes to rent or buy; the two types are side by side, and mostly indistinguishable. It is planned so that there is easy access not only to public transport but to schools, health centres and other public services. There is a stunning ecology park that is doing more for biodiversity and wildlife than was ever the case on that formerly polluted gasworks site. In summary, the exemplary new development has been created as a result of, and is an exemplar of, the Government's housing and planning policies. It is because of such developments—and there are many more—that more than 70 per cent. of new homes are now on brownfield sites, compared with about 50 per cent. or less in the Tory years.

As my right hon. Friend the Secretary of State pointed out, the proportion of residential development on land previously residentially developed—land that might include former gardens—was greater in the 1980s when the Conservative party was in power than it is today. It is intellectually untenable for the Opposition to suggest that the increase in brownfield development in recent years has reflected the gobbling up of gardens in suburbia. That simply is not the case.

There has been a serious oversimplification of the issues. The Opposition have tried to present the situation as a case of rapacious developers seizing and building on back gardens wherever possible. There are instances where that is happening, and that should be resisted. Inappropriate development in back gardens would not have my support. However, there are also appropriate infill developments that make use of land that has not been used well, and is in locations where there is good access to transport and other services, which makes it sustainable, and the quality of the area is enhanced as a result. We should distinguish between the two.

Greg Clark: Will the right hon. Gentleman give way?

Mr. Raynsford: I do not have time; we are time limited.

As I made clear in my intervention on the hon. Member for Meriden, there are a large number of proposals to extend existing properties, perhaps to provide more accommodation or a conservatory, which involve building on garden land. Many of the home owners who aspire to have more space and who would like the opportunity to have an extension or conservatory should be warned that if the Opposition had their way, that development would become much more difficult, because there would no longer be an assumption that any such site might be regarded as brownfield.

Hon. Members should bear that in mind. The Opposition's simplistic and misleading approach is in danger of distorting the debate. We need to try to achieve high-quality development that meets good-quality design standards, including the high environmental standards that we want in our housing development, and makes sure that communities work together and are vibrant and successful. That was very much the thrust of planning policy guidance note 3, which was issued in 2000. The Opposition now decry it, but I take a certain amount of pride in it because I was the Minister with responsibility for planning when it was prepared and issued. It put the focus on increasing brownfield development and on better-quality design. It shifted the emphasis significantly in that way, and gave a strong thrust towards sustainability objectives, all of which I stand by—and I hope that the House would do the same, because they are important measures of quality in development. We should be trying to achieve those objectives to ensure that inappropriate, poor-quality and badly designed development proposals are rejected, and that good-quality appropriate developments on garden sites are supported. The House should be adopting that approach.

The hon. Lady has, over many years, found every opportunity to oppose housing developments. She has got into that mode again, although she tried to qualify it, as I implied, by saying that she was in favour of lots more housing, but did not agree with the Government's proposals and was worried about where the housing would be, what sort it was and how it would be built. Those are precisely the arguments that allow her to sit on the fence and say, "I do believe in more housing," to please the house builders, while at the same time saying, "No, no. We will resist housing developments," to please the people in her party who remain viscerally opposed to new housing development.

Mr. Deputy Speaker: Order. I am sorry to interrupt the right hon. Gentleman, but there has been a slight error with the clock. I can give him one more minute.

Mr. Raynsford: I am grateful, Mr. Deputy Speaker. I assure you that I require less time than that.

The hon. Lady paid lip service to the idea of more housing, but behind that was the continued opposition, using any means possible, to new housing development. I am afraid to say that the Opposition have revealed that they remain a party that is not seriously thinking about how new housing development should be promoted and supported where it is needed, but still has its old perspective on opposing housing. I hope that the House rejects their motion.

5.59 pm

Mr. Andrew Mackay (Bracknell) (Con): Sadly, that was a characteristically disingenuous speech by the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), who, as a past planning Minister

should know better. It was preposterous and beyond belief to say that my hon. Friend the Member for Meriden (Mrs. Spelman) was in any way suggesting that people wishing to extend their houses—adding porches, patios, sun lounges or whatever—would not be able to do so. I will return to that, but I thought that the record needed to be set right straight away.

I am immensely grateful, as my constituents will be, to my hon. Friend for moving the motion. It is a specific and important issue that needs to be fully addressed. The person to whom we must be most grateful is my hon. Friend the Member for Tunbridge Wells (Greg Clark), who has done so much on this subject. I recently addressed a public meeting in my constituency at which a resolution was passed that I should thank him, and I now do so publicly, on the Floor of the House.

The reason why this is an important debate is that it affects so many constituencies. As the hon. Member for Hazel Grove (Andrew Stunell) said, it affects Members in all parts of the House, and the early-day motion tabled by my hon. Friend the Member for Tunbridge Wells has been signed by Members of all parties. The most telling interventions came from the right hon. Member for Birkenhead (Mr. Field) and the hon. Members for Sunderland, South (Mr. Mullin) and for City of Durham (Dr. Blackman-Woods), all of whom rightly pointed out that the problem is huge in their constituencies. As the hon. Member for Sunderland, South said to the Secretary of State, she has to do something to put it right.

I represent a largely suburban constituency; it is not rural. We have had terrific development pressures; we have taken more than our fair share. Greenfield sites have been built on, and more will be built on in the next few years, to provide much-needed social and other housing. What desperately upsets my constituents, whether they live in Bracknell, Sandhurst, Crowthorne or Finchampstead, is building on gardens.

That was when the Secretary of State showed that she is not yet up to speed with her brief. I am confident that when the Minister for Housing and Planning winds up the debate later she will correct the record and be more positive. My constituents will be appalled at the Secretary of State's saying, "Oh, this is just something about building between houses." That is not at all the case. We are talking about developers offering huge sums of money to people, one after another, to have their usually modest bungalows or houses knocked down so that the site can be redeveloped as a block of flats. Those blocks of flats are not of sufficient density to lead to any more social housing, so people in Bracknell Forest borough and Wokingham unitary authority who are on a long housing waiting list are not helped at all. The flats take a long time to sell or let, and they completely change the nature of the area in which they are built. They put terrific strains on infrastructure and are not wanted.

To answer the right hon. Member for Greenwich and Woolwich—I think that the hon. Member for Hazel Grove came to this conclusion too, although he took a little time about it—we need to give powers back to local representatives. Again and again, local residents oppose an application to build a block of flats on a site where property already exists. They are supported by their locally elected representatives—the Member of Parliament, the town or parish council and the borough council, and the planning authority turns down the application. What happens then? We all know that, again and again, the developer appeals to the Secretary of State, and the Secretary of State and her inspectors come down in favour of the developer. We are left to pick up the bits and pieces.

Helen Goodman: The right hon. Gentleman has explained the problems in his constituency very clearly, but he appears to suggest that people are compelled to sell that land. Some of his constituents, however, make money by selling land to developers, thus destroying the neighbourhood for their friends and neighbours. Can he explain that anomaly?

Mr. Mackay: The hon. Lady has a distinguished record as an academic, so I am surprised by her intervention. We both live in the real world. If someone was offered half as much again for their property they would need a strong moral compass to refuse. We must ensure that local elected representatives make the final decision on what is built, as they will be held accountable for their decision when they seek re-election. If I may say so, the hon. Lady's intervention on my hon. Friend the Member for Meriden (Mrs. Spelman) was much better than her intervention on me. She said that development could not take place in the hamlets in her part of the north-east, which caused unnecessary development elsewhere. If power were restored to her local planning authority and people wanted development in the hamlets—she suggested that they did—that development would take place. If elected representatives get it wrong on planning and do not provide sufficient housing, or if they allow unreasonable and intrusive development that people do not want, they will be slung out at the next election. Democracy works well because it concentrates the minds of elected politicians, and that is what we want to do.

May I return to my constituency to illustrate the strength of feeling on the issue? There have been two public meetings in Crowthorne, which is not a very big place. More than 500 people attended the first meeting—as politicians, we do not often attract such attendance—which I started to address inside the Morgan centre. However, the organisers were worried that many people were waiting in the crush outside, so I had to go out in the dark and address them in the recreation ground. It was like Gladstone and Disraeli again! The second public meeting was as full as the first, and it was attended by representatives of the other main political parties in my constituency. Everyone was united at that non-political event. It was characteristic of the right hon. Member for Greenwich and Woolwich to play party politics but, mercifully, the Labour representatives behaved much more responsibly at that meeting. That is not surprising, however, knowing them and knowing him.

Finally, I would be grateful if the Minister for Housing and Planning responded to an initiative in Crowthorne. Local planning officials who came to the public meetings said that a village design statement would be helpful, so a group of hard-working independent people who had not taken part in objections to the development spent a great deal of time preparing such a statement for Crowthorne. It is extremely impressive, and the planners say that it will be made available to developers and

[Mr. Mackay]

other interested parties. It defines Crowthorne in a neutral tone—it is neither pro nor anti-development—and I would be grateful if the Minister told the House how much weight can be given to that statement, if she accepts my word that it is neutral and extremely professional. Will her inspectors, as well as the planning authority, take note of it? Bracknell Forest borough council and Wokingham unitary have both assured me that they will take it into account.

I want to end as I began, by arguing that the definition of brownfield sites must change. Brownfield sites are derelict; they are industrial or commercial developments that are no longer used. They are just outside redeveloped inner-city areas, as my hon. Friend the Member for Meriden made clear. They are not the gardens of existing houses. We want the definition to be tightened and changed. We also want an indication from the Minister and the Secretary of State that the democratically elected local politicians on planning authorities, and local residents, will be listened to far more than they are at present. If the Minister can give me that assurance when she winds up, I will leave the House tonight a very happy Member.

6.10 pm

Margaret Moran (Luton, South) (Lab): Like my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford), I had anticipated that this debate would be much more wide-ranging than the motion on the Order Paper and would tackle serious housing issues. I welcome the Government's amendment, which has widened the terms of the debate.

This debate appears to be a fig leaf—or any other kind of leaf—to cover the lack of Opposition policies for tackling issues such as homelessness and overcrowding. I hope that we will hear what we were all listening for: a full assurance from the hon. Member for Meriden (Mrs. Spelman) that she agrees with the Government's targets for increases in the supply of affordable housing, which is so desperately needed in areas such as my Luton constituency. There is a crisis in areas such as mine, where we have no option to build outside my area.

I do not recognise as accurate the hon. Lady's portrayal of areas around inner cities that are simply lying in wait to be redeveloped. In my constituency, those areas are being, and have been, developed. We have no land for new building inside our conurbation; no infill development opportunities are available.

Dr. Alan Whitehead (Southampton, Test) (Lab): My hon. Friend has expressed her thoughts on such areas of land, which it is claimed exist outside city centres in the south; as she said, they do not exist in practice. Might that therefore mean a Conservative party policy of building new towns throughout the south of England, and does she consider that an appropriate way to develop new housing there?

Margaret Moran: My hon. Friend makes a good point and I should be very interested to hear the response of the hon. Member for Meriden, because we deserve some serious answers, instead of the rather fantastical proposals that she advanced as so-called solutions.

The crisis is imminent—it is upon us now, given the urgency of the problem of homelessness and overcrowding. There are 3,500 people on the housing waiting list in Luton. Some 60 per cent. are homeless, 20 per cent. are applying for a transfer, and the remaining 20 per cent. will never see the light of day in terms of housing. As of the last financial year, the council was receiving 130 housing applications per month. In addition, huge numbers of people are spending more than a year—sometimes two years—in temporary accommodation. The overcrowding crisis is such that I regularly see in my constituency office surgeries families of six or more who are living in two-bedroom flats. How can those families survive in those conditions?

Opposition Members' solution to the problem is a flight of fancy; I want to talk about the reality. Throughout the country, some 900,000 children are living in similarly overcrowded conditions. Ethnic minority communities such as the Pakistani and Bangladeshi communities in my constituency are seven times more likely to experience overcrowding than other communities, but the problem ranges across every community in my constituency. Overcrowding has an incredible impact on the health of those families. A survey by Shelter found that 90 per cent. of the families questioned felt that overcrowding was damaging their children's health; 93 per cent. of the severely overcrowded families surveyed said that they were experiencing depression, anxiety or stress; and 80 per cent. felt that the overcrowding experience was having a detrimental effect on their children's chances of a good education, because there was simply nowhere for them to do homework, or to find space for playing or learning. The life chances of generations of children and families are affected by overcrowding.

The hon. Member for Meriden dismissed the idea of extensions to houses, but for many of those families, it is their only way of getting some small additional space. In addition to the short-term solutions to overcrowding that have been mentioned, we need to consider greater opportunities for extension of housing. That is happening in the owner-occupied sector and it is what most of us do if we own our homes—we build a loft and an extension. For people in the council and social housing sector, I have never understood why we cannot allow similar extensions within the social housing framework. The housing corporation in my area recently funded one such extension, built by Luton Community Housing, which I commend. In crowded areas such as mine that is often the only solution. I ask my hon. Friend to include that among the short-term solutions that we need to consider.

The Government have commendable plans—

Mrs. Spelman *rose—*

Margaret Moran: I am sorry. Because of the time constraints, I cannot give way, although I would love to take the hon. Lady's intervention so that we could have a proper discussion.

At last we have a Government who are committed to extending affordable social housing. The Chancellor has said that he will invest in social housing and make it a priority in the forthcoming comprehensive spending review.

Michael Gove (Surrey Heath) (Con): Will the hon. Lady give way?

Margaret Moran: I am sorry, I do not have time.

That target is to be commended. The fact that Luton is part of the south midlands growth area strategy is our lifeline of hope for the thousands of people on our waiting lists, who are desperate for a transfer because of overcrowding and other needs.

One of the arguments deployed by the Opposition, apart from the garden issue, relates to infrastructure, which has been mentioned many times. Of course, the infrastructure needs to be in place for the sustainable development of affordable housing. In my area I cannot see any dereliction of duty on the part of the Government in terms of providing infrastructure—rather, the reverse. They have put millions of pounds into transport infrastructure, such as the widening of the M1 and the introduction of the east Luton corridor and the Translink rail system, all of which—together with plans for the expansion of London Luton airport, which we look forward to—will provide necessary transport and employment opportunities and other infrastructure measures that underpin the growth strategy.

I welcome the Government's targets for the increased supply of housing—200,000 homes by 2016—but the recent excellent report from the Select Committee on the Office of the Deputy Prime Minister, "Affordability and the Supply of Housing", goes further. We have not yet got the Opposition to agree the first target and I am asking for another, but let us be aspirational. Shelter believes that a further 20,000 homes are needed on top of the target, and I agree. It would be as well for the Minister in her winding-up speech to suggest imaginative ways of adding to the target.

We need to consider short and medium-term solutions to crises such as those in my area. Many families cannot wait four, five, six or seven years for the growth strategy to become a reality—for new homes to be available. I mentioned extensions. Converting existing homes should also be considered, although it is not straightforward. We need to deal with the issue of VAT on the refurbishment and repair of existing homes. The Royal Institution of Chartered Surveyors has raised consistently with the Chancellor, as have I, the point that there is no level playing field for VAT. I welcome the Chancellor's moves to ensure a reduction in VAT to bring empty properties back into use, but we need to act further and faster to rehabilitate older properties, such as those in the most deprived area of my constituency, which takes me right back to what I was doing when I first entered the social housing field.

We also need urgently to tackle the issue of empty properties. As I have said, there are 680,000 empty properties nationally, which is 3 per cent. of the housing stock. There are a number of empty properties in Luton, and we should take cognisance of the Government's existing target to reduce long-term empty properties by 25,000 by 2010, which would be a good start. The Empty Homes Agency has said that we need to be more ambitious given the scale of the crisis, and it has suggested the target of a 50 per cent. reduction by 2010 in the number of properties empty for more than six months. We need to be that ambitious, because the crisis is acute for the families I see day in, day out in my surgeries.

The Government have gone beyond even my expectations. The previous Tory Government smashed investment in housing year on year, whereas this Government are committed to the necessary investment. However, I ask Ministers to move a little further, given the urgent crisis faced by families in our constituencies.

6.21 pm

Greg Clark (Tunbridge Wells) (Con): If you were to go down to Tunbridge Wells today, Mr. Deputy Speaker, you would be sure of a big surprise. You would progress through some of the most beautiful leafy roads in Britain, which look at their best at this time of year. If you were to walk from the station, you would come before long to Forest road, where you would see family homes built in the 1920s and 1930s. Those homes have mature trees and gardens that teem with wildlife. The surprise is that you would be looking at a brownfield site.

An even bigger surprise is that those houses are under threat because of that definition. This is what happens: developers offer one of the residents a big cheque, and before very long the hoardings go up, the house comes down, the garden is ploughed up and the flats go in. In a short space of time, a road that has contributed to the character of an area for 50 or 60 years is replaced by a block of apartments and a parking lot. In those circumstances, the people who live next door think that the same thing will happen on the other side, so they panic and sell up. Within a short time, a domino effect ripples down such roads in my constituency and others like it, which completely changes the character of an area.

The biggest surprise is that that process is happening not only in Tunbridge Wells and the leafy south-east, but across the country. When I introduced a ten-minute Bill on the subject four months ago, I did not know that it would attract e-mails, telephone calls and letters from all over the country—from Stockton-on-Tees to Bristol and from Cardiff to Rochdale. All the people who contacted me said that their local areas are being degraded, while the affordable housing that we need is not being provided. I accept the need for more housing and, in particular, for affordable housing. But I am concerned that such garden-grab developments are being used to avoid the affordable housing requirement, because they involve less than 15 units of housing. Such developments are displacing the development of genuine brownfield sites and robbing the poorer members of our society of their entitlement.

Jeremy Corbyn: Does the hon. Gentleman agree that the threshold for including social housing should be lowered to, for example, six or eight units, which would mean that a fair share of social housing would be developed on all sites?

Greg Clark: The hon. Gentleman makes a good point. Unfortunately, I am an Opposition Back Bencher, but I hope that the Minister may pick up his suggestion in due course. *[Interruption]* The hon. Gentleman and I have something in common—we are fellow opposition MPs.

The Secretary of State described our concerns as, in effect, a fiction, citing two reasons: first, that councils

[Greg Clark]

already have sufficient discretion to turn down such applications, and secondly, that the definitions have been consistent. I concede that the definition of brownfield sites has been around since 1985. However, it was never part of planning guidance, but merely a convenient way of recording statistics. Since then, two things have happened. First, the Government have introduced targets for building houses and for building on brownfield land. We all know that once one applies a target to a definition, that definition becomes important, which is why this definition is important now.

Secondly, the Government have introduced higher density targets. In 1997, the average density of new build was 24 units per hectare; now, it is 42 units—nearly twice as high. Under planning policy statement 3, that could increase to as many as 70 in urban areas. As they say, "Do the math": if an existing home is to be replaced and those doubled, perhaps trebled, density targets are to be met, it cannot be done without the garden. There has been a material change in the environment.

Confirming my perception, the Library, commenting on these changes, said:

"Taken together, those factors have encouraged local planning authorities to approve planning applications for urban sites where houses have large gardens. There was enough in the guidance to justify developers appealing any refusal of this type of application with every chance of success. In other words…the overall policy environment has changed as regards developing on gardens."

Mr. Lee Scott (Ilford, North) (Con): Does my hon. Friend agree that if we are truly to give local authorities the ability to make these decisions, perhaps they should not be overruled so often by a body that would not know the local area if it jumped up and hit it in the face?

Greg Clark: My hon. Friend makes an excellent point that provides a useful opportunity to clarify the purpose of my Bill and the motion. We do not want to preserve in aspic every garden in the country but, as my right hon. Friend the Member for Bracknell (Mr. Mackay) said, to return to a situation whereby local authorities—democratically elected representatives—make case-by-case decisions.

The Secretary of State suggested that the situation that we described was exaggerated, or even a fiction, almost as if our constituents were suffering from the delusion of the emperor's new clothes and imagining something that did not exist. A couple of months ago, the previous Under-Secretary, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), said:

"The Office of the Deputy Prime Minister has rebutted strongly the allegations that garden grabbing is going on. We do not take the accusations seriously."—[*Official Report, Westminster Hall*, 25 April 2006; Vol. 445, c. 234WH.]

Our constituents take them seriously, as they are aware that it is going on. Last year's figures show that 15 per cent. of residential development is now on garden-grabbed sites—that is, one in six new homes.

Mr. Jeremy Hunt (South-West Surrey) (Con): Does my hon. Friend agree that provided that local authorities are given the responsibility of finding housing for young people to help them to get on to the housing ladder, there is no problem in giving them the final decision, rather than an interim decision, on whether housing development should go ahead and housing densities should reflect the concerns of local people?

Greg Clark: I entirely agree. If we treat local people as infants and do not allow them any say but only to kick out against decisions taken from afar, it is no wonder that we see such pent-up anger in our constituencies. I trust the people in my constituency to make the right decisions. They want to have houses and flats for their children and grandchildren, but they want to preserve the character of the area. They are able to strike that balance, and I trust them on that.

In introducing my ten-minute Bill and tabling an early-day motion, I was not trying to make a partisan political point. I believe that a mistake was made in the definition at a time when it did not matter, and we have an opportunity to correct it. The Minister for Housing and Planning can do that easily. All it requires is a change in the language of planning guidance. She can do it in PPS3. If she does that, she can look back on her tenure in the Department in the knowledge that she contributed something of lasting value to all our constituents. Hon. Members of all parties support that—we are making a cross-party plea.

If the Minister does not do what we propose, I fear that, in 30 years, we will look back on what has happened in the same way as we now look back on the destruction of some of our city centres, razed to make way for bland shopping centres. We will wonder why on earth we allowed it to happen. The Minister has a chance to prevent that, and I urge her to take it.

6.30 pm

Mr. Andrew Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): Like several of my hon. Friends, I am disappointed by the narrowing of today's debate. My right hon. Friend the Secretary of State said that it was two years since the Opposition previously asked for a debate on housing. The debate before that took place four years earlier. In the past five debates on housing for which the Opposition called, I note an uncanny consistency in that all the motions contained the phrase, "serious threat to the nation's green fields", or something similar. We have moved from that to a serious threat to the nation's back gardens. We are narrowing the debate all the time.

I do not imply that the issue is irrelevant, but it is not the subject that an Opposition party that wished to set out its stall on housing would choose. My right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) listed the many topics that we could consider. Even in the context of the motion, overdevelopment is an interesting subject and we could have profitably debated the fact that many developers try to overdevelop inner-city sites. However, the debate has been narrowed to such an extent that one has to ask why. My hon. Friend the Member for Luton, South (Margaret Moran) suggested that the answer was shortage of policy. I would not go that far, but the Opposition display a reluctance to put any more than their toe in the water.

The Opposition are obviously conducting another spurious green campaign. My right hon. Friend the

Secretary of State effectively demolished the argument in the motion by saying that brownfield development and the volume of green belt land have increased under Labour, that the percentage of residential land that is being developed has decreased and that local authorities have discretion in the planning process. None of the Opposition arguments makes sense and one must therefore ask why they have chosen the topic. I fear that it signals a return to "dog whistle" politics. It proclaims that, whatever the Conservative party says at the moment about being friendly and wanting to tackle the housing shortage, if people listen carefully, it is not genuinely in favour of development anywhere.

Anne Main (St. Albans) (Con): Will the hon. Gentleman give way?

Mr. Slaughter: I would love to give way, but I am short of time.

I have had the privilege of living in the London borough of Hammersmith and Fulham for some 40 years and I remember when there was a Tory-Liberal coalition there from 1978-86. Not a single council property, save for sheltered housing, was built in that time. Under a Labour administration, 70 per cent. affordable housing was built in the borough. To revert to the point that appeared to trouble the Opposition spokesman, any development of five or more homes had to include an affordable element. That was such a contrast with neighbouring Kensington and Westminster. I am sad to say that we now have another Conservative administration in Hammersmith and Fulham. Already, in only two months, developers tell me that they are coming under pressure to reduce to a minimum the percentage of affordable housing in schemes.

The hon. Member for Meriden (Mrs. Spelman) is wrong about the mythical "Harry Potter" realm between the inner city and the suburbs, full of oases of brownfield sites that can be developed—but there are one or two, even in my constituency. In those places, the developers are being told, "It's more difficult because of the Greater London authority and the 50 per cent. rule—but let's keep it down as much as we possibly can."

More widely across London, the figures for social rented housing completions since 1998 speak far more eloquently than any of the words of the Opposition can. In Tower Hamlets, the figure is 3,902; in Hackney, it is 2,563; and in Hammersmith and Fulham, it is 1,587. Let us compare those figures with that of Richmond, at 628, and Wandsworth, at 492. A borough that is twice the size of Hammersmith and Fulham managed to complete only a third of the number of social housing units in that time. The only other connection to be made is that it is the Conservative boroughs that are building the smaller numbers of housing units, and the Labour boroughs that are building the large numbers. I wish that I had time to go through all the figures, because the same applies to the current round of housing allocation. It is absolutely shameful that while Hammersmith and Fulham is planning to build almost 1,000 units in the current two-year period, Wandsworth—a borough of twice the size—is planning only 248.

Mrs. Spelman: Will the hon. Gentleman give way?

Mr. Slaughter: I wish that I could, but I simply do not have the time.

The hon. Member for Surrey Heath (Michael Gove) was kind enough to praise a development in Hammersmith and Fulham in a speech that he made earlier this year. It will therefore be of concern to him that every affordable housing development in Hammersmith and Fulham between 1986 and 4 May this year was opposed by the Conservatives in that borough. That is the truth about Conservative housing policy. We have heard "Don't build it on greenfield sites," and we are now hearing "Don't build it on brownfield sites." The Conservatives' consistent policy is "Don't build it." That is the message that comes through loud and clear. They clearly think that they are popular, but they need to be clear that the dog whistle cannot go off pitch, because certain groups of people might be listening to it.

There are families with four children living in one-bedroom flats in my constituency—this is beginning to sound like the four Yorkshiremen sketch—but I cannot imagine that the Conservatives would be too concerned about them. However, they might be a bit more concerned about the young professionals and first-time buyers who are also desperate for accommodation, but who cannot get on the housing ladder—although the Conservatives did oppose the introduction of home sellers' packs. They might also be concerned about the young families who are trying to trade up, but who have little chance of doing so in London. We need a better intermediate housing market for those people. The Conservatives are obviously not even concerned about the empty-nesters who are selling their properties to developers so that they can get a pension out of it, as my hon. Friend the Member for Bishop Auckland (Helen Goodman) pointed out.

I would advise the Conservatives to listen more carefully, although I would not advise them to orchestrate another debate on this subject within the next five or six years. The more we hear about the detail of their housing and planning policies, the more hollow they ring. Perhaps that is why they pulled the original subject for their debate and replaced it with this fig leaf of a debate instead. The Conservatives' policies ring hollow because of their real opposition to the building of housing, particularly affordable housing, and the fact that they have nothing to put in its place.

6.38 pm

Michael Gove (Surrey Heath) (Con): We have had a good debate this afternoon and passions have been engaged on both sides of the House. That is hardly surprising, because this subject goes to the heart of the central political question of our time—how do we maintain and enhance our citizens' quality of life?

I should like to pay particular tribute not only to the Members who spoke in the limited time available, but to those who intervened, often to powerful effect. I should like to pay particular tribute to my hon. Friends the Members for East Worthing and Shoreham (Tim Loughton), for Sutton Coldfield (Mr. Mitchell), for Fareham (Mr. Hoban), for Castle Point (Bob Spink), for Lichfield (Michael Fabricant) and for Mid-Sussex (Mr. Soames), all of whom paid eloquent testimony to the way in which the Government's policy denies their communities the types of housing and development that they need.

[Michael Gove]

The motion has attracted support from across the House, and I also want to pay particular tribute to the interventions by the right hon. Member for Birkenhead (Mr. Field) and the hon. Members for Sunderland, South (Mr. Mullin) and for City of Durham (Dr. Blackman-Woods). All three of them emphasised one of the weaknesses at the heart of Government policy. Given the way in which urban green space—gardens—is classified as brownfield land, developers who should be encouraged to move towards genuine areas of desolation cherry-pick garden sites for their housing developments instead. As a result, the admirable aim behind the Government's policy, and our policy, which is to encourage urban regeneration, is undermined by an unfortunate misapplication of an originally well-intentioned policy.

As was pointed out by my hon. Friend the Member for Tunbridge Wells (Greg Clark), no great legislative change is required—an edict from the Minister for Housing and Planning could change a situation that, unfortunately, leads to the perverse outcomes to which the hon. Member for Sunderland, South and other hon. Members have referred.

Anne Main: Will my hon. Friend give way?

Michael Gove: No, I will not give way at this stage, but I thank my hon. Friend.

As has been pointed out by my hon. Friend the Member for Meriden (Mrs. Spelman), there is a consensus in the House on the need for new homes. That consensus has been led by my right hon. Friend the Member for Witney (Mr. Cameron) and my hon. Friend the Member for Tatton (Mr. Osborne), both of whom have made speeches recently stressing the need to increase housing supply in this country. The Government, in talking about increasing supply, have always concentrated on quantity, but unfortunately they have lost the plot—indeed, they have lost the garden plot—on quality. The debate provides an opportunity for the Government to make a fresh start and to show that they believe that, when encouraging development—the right sort of development—we must take account of people's need to ensure that there is appropriate urban green space.

Talking of changing policy, I was particularly interested in some of the remarks made by the Secretary of State in her speech. She talked about the need to take tough decisions on housing. I pay tribute to some of the tough decisions that she has taken in her role as the MP for her constituency. In March 2005, she supported residents who opposed plans to build 200 new homes. In 2004, she supported residents in a successful campaign to stop 30 new flats being built in an area of Bolton. The year before, she played a leading role in blocking proposals for a block in the same area. In 2002, she fought against plans to build new homes in West Horton. Two years earlier, she celebrated with residents after she had blocked a proposal for 600 new homes. In 1999, she played a pivotal role in blocking proposals to build 1,100 new homes in her constituency. Indeed, Margaret Rothwell, the chairman of Bolton's planning committee, said:

"in my experience, whenever a group of residents in her constituency oppose a development, she always backs them."

That is an interesting record, but I come not to condemn the Secretary of State, but to praise her for defending the interests of her constituents, because that is what the motion is about—restoring to local communities the chance to shape their own environment.

The call put forward in the early-day motion tabled by my hon. Friend the Member for Tunbridge Wells has attracted formidable cross-party support. I offer the Minister the chance to join that progressive consensus today. Forty of her colleagues and several senior Liberal Democrats have said that the motion is important, because they recognise that urban green space is good for the nation's health, good for the environment and good for biodiversity.

The *British Medical Journal* has emphasised how good green space is for our health. It pointed out that in environments with a high level of greenery, there is three times the level of physical activity and 40 per cent. less obesity—both form targets that the Government want to encourage, yet their policy works against doing so.

On the environment, the World Health Organisation in its recent report "Green cities, blue cities"—I do not know why it chose that title, but I can only commend it to the House—said that where there is extensive urban greenery, not only are CO_2 emissions absorbed, but oxygen is emitted. Tree leaves collect dust and the phyto-acids in trees act as bactericides. Our urban green space plays a key part in ensuring that our environment is cleaner.

On biodiversity, the university of Sheffield, in a recent study, pointed out:

"Gardens are brilliant for wildlife. Gardens are England's most important nature reserve."

However, under this Government, that nature reserve is increasingly being concreted over.

At the heart of the debate is the question of local accountability, as was pointed out by my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot). At the moment, the combination of the Government's policies denies local autonomy over not just the designation of gardens as brownfield land, but density targets. As was pointed out by my hon. Friend the Member for Tunbridge Wells, the Library, which is independent, has recently drawn attention to the fact that that perverse trend has gathered pace under this Government. It pointed out that

"the 2000 PPG3 contains pressure to increase density of development, which reads back into greater pressure to develop urban gardens... This has been combined with increased housing targets in the South of the country... those factors have encouraged local planning authorities to approve planning applications for urban areas where houses have large gardens."

The Library concludes:

"There was enough in the guidance to justify developers appealing any refusal of this type of application with every chance of success."

In other words, local communities are robbed of control over their own environment because of the Government's policies.

David Wright: Will the hon. Gentleman give way?

Michael Gove: Not at this stage.

The situation is likely to become still worse because of the changes to planning policy guidance note 3 in the new planning policy statement 3, which increases the density pressure. We recognise that, as the hon. Member for Denton and Reddish (Andrew Gwynne) pointed out, some communities will want sensitive garden and infill development, and we believe that communities in which there is strong popular backing for such development should be allowed to go their own way. The problem with policy at present is that local autonomy is denied, and communities that wish to resist development are robbed of the power to do so.

The hon. Member for Hazel Grove (Andrew Stunell) congratulated us on raising an important issue and, a second later, said that he was disappointed that we had selected this subject for debate. I am used to hearing Liberal Democrats saying different things to different audiences, but that was an example of one Liberal Democrat saying different things to the same audience. All I would ask the hon. Gentleman is: why have the Liberal Democrats not used any of their Opposition day debates to discuss housing and planning issues in the past? Let me give the House an assurance: I will talk about housing and planning whenever the Government give me an opportunity, and I shall be delighted to use any opportunity that may be extended by the Minister or the Secretary of State to hold the Government to account for their failure to deliver on their housing targets.

The hon. Member for Hazel Grove asked my hon. Friend the Member for Meriden why she had not talked about rural housing affordability, supply generally or location. In fact, my hon. Friend explicitly mentioned all three. The hon. Gentleman spoke of the importance of football analogies; let me give him such an analogy. He took his eye comprehensively off the ball, and scored a series of own goals. [HON. MEMBERS: "Very funny!"] I am grateful for those generous words.

The right hon. Member for Greenwich and Woolwich (Mr. Raynsford), whose commitment to housing and planning is well known, made a fascinating speech. He understandably referred to the regeneration in his constituency, which in many cases I would applaud, but, as my hon. Friend the Member for Meriden pointed out, much of the investment there was due to the millennium dome. Given public investment on that scale, I am not surprised that there has been urban regeneration—but I doubt that the Chancellor of the Exchequer will allow the level of public expenditure in the right hon. Gentleman's constituency as a result of the dome to apply in the constituencies of the rest of us.

The right hon. Gentleman also suggested that we were opposed to patios and extensions. As my hon. Friend the Member for Meriden said, it is unfortunately the changes to council tax that the Government are contemplating that will discourage people from enhancing their homes as we would like them to do. Our policy would enable local authorities to allow precisely such enhancement.

My right hon. Friend the Member for Bracknell (Mr. Mackay), with his customary authority and sensitivity to the needs of his constituents, said that local residents' opposition to housing development in their area was continually ignored by the planning inspectorate, which is an unfortunate example of increased centralisation under this Government. He emphasised that local elected representatives needed to be able to decide. That is at the heart of our argument.

The hon. Member for Luton, South (Margaret Moran) raised—with admirable eloquence and clarity—the problem of overcrowding. In particular, she drew attention to its seriousness among black and ethnic minority people. I agree with her that we need to address the problem. Indeed, I have had the opportunity to make the point in Westminster Hall. I hope that the hon. Lady will join me in pressing the Minister to change the statutory definition of overcrowding, so that we have a more appropriate benchmark for government policy in the future. I also hope that she will join me in recognising that it was under the Conservative Government that we succeeded in increasing the amount of social housing that was supplied, and that under the present Government the amount of social housing released and supplied has diminished.

My hon. Friend the Member for Tunbridge Wells—who deserves enormous credit for having introduced a ten-minute Bill, which a Government Whip, sadly, tried to strangle the other day—spoke with passion, fluency and great intellectual authority about the perversity of encouraging development on urban green space when the original brownfield designation was intended to ensure that industrial land was redeveloped. He pointed out, crucially, that for those of us who believe in creating more social and affordable housing, infill and garden development of the kind that we are seeing does not trigger the requirement to provide such housing that is laid down in the Government's regulations. That point was backed up by the hon. Member for Islington, North (Jeremy Corbyn).

The hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) spent most of his speech saying that he wished we had had another debate. Given the rest of his comments, I understand and sympathise with his desire to speak on a different motion. He did not directly address any of the concerns raised by his hon. Friends who signed the early-day motion tabled by my hon. Friend the Member for Tunbridge Wells.

In voting for the motion, hon. Members will be standing up for the sort of spacious domestic environment that gives families the chance to enjoy a decent quality of life. We will be standing up for biodiversity and urban green space against policies that perversely encourage insensitive development. Most importantly of all, we will be standing up for local people, local autonomy and local government, against centralised edicts that rob people of control over their communities.

Mr. Soames: On a point of order, Mr. Speaker. Is it not the height of insolence and bad manners to the Chamber that the Secretary of State, who responded at the beginning of the debate, is not here to listen to the wind-up or to the response from my hon. Friend the Member for Surrey Heath (Michael Gove)?

Mr. Speaker: The hon. Gentleman has a point. *[Interruption.]* However, the Secretary of State has just arrived. I would not use the term "insolence", but those who lead off a debate should return for the wind-up speeches. It is a strong tradition of this House, and it should be observed.

6.50 pm

The Minister for Housing and Planning (Yvette Cooper): We have had a wide-ranging debate this afternoon. The hon. Member for Hazel Grove (Andrew Stunell) raised issues to do with environmental standards for housing, about which I agree. My right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) pointed out some of the rather absurd—if unintended—consequences that the Opposition motion would have for extensions, which would be regarded as brownfield development.

The right hon. Member for Bracknell (Mr. Mackay) asked about village design statements. I shall be happy to respond to him in more detail, but I assure him that we support those statements and want to give them a stronger role in the new planning guidance. My hon. Friend the Member for Luton, South (Margaret Moran) talked about the serious need for new homes in her constituency.

The hon. Member for Tunbridge Wells (Greg Clark) raised a variety of points, and I shall respond to many of them in due course. However, he raised an important issue when he said that small housing developments do not include affordable housing. I agree that that is a significant matter, and it is one of the factors supporting the introduction of the planning gain supplement that may be more appropriate for smaller sites.

My hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) raised some important points. I was very concerned by what he said about the attitude towards affordable housing of the new Conservative-controlled council in his area. That is a serious problem for people in his constituency.

Opposition Front Benchers touched on a range of issues to do with density and planning guidance. However, I can tell the hon. Member for Surrey Heath (Michael Gove) that the Government make no apology for saying that we think that density should be greater. For many years, low-density executive developments have taken up large areas of greenfield land, and it is simply not true that one cannot build at relatively higher densities and still include gardens or wonderful designs.

I turn now to the main issues in the debate. The Opposition have called for an end to building on back gardens, but we need be clear about the facts. In 2005, 14 per cent. of new homes were built on residential land. *[Interruption.]* Opposition Members have made their points, and I want to respond. That figure includes homes built on the footprint of previous buildings, and is not confined to homes built on drives or back gardens. In 1990, in contrast, 20 per cent. of new homes were built on previously developed residential land. Therefore, the proportion of new homes being built on previously developed residential land is lower today than it was in 1990.

Greg Clark: On a point of order, Mr. Speaker.

Mr. Speaker: Order.

Greg Clark: *rose—*

Mr. Speaker: Order. The hon. Gentleman should resume his seat. He should remember, when he intervenes on a point of order, that the wind-up speaker has only 10 minutes and that he is interfering with that time.

Greg Clark: I am very grateful, Mr. Speaker. The Minister said that the Opposition were arguing for development—

Mr. Speaker: Order. I shall stop the hon. Gentleman there. These are matters for debate and rebuttal. He must take his chances in these situations.

Yvette Cooper: Thank you, Mr. Speaker. I apologise to the House, but I now have very little time to respond to the many points made in the debate.

It is certainly true that this Government have increased the emphasis on the use of brownfield land. We make no apology for that, as the result has been a renaissance in our cities and towns, the regeneration of many abandoned industrial sites and a substantial reduction in the amount of greenfield land needed for development. According to the urban taskforce, 90 people were living in the heart of Manchester in 1990; today, 25,000 people live there and the city is thriving as a result. The proportion of new homes on former industrial and commercial sites has more than doubled since 1997 as a result of the measures we have taken.

Members have raised specific issues about brownfield categorisation. I agree with my hon. Friend the Member for Tamworth (Mr. Jenkins): the issue should not be about blocking whole categories of development as either greenfield or brownfield, but about quality and appropriateness. It should also be about meeting needs. Opposition Members must recognise that we need to make sure that we meet the needs of the next generation for homes. To listen to some of them talk about flats and the problems of developing flats, we would think that flats was a dirty word. They need to recognise that it is not planning definitions and Government requirements that put pressure on their constituencies, but need and demand for housing. We all have an obligation to respond to that.

I agree that we need to strengthen the focus on quality and design both of buildings and of their neighbouring environment. That is why we set out in December new consultation on planning guidance, which states clearly:

"New development should be of high quality inclusive design...The key consideration should be whether a development positively improves the character and environmental quality of an area and the way it functions."

It also states:

"Although residential gardens are defined as brown field land this does not necessarily mean they are suitable for development."

Local authorities will have a clear obligation to look at quality, but also to provide land for the homes we need.

Given the passion of Opposition Members, I looked up their contributions to the planning policy consultation. Unfortunately, they said nothing because they did not respond—so much for their apparent commitment to improving the location and planning of housing. However, I suspect that that is not what the debate is really about. The hon. Member for Hazel Grove—

Mr. Gerald Howarth (Aldershot) (Con): On a point of order, Mr. Speaker.

Mr. Speaker: It is unfortunate that the hon. Gentleman is raising a point of order when there is a severe limit on Front-Bench speeches. I note that he tried to intervene on several occasions, so I hope that he does not want to make that point as his point of order, as I shall stop him.

Mr. Howarth: My point of order is that the Minister has just said that she received no responses—

Mr. Speaker: Order. The hon. Gentleman can find an opportunity to take that up with the Minister at a later stage.

Yvette Cooper: To be fair to the hon. Member for Aldershot (Mr. Howarth), I am happy to clarify the point. We received no responses from Opposition Front Benchers on that issue—nor from the hon. Member for Tunbridge Wells, who has made such a point of debating it in this place.

That is not what the debate is really about; it is about the fact that the Conservatives still oppose new housing. They still do not accept the fact that we need 200,000 new homes every year if we are to meet the needs of future generations. The hon. Member for Meriden (Mrs. Spelman) has not only said that she will refuse to agree to the 200,000 additional homes we need, but has also told *The House Magazine* that she thinks 140,000 new homes is too many. We are already building more than 140,000—that number is not too high.

Mrs. Spelman: I realise that the hon. Lady is short of time so I am grateful to her for giving way, but her point about our opposition to new homes cannot be squared with the Secretary of State's acknowledgement that I supported the proposal of the Conservative-controlled council in my borough to build new homes.

Yvette Cooper: And the hon. Lady still will not agree that we need 200,000 more homes.

Conservative Members are still not facing up to the difficult question of where new homes should be built. They will not support the additional homes that we need and they will not support the additional funding for infrastructure, because they keep opposing anything like a planning gain supplement. They do not want new homes in the suburbs; they do not want them in the countryside either, where they want even more green belt to protect villages and towns. They do not want new homes on industrial land. The hon. Lady said in the *Western Morning News* that she objected to the £60,000 homes on former industrial and NHS sites because:

"The grim reality is that the homes are in less than desirable locations such as next door to mines."

That is interesting information for those of our constituents who have lived next to mines for very many years.

The Conservatives do not want new homes in Surrey. The hon. Member for Surrey Heath is one of 15 Tory MPs to sign an early-day motion opposing house building in Surrey. They do not want new homes in Essex either—even more of them signed an early-day motion about that; nor do they want them in West Sussex, Hertfordshire or anywhere in the south of England, which is where they propose to cut the number of homes, not to increase them.

Mr. Patrick McLoughlin (West Derbyshire) (Con) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 208, Noes 284.

Division No. 270] [6.59 pm

AYES

Afriyie, Adam	Fabricant, Michael
Ainsworth, Mr. Peter	Farron, Tim
Amess, Mr. David	Field, Mr. Mark
Ancram, rh Mr. Michael	Foster, Mr. Don
Arbuthnot, rh Mr. James	Fox, Dr. Liam
Atkinson, Mr. Peter	Francois, Mr. Mark
Bacon, Mr. Richard	Gale, Mr. Roger
Baldry, Tony	Garnier, Mr. Edward
Barker, Gregory	George, Andrew
Baron, Mr. John	Gibb, Mr. Nick
Barrett, John	Gidley, Sandra
Beith, rh Mr. Alan	Gillan, Mrs. Cheryl
Bellingham, Mr. Henry	Goldsworthy, Julia
Benyon, Mr. Richard	Goodman, Mr. Paul
Bone, Mr. Peter	Goodwill, Mr. Robert
Boswell, Mr. Tim	Gove, Michael
Bottomley, Peter	Gray, Mr. James
Brake, Tom	Grayling, Chris
Brazier, Mr. Julian	Green, Damian
Brokenshire, James	Greening, Justine
Brooke, Annette	Greenway, Mr. John
Browne, Mr. Jeremy	Grieve, Mr. Dominic
Browning, Angela	Gummer, rh Mr. John
Burns, Mr. Simon	Hague, rh Mr. William
Burrowes, Mr. David	Hammond, Mr. Philip
Burstow, Mr. Paul	Hammond, Stephen
Burt, Alistair	Hancock, Mr. Mike
Burt, Lorely	Hands, Mr. Greg
Butterfill, Sir John	Harper, Mr. Mark
Cable, Dr. Vincent	Harvey, Nick
Campbell, Mr. Gregory	Hayes, Mr. John
Carswell, Mr. Douglas	Heald, Mr. Oliver
Cash, Mr. William	Heath, Mr. David
Chope, Mr. Christopher	Heathcoat-Amory, rh Mr. David
Clappison, Mr. James	Hemming, John
Clark, Greg	Hendry, Charles
Clarke, rh Mr. Kenneth	Herbert, Nick
Clegg, Mr. Nick	Hoban, Mr. Mark
Clifton-Brown, Mr. Geoffrey	Hollobone, Mr. Philip
Cormack, Sir Patrick	Holloway, Mr. Adam
Cox, Mr. Geoffrey	Holmes, Paul
Crabb, Mr. Stephen	Horam, Mr. John
Curry, rh Mr. David	Horwood, Martin
Davey, Mr. Edward	Howarth, David
Davies, David T.C. *(Monmouth)*	Howarth, Mr. Gerald
Davies, Philip	Hughes, Simon
Davis, rh David *(Haltemprice and Howden)*	Huhne, Chris
Djanogly, Mr. Jonathan	Hunt, Mr. Jeremy
Dorrell, rh Mr. Stephen	Hunter, Mark
Dorries, Mrs. Nadine	Hurd, Mr. Nick
Duncan, Mr. Alan	Jackson, Mr. Stewart
Duncan Smith, rh Mr. Iain	Johnson, Mr. Boris
Dunne, Mr. Philip	Jones, Mr. David
Ellwood, Mr. Tobias	Kawczynski, Daniel
Evans, Mr. Nigel	Kirkbride, Miss Julie
Evennett, Mr. David	Knight, rh Mr. Greg
	Kramer, Susan

Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Lull, Peter
Mackay, rh Mr. Andrew
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
O'Brien, Mr. Stephen
Öpik, Lembit
Ottaway, Richard
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mr. Peter
Rogerson, Mr. Dan
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Stephen
Wills, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Andrew Rosindell and Mr. Crispin Blunt

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Dunwoody, Mrs. Gwyneth
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, Caroline
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, Mr. David
Harman, rh Ms Harriet
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jimmy
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kelly, rh Ruth
Kemp, Mr. Fraser
Khabra, Mr. Piara S.
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, Mr. Tony

Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, Edward
Miller, Andrew
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, Mr. Elliot
Mountford, Kali
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, Joan
Salter, Martin
Sarwar, Mr. Mohammad
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andrew
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thornberry, Emily
Timms, Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Winnick, Mr. David
Winterton, Ms Rosie
Wood, Mike
Woodward, Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Steve McCabe and Mr. Michael Foster

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes that the definition of previously developed land in draft Planning Policy Statement 3 (PPS3) was first introduced in 1985, and that the proportion of residential development on previously developed residential land is now significantly lower than it was at that time; believes that more land needs to be made available for housing in future to meet rising demand and deliver sustainable, inclusive, mixed communities and environmental sustainability in towns and cities; further believes that local authorities need to bring forward appropriate land with proper regard for sustainability, local environment and quality of design within existing communities as well as new developments; further notes that draft PPS3 includes tools and powers for local authorities to turn down inappropriate development in gardens as well as other areas; and commends the Government's policy to make better use of land for new homes by increasing the proportion of housing on previously developed land from 56 per cent. in 1997 to 73 per cent. in 2005 and provide greater protection for greenfield land as a result.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No.118(6)(Standing Committees on Delegated Legislation),

HUMAN TISSUE

That the draft Human Tissue Act 2004 (Persons who Lack Capacity to Consent and Transplants) Regulations 2006, which were laid before this House on 24th May, be approved.—*[Liz Blackman.]*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No.119(9)(European Standing Committees),

EDUCATION AND TRAINING KEY COMPETENCES

That this House takes note of the Unnumbered Letter from the Department for Education and Skills dated 9th May 2006 relating to the draft recommendation on key competences for lifelong learning; and supports the Government's view that the Recommendation will provide a useful, non-binding, common point of reference for Member States, either when choosing to undertake their own reforms of education and training systems or when learning about what has worked in other countries.—*[Liz Blackman.]*

Question agreed to.

PETITIONS

References

7.17 pm

Mr. Alan Beith (Berwick-upon-Tweed) (LD): I present a petition from my constituent, Mr. George Hamilton, of Tweedmouth. Mr. Hamilton was employed by Borders regional council as an assistant head teacher at Duns primary school for 12 years. Subsequent to that employment, in 1988 he applied for a teaching post elsewhere but was unsuccessful. Under the Freedom of Information Act 2000 he has obtained the file on his case held by the local authority. It includes the reference sent by the assistant director of education to the head of the school to which he had applied, and other documents. He challenges and objects strongly to statements in those documents and to the terms of the reference.

The petition states:

Wherefore your Petitioner prays that your honourable House will urge the Government to introduce legislation requiring a former employer, named as a referee, to provide an accurate, balanced and fair reference;

[Mr. Alan Beith]

That any allusion to the former employee must not be vague;

And that all statements, if challenged, must be substantiated by the former employee's personal records, accurately and truthfully compiled.

And your Petitioner, as in duty bound, will ever pray.

To lie upon the Table.

Felstead Close

7.19 pm

Bob Spink (Castle Point) (Con): It is fitting that I should present the following petition, given our debate on the need to stop the wholesale development of gardens. It rightly objects to such development, which causes irreparable damage to neighbourhood character and cohesion, and threatens urban biodiversity. I congratulate Ken Marshall and his immediate neighbours who have signed the petition on behalf of the community, which suffers from garden grab development.

The petition states:

To the House of Commons,

The Petition of the residents of Benfleet and others,

Declares that the petitioners oppose the proposed development of a new domestic dwelling adjacent to 4, Felstead Close, Benfleet, Essex, on the grounds that it would cause overcrowding in an already crowded cul-de-sac, health and safety hazards in terms of access for emergency services, a danger to the local Infant School, extra traffic, noise and loss of privacy and would be detrimental to local residents' enjoyment of their homes.

The Petitioners therefore request that the House of Commons call upon the Government to refer the matter to Castle Point Borough Council, and urge the Council to reject the application.

And the petitioners remain, etc.

To lie upon the Table.

Seroxat

7.20 pm

Stewart Hosie (Dundee, East) (SNP): I take enormous pleasure in presenting a petition on behalf of my constituent, Mr. D. Scott, from Dundee, who calls for the precautionary principle to apply to the prescription of Seroxat. He points out that many people who are prescribed Seroxat believe that they suffer side-effects, including aggression, fatigue, agitation and suicidal thoughts. Others suffer severe effects on withdrawal. He observes that a large amount of information on those side-effects is in the public domain, and he demonstrates the requirement for immediate action, including a moratorium on the prescribing of Seroxat to new patients.

The petition

Declares that there is deep concern about the side effects that many people believe that they have suffered from being prescribed the drug Seroxat.

Further declares that the Health Select Committee should carry out an investigation into the drug and its possible side effects.

The Petitioners therefore request that the House of Commons urge Her Majesty's Government to place a moratorium on the prescription of Seroxat to new patients until a review has been carried out on the large body of evidence which now exists concerning the side effects of this drug.

To lie upon the Table.

Redwatch Website

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

7.21 pm

Angela Eagle (Wallasey) (Lab): After recent local elections, one of my constituents, Mr. Alec McFadden, was subject to a sudden violent attack at his home in front of his two young daughters. A stranger called at the house, and tried to barge his way in when the front door was opened. My constituent fought to keep him out while he was punched and hit on the face. His oldest daughter had the great presence of mind to call the police as the struggle continued at the front door. Thankfully, the police arrived at the scene within two minutes, but the man fled, leaving my constituent covered in blood. He had not been punched at all, but knifed about the head, arms and face. He had to attend the accident and emergency department at Arrowe Park hospital to receive treatment for his wounds. Goodness knows what would have happened if his assailant had got into the house.

Mr. McFadden is a well-known trade union activist who has just co-ordinated the campaign against the British National party in the north-west. His activism in the anti-fascist movement ensured that his name, home and workplace addresses and photograph feature on a nasty, extreme right website called Redwatch.

Ben Chapman (Wirral, South) (Lab): May I congratulate my hon. Friend on raising a matter that both affects a particular individual and constitutes a broad policy concern? Her constituent was targeted by that website, but the people of the Wirral generally are outraged by it.

Angela Eagle: My hon. Friend is right that there is widespread outrage on the Wirral as a result of the attack on Mr. McFadden.

That nasty, extreme right website is called Redwatch, and it carries hundreds of entries on anyone the authors believe should be intimidated or attacked. Indeed, there can be no other reason for providing that information, given the context in which it appears on the site.

David Taylor (North-West Leicestershire) (Lab/Co-op): A quick perusal of the site shows that some of that material is offensive and some is bonkers, as it speaks of

"the struggle against the spread of Marxist lies in the UK".

Although the site shows every indication of being created by people with a tenuous grip on reality, does my hon. Friend agree that they cannot escape its implications by including the disclaimer:

"I understand this web site contains no threats nor is it intended that the material should be used for any unlawful activity"?

They cannot do so, as the site targets individuals, incites hatred and encourages violence.

Angela Eagle: I agree with my hon. Friend and I thank him for his intervention. The police ought to be looking into that.

The people targeted are routinely referred to on the website as "scum" and "retards", and other epithets that I shall not sully the House by repeating. There appears to be a pattern of violence aimed at the individuals targeted by this website that cannot be simply a coincidence. The site appears to be registered to the Nazi group, Combat 18, and features advertisements for Aryan Nations and other extreme Nazi organisations. Much of the information on it appears to be sent in by BNP activists.

The anti-fascist organisation, Searchlight, investigated the site in 2003 and found a sinister discussion group attached to it called the "mole intelligence bureau", which includes the following call to arms:

"Redwatch has accumulated many names and addresses along with pictures of the targets, many of whom have had nothing done to them. Now is the time to start a proper campaign of violence and intimidation".

That is a classic fascist intimidation tactic.

Rigorous action should be taken in respect of such incitement. The police have the power to monitor extremist chatrooms for the purposes of ensuring that criminality is not being organised. I certainly hope that that "mole intelligence bureau" and any of its successor chatrooms feature on the radar of the police in the monitoring role that they must perform to defend law-abiding citizens exercising their democratic rights.

Information from Searchlight details campaigns of intimidation, such as the firebombing of anti-fascist activists' cars and frequent death threats. A TUC dossier contains other examples of victims who have suffered from having their details posted on this hate site. My hon. Friend the Member for Reading, West (Martin Salter) has suffered death threats and had his constituency office vandalised as a result of his opposition to the BNP and other far-right organisations, as is well known. Other MPs and elected councillors from all political parties have had similar experiences, as have journalists, teachers and trade unionists.

In 2004, following violent attacks on some of their members who also featured on that website, the Association of Teachers and Lecturers, Unison and the National Union of Teachers took a resolution to the TUC asking that the Government close down such sites. Since then, there has been a series of meetings at the Home Office and some parliamentary activity asking that action be taken to close the loophole that allows such internet-based incitement to continue seemingly unchecked.

Although the Government have appeared sympathetic, it does not seem that much of practical use has been achieved in the intervening two years. Sympathy and words of concern are of course welcome, but I believe that preventive action is now in the public interest and is long overdue. What is certain is that both the incitement to violence and the attacks are continuing, despite the fact that the existence of this website was exposed and caused widespread concern several years ago.

As a part of its response to the 2004 resolution, the TUC had a meeting with the then Home Secretary in March 2005, and he promised to consider what might be done to provide more protection from violent extremist websites. Although I understand that the

[Angela Eagle]

general election then intervened, the TUC has still received no response. I would be grateful if my hon. Friend the Minister took this opportunity to update the House on the issue of hate websites, which appear to be operating with impunity.

Martin Salter (Reading, West) (Lab): In studying Redwatch, my hon. Friend will have noticed that there is a link to a site operated by the same people called Noncewatch—"monitoring the perverted scum who prey on our kids!" It goes on to say:

"Nonces deserve nothing more than a decent British noose around their necks and a long drop. It's time to fight back and scare...these evil bastards that are a serious threat to our communities."

Does my hon. Friend agree that, if we go down the road of adopting the ill-thought-out Sarah's law by putting into the public domain the names and addresses of everybody on the sex offenders register, the people behind Redwatch will use that as an opportunity to trigger violent vigilante action? Does she further agree that the Home Office needs to bear that in mind very carefully?

Angela Eagle: I certainly agree with the important point that my hon. Friend makes. In dealing with such important and emotive issues, which often elicit understandable anger and disgust, we must be careful to protect innocent victims as well as children.

When people are attacked for exercising their democratic right, it is important that the police realise that we are dealing with a threat to our democracy in which violent political intimidation plays a part, and that that is more serious than has been recognised. Will my hon. Friend the Minister agree to meet a delegation from the TUC and others to discuss how the threat can be dealt with adequately? Will he consider taking action to close down hate sites such as the one I have described?

In early 2004 Baroness Scotland replied to a question in the Lords from Lord Greaves. He was immediately featured on Redwatch for his trouble in raising the matter. Among other things, the Baroness emphasised the Protection from Harassment Act 1997 and mentioned the Internet Watch Foundation. Government responses to previous parliamentary questions about Redwatch have also referred to protection from racial and religious harassment. That is right, but the protection offered in the harassment statute does not appear to fit well with incitement to what I call political hatred which leads to violent criminal acts. That is what this hate website appears to be co-ordinating.

Ms Katy Clark (North Ayrshire and Arran) (Lab): Does my hon. Friend agree that if one of the explanations for the difficulty in taking legal action is that many such sites are based abroad, it is appropriate to see what can be done by working with international partners and other Governments to ensure that such activities are stopped, and that our own legislation should be reviewed? Internet crime of all sorts is becoming a greater threat to us all, and it is clear that racists and fascists are taking advantage of loopholes to operate their websites with impunity.

Angela Eagle: I thank my hon. Friend for her intervention, which is very much to the point. She is right that any loopholes that exist because of the international nature of the internet and its rapid expansion need to be investigated carefully by the Government. I hope my hon. Friend the Minister agrees.

Will my hon. Friend confirm that the Internet Watch Foundation deals with child abuse, obscenity and racial hatred, but it does not seem to deal with other kinds of hatred, including inciting hatred for reasons of political beliefs, gender or sexuality? That is a loophole in protection in our domestic law, which the Government should move to close.

Will my hon. Friend confirm that the Public Order Act 1986 applies to online material in the same way as it would to written material, notwithstanding any disclaimer on the website? Does he agree that the public order statute should offer protection from deliberately compiled lists of so-called targets, against whom incitement to violence is discussed in extremist chatrooms? If so, why has no action been taken to date to deal with Redwatch? If the Public Order Act is not appropriate to catch this sinister activity, will my hon. Friend undertake to review the protections that currently exist in domestic law to see how the gaps can be closed?

Will my hon. Friend confirm that the fact that the hate website is hosted abroad does not shield it from prosecution if it incites violence, as my hon. Friend the Member for North Ayrshire and Arran (Ms Clark) just pointed out to the House? Will he explain what action has been taken by the police and prosecuting authorities to deal with the threat that such hate content presents to law-abiding UK citizens? I know that my hon. Friend the Minister has been at the forefront of the fight against images of child abuse appearing on websites and that he has been effective in working with internet service providers to close down UK-hosted sites and to filter criminal paedophile content from abroad. Will he now consider extending that sensible and effective approach to other extremist hate sites such as Redwatch? I note in the news today that an internet site that distributed links to illegal free music-swapping sites has been closed down by the Dutch authorities, because it encourages and facilitates lawbreaking. The time is right to end the scourge of hate sites in this country, which do the same thing for violent political ends.

There will be those who argue that the existence of hate sites such as Redwatch is an expression of our freedom of speech that should be tolerated even if we disagree with it, but that argument is profoundly mistaken. When this House passed the Public Order Act 1936, Oswald Mosley's blackshirts were terrorising the east end of London and Hitler's brownshirts had brought him to power in Germany, and tolerance did not feature noticeably on their agenda. In that time of great peril, this House realised that there are limits to freedom of expression and that those limits lie in ensuring that ideologies of hate and violence are not given free reign. Such ideologies must be curbed in the interests of all and for the public good. That remains as true today as it was in the dark days that led to the second world war and the death of millions of innocent victims. Hate websites do not deserve the protection of the principle of freedom of speech when they seek to prevent others from exercising their democratic rights.

My constituent was subjected to a vile attack in his own home for daring to be active in the battle against the far-right fascist threat in the north-west. His details continue to be posted on the Redwatch website alongside those of many other ordinary people who care enough to defend our democratic values. It is not tolerable that a practical instrument for criminal activity, violent assault and political intimidation should be allowed to remain undisturbed and easily available. I look forward to my hon. Friend the Minister's reply, which I hope will outline what he intends to do to deal with that sinister threat.

7.37 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I congratulate my hon. Friend the Member for Wallasey (Angela Eagle) on securing the debate and on her excellent speech. The importance of the debate is apparent, because many of my hon. Friends have chosen to attend. Informed and constructive discussion is key to tackling the menace of extremism, and today's debate presents an excellent opportunity to examine the issues around extremist websites that incite hatred. I will try to answer my hon. Friend's points as I make my speech.

The Government deplore extremism of that kind, and strongly condemn websites such as Redwatch. I am sure that we all agree that although freedom of expression and open debate are cornerstones of British democracy, there is no place within the wide spectrum of British politics for organisations that encourage violence or intimidation against those whose views they disagree with. I was particularly sorry to hear about the cowardly attack last month on my hon. Friend's constituent, Alec McFadden. My sympathies are with him and his family, and I wish him a speedy recovery from his injuries.

It may be helpful if I set this issue in the wider context of the Government's work on hate crime. Hatred, violence and incitement to violence are deplorable in any circumstances, but when that hatred is founded on some belief, difference or characteristic of the victim, as is the case with the Redwatch website and as it is with racists and homophobes, it is particularly deplorable.

A Home Office working group is currently considering how to deliver a number of objectives in connection with the issue. The first objective is increasing the public's confidence in the criminal justice system and improving the way in which the criminal justice system responds to hate crime. The second objective is increasing the reporting of hate crime. The third objective is improving the proportion of hate crimes that are brought to justice. The fourth objective is improving the local response to hate crime, particularly in areas with high rates of hate crime. The fifth objective is increasing our knowledge base on hate crime.

This work is currently focusing on crime motivated by race, faith and homophobic hatred, but the parallels with the topic that we are debating today are clear. A successful outcome, as measured against those objectives, will be a blow to the far right. Indeed, it could in some ways be regarded as indicative of positive changes in society that Redwatch feels so threatened by the anti-racism activists whom it targets that it feels the need to take such drastic action against them.

Redwatch is a far-right website with roots in the Combat 18 organisation. It publishes personal details such as names, addresses and pictures of people whom it believes to be anti-racist activists or demonstrators.

Martin Salter: Does my hon. Friend recognise that there is a very real possibility that within the next 48 hours every Member who has taken part in this debate will find their photographs and details posted on the Redwatch site, as that is how these people operate?

Mr. Coaker: I do realise that, but as my hon. Friend has demonstrated in his constituency and in his political work, we will not be cowed as regards the views that we hold. Indeed, the freedom of expression that we have here is one of the hallmarks of our democracy.

Many of the pictures that appear on the Redwatch website are taken at anti-racist rallies. Although there is no direct incitement to commit any criminal offence against the people publicised on the website, the language used to describe them is highly offensive and insulting, and the possible consequences very grave. The degree of intimidation that the website's targets feel as a result of being pictured or having their personal information published must be considerable. There must be a genuine fear of attack from supporters of the far right, spurred on by comments on the website.

I can confirm to my hon. Friend the Member for Wallasey that an arrest has been made for suspected public order offences relating to the Redwatch website, and a man is currently on bail pending further enquiries. Obviously, that is an operational matter for the police, and Members will understand that I am unable to comment further on that particular case.

There is a framework of laws that may be used to tackle websites that incite hatred or publish threatening or abusive material. It is an offence to incite others to commit an offence such as assault or criminal damage. Under the Public Order Act 1986, it is also an offence to use threatening, abusive or insulting words or behaviour, or to distribute threatening or abusive material with the intention of causing another person to believe that immediate unlawful violence will be used against them. Under the Protection From Harassment Act 1997, it is an offence for any person to behave in a way that they know, or ought to know, amounts to harassment or causes someone to fear violence. Under the same Act, victims of harassment may apply to the High Court for a civil restraining order. Such an order has in the past successfully been obtained by victims of animal rights extremists. It can include a requirement for the removal of information about individuals from websites.

Angela Eagle: I have a report of the arrest of somebody involved in the Redwatch website, which happened on 1 May last year. Will my hon. Friend confirm that the arrest that he mentioned is not that one, and that this man has not been on bail for a year?

Mr. Coaker: I cannot confirm whether that is the case, but I will clarify that and write to my hon. Friend with the information.

It can also be an offence under the Data Protection Act 1998 for a website to publish a person's name and

[Mr. Coaker]

address if that information is not in the public domain. I want to respond to an important point that my hon. Friend raised. Anything that is illegal off line is also illegal online. Therefore, if a UK-based website publishes material that is not only offensive but illegal under the above framework, action can be taken against the person who owns the website, exactly as with somebody who might have published a leaflet or a poster. However, operators of some websites have been careful to try to avoid overstepping the conduct that the legislation has defined as criminal.

The difficulty occurs when the website is hosted outside UK jurisdiction, as in the case of Redwatch, which is hosted in the United States. In those circumstances, we do not have the power to close down that website, or, in some cases, to prosecute the people responsible for it if illegal material was not distributed in or uploaded from the UK. However, the offence of inciting others to commit crimes would not be exempt from prosecution in those circumstances, regardless of whether the perpetrator had used a website hosted in a foreign jurisdiction. That is a genuine challenge, which calls for greater international co-operation and collaboration. We seek to do that whenever we have the opportunity, and we have initiated inquiries with the US Department of Justice to establish whether hosting such a website constitutes a breach of US law, regulations or industry good practice.

For UK-based websites, there is positive co-operation between internet service providers in this country and law enforcement agencies. Examples of that are the "acceptable use" policies, which most service providers put in place. They vary between companies, but will generally enable service providers to remove material from their site not only if it is illegal but in other circumstances. They may include complaints from people whose details have been published without their consent.

I can inform my hon. Friend and other hon. Members who are present that I shall raise all those issues with the internet service providers the next time I meet them.

Angela Eagle: I thank my hon. Friend for his positive response. Will he ask whether the internet service providers can extend the protections that they apply to the use of abusive photographs of children to the sort of content that we are considering? If so, they could filter out and close down the websites that can be accessed from the UK if they contain such criminal content. That would be a great step forward. Will he meet a delegation from the TUC and others to discuss the prospect of making progress on this matter?

Mr. Coaker: As I said, I will raise all the issues that have been mentioned in the debate with the internet service providers the next time I meet them. I shall be happy to meet my hon. Friend, and a delegation, as soon as we can match diaries.

I can also answer my hon. Friend's question about the Internet Watch Foundation. It has a remit to minimise the availability of potentially illegal internet content pertaining to images of child abuse hosted anywhere in the world, criminally obscene content hosted in the UK, and incitement to racial hatred content hosted in the UK.

It is for the police to investigate complaints and decide whether there is evidence that website operators have committed offences—for example, because of the content of their websites or links between such sites and other harassment or attacks against individuals. It is the approach of the police that if any person becomes aware of any threatening, racist or other hate material on a website, they should report it to their local police force. It is vital to report such material; otherwise the police cannot investigate it. I would encourage the police to continue their vital work of enforcing the law in this respect.

Looking to the future, the Association of Chief Police Officers is working with the Home Office and the police national high-tech crime unit and will review its position on that sort of crime.

Martin Salter: I am delighted that my hon. Friend has stated publicly that he would encourage the police to take action. Will he especially encourage West Yorkshire police to take action, given that Redwatch is based in Leeds and run by three individuals who are known to West Yorkshire police through a history of extreme political violence stretching back many years?

Mr. Coaker: I can confirm to my hon. Friend that we will be pleased to raise these issues with the police to see what their advice is on taking all these matters forward.

The Home Office and police are also undertaking separate but related work on animal rights extremists' use of the internet. A consultative seminar with practitioner stakeholders is being planned, which will look at the current guidance to police forces and seek to agree procedures and identify any gaps. Issues raised by hon. Members in the course of this debate will also be taken on board at the seminar.

I am aware that the TUC did indeed write to the then Home Secretary in June 2005, following a meeting in March that year. May I apologise for the fact that the TUC did not receive a response to that letter? That was an unfortunate administrative oversight. I assure my hon. Friend that the TUC will now be updated on the matter as soon as possible.

I hope that I have been able to provide some assurance to hon. Members that the Government are committed to tackling hate crime and incitement to violence wherever it is found. In conjunction with our broader work on hate crime, we are planning to review and strengthen the police response to this type of activity, and to take the appropriate measures to ensure the safety of the public.

Question put and agreed to.

Adjourned accordingly at ten minutes to Eight o'clock.

House of Commons

Thursday 22 June 2006

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Food Production and Retail

1. **Lorely Burt** (Solihull) (LD): What assessment he has made of the environmental impact of the food production and retail chain. [79341]

9. **Jo Swinson** (East Dunbartonshire) (LD): What assessment he has made of the environmental impact of the food retail and production industry. [79350]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): The food industry has a major impact on the environment. The Government have implemented several measures to reduce negative impacts.

Lorely Burt: Given the power of the large supermarkets, which are driving down prices at the farm gate, what is the Minister doing to ensure that we get fair trade for farmers and producers at home as well as abroad?

Mr. Bradshaw: The hon. Lady will be aware that the Competition Commission recently announced an inquiry into supermarkets. My right hon. Friend the Secretary of State has written to the commission suggesting that it look into the issues that she raises as part of its inquiry—a move that has been welcomed by the Liberal Democrats.

Jo Swinson: Will the Minister join me in congratulating the National Federation of Women's Institutes on this week's national day of action against packaging? It is right to highlight the fact that we must get rid of excess packaging on food products and use recyclable or compostable materials where packaging is required. What actions are the Government taking to require food producers and retailers to minimise packaging?

Mr. Bradshaw: I warmly welcome the campaign by the women's institute, and I have written to congratulate it. As the hon. Lady is probably aware, the Government have set statutory targets to reduce and recycle a certain amount of packaging by 2008. We have also entered into an agreement with all the major supermarkets to reduce the growth in packaging and to achieve an absolute reduction in packaging within the same time frame.

Mr. David Drew (Stroud) (Lab/Co-op): Does my hon. Friend agree that the Sustainable Communities Bill is the best way to signal the importance of local food chains and trying to restore local communities? It is currently a private Member's Bill, but I hope that the Government will take it up. This issue is going round the country like wildfire, and people are attending meetings in their hundreds. I am addressing a meeting in Stroud tonight. I hope that the Minister will say that the Government support this wholeheartedly.

Mr. Bradshaw: I congratulate my hon. Friend on the numbers of people he can attract to public meetings; I wish that we could all have the same success. I have listened carefully to his comments about the Sustainable Communities Bill, as have my colleagues, and I am sure that we will take them very seriously.

Mr. Nigel Evans (Ribble Valley) (Con): Surely more can be done to assist local suppliers, as happens with a lot of farm shops, of which we have a large number in my constituency. Should not the larger supermarkets follow the lead of supermarkets such as Booth's, which got involved very early on with the Bowland milk initiative, whereby they sourced a lot of their milk from local farm producers? It has now been extended to cheeses. That is something that supermarkets could be doing to help the environment and to help local suppliers by sourcing locally.

Mr. Bradshaw: I entirely agree. The hon. Gentleman may have noticed that in the past few weeks the major supermarkets have been almost falling over themselves to compete with each other to introduce more and better sourcing of local food. It is gratifying that there is consensus across the House that seems finally to be sinking into the supermarket chain.

Ms Diana R. Johnson (Kingston upon Hull, North) (Lab): Does the Minister think that it is more environmentally friendly to buy English strawberries or foreign strawberries?

Mr. Bradshaw: There can be no doubt that it is far better for the environment and for local economies to eat British strawberries, as it reduces food miles and boosts incomes in rural areas. Polytunnels have been vital to the success of our strawberry growers in extending the growing season. It is extraordinary that the Conservatives have called for a boycott of British strawberries.

Several hon. Members *rose—*

Mr. Speaker: Order. I understand that the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) shouted, "A deliberate falsehood". Perhaps he will withdraw the remark.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I withdraw the remark and apologise.

House Building

2. **Tom Brake** (Carshalton and Wallington) (LD): What discussions he plans to have with the Secretary of State for Communities and Local Government on the environmental impact of house building. [79342]

3. **Mr. Andrew Mackay** (Bracknell) (Con): What assessment he has made of the new reservoirs, treatment plans and sewerage systems that will be required as a consequence of forecast new housing development. [79344]

The Minister for Climate Change and the Environment (Ian Pearson): The Department is already working closely with the Department for Communities and Local Government on the environmental impacts of house building. I recently met the Minister for Housing and Planning, Ofwat and the Environment Agency to discuss water supply and plans for new housing.

Water companies' 25-year water resources plans identify the need for five new and three extended reservoirs. The need for additional capacity in sewerage infrastructure is one of the main issues that is considered in the growth point bids.

Tom Brake: I thank the Minister for his reply. When he next holds discussions with the Department for Communities and Local Government on water supplies, will he support its view that 200,000 extra homes will lead to only a one in 1,000 increase in total water use, or that of Professor McDonald, as expressed in the eighth report of the House of Lords Science and Technology Committee, that the prediction of a minor increase in water demand is at odds with every other forecast?

Ian Pearson: The Government want to see new housing development and to give people the right to affordable housing in the south-east. However, that housing must be sustainable. That is why DEFRA, the Environment Agency and Natural England are working closely with the Department for Communities and Local Government on its new growth point scheme. As part of that, we are closely considering water supplies, sewerage infrastructure, flood risk and biodiversity. It is right that any proposals must balance social, economic and environmental sustainability. We will not accept proposals that we believe would damage the environment or that did not provide for adequate water supplies.

Mr. Mackay: The Minister will recall that, during the statement in the House a couple of weeks ago, he bizarrely told me that my constituents and I were wrong and that the large number of houses being built in the south-east would have almost no impact on the current water crisis. He now knows that the Lords Science and Technology Committee—a Committee of experts—has reported and backed us up. Will he accept that he is wrong and they are right?

Ian Pearson: No, I do not accept that. We will respond to the House of Lords Science and Technology Committee report in due course. The key matter to stress is that work can be done to improve water efficiency. For example, Anglian Water has maintained water supplies of 1.2 billion litres a day—the same amount as in 1989—but it is supplying 20 per cent. more households today. That shows what can be done about water efficiency.

It is important that we ensure that water sustainability is built into the new growth point scheme. Any proposals must also go through the planning process. The Conservatives need to be clear about whether they want new homes to be built for young couples. Your leader says—

Mr. Speaker: Order. I do not have a leader.

Dr. Brian Iddon (Bolton, South-East) (Lab): Is not it time that we required the construction industry to design all new buildings, domestic or otherwise, to operate using only non-mains water, either recycled or collected on site, to flush toilets?

Ian Pearson: My hon. Friend makes a valid point. We are working on a new code for sustainable homes, and the Department for Communities and Local Government is leading that work. We believe that new homes should be built to the highest standards of water and energy efficiency. Grey water systems and sustainable housing are very much part of our thinking as a Government—we want to encourage that.

Lyn Brown (West Ham) (Lab): I am interested in my hon. Friend's comments about Anglian Water. Given Thames Water's appalling water leakage rates, does he believe that there will be enough water to serve the new housing developments in London?

Ian Pearson: My hon. Friend is right to point out that Thames Water's leakage levels are unacceptably high. It recently reported that it had failed again to meet its target. That is a matter for the regulator in the first instance. Ofwat has already said that it views the issue as serious and that it will scrutinise the company's return before deciding on regulatory action. As my hon. Friend knows, Ofwat is responsible for setting leakage targets and has powers to deal with poor performance under the Water Act 2003, which Conservative Members voted against.

Martin Horwood (Cheltenham) (LD): I am grateful to the Minister for identifying the failure of Thames Water, the scale of which is staggering. Ofwat's latest figures show that it is leaking 200 million litres of water a day more than it was at the beginning of the last five-year period. Ofwat described this significant failure yesterday as very serious and unacceptable. As the Minister pointed out, Ofwat has not said what it is going to do about it. What is he going to do about it?

Ian Pearson: It is Ofwat's responsibility as the economic regulator to take action, and it has powers under law to do so. Those powers are contained in the Water Act 2003, which the Conservatives inexplicably voted against. We will not pre-empt Ofwat's response, but we expect it thoroughly to examine the company's return and to take the appropriate action.

Anne Main (St. Albans) (Con): Will the Minister assist my constituency, which has to have thousands of extra houses and their attendant cars and pollution, and which already has air quality management areas? Will he send a message to councils about how to deal with these air quality management issues? Will any extra funding or help be given to councils to deal with the existing issues?

Ian Pearson: Air quality has certainly been better than it has been for decades. It is the responsibility of local authorities in the first instance to take these matters forward. Let us be clear that new houses are required in the south-east. If we are going to do the right thing by thousands upon thousands of young couples who want affordable homes in the south-east, we have to take action, and that is what the Government are doing. But we are taking action and taking care of the environment at the same time, which is why my Department, the Environment Agency and Natural England are all involved in the new proposals.

Mr. Peter Atkinson (Hexham) (Con): The Minister talked about increasing water capacity, but is he aware that Northumbria Water, which owns a water company in Essex, has been trying to increase capacity by raising the banks of an existing reservoir by 10 ft? The company reckons that if it finally gets planning permission for this, it will have taken 18 years from the moment the scheme was first put into play to the time when the water is actually in the reservoir. Surely it is time for the planning processes relating to such schemes to be simplified.

Ian Pearson: I am not responsible for the planning processes. Water companies' 25-year water resources plans often include schemes for building new reservoirs and for extending existing ones, and it is right that such schemes should go through a robust planning process, because people have to be consulted on these matters. However, the whole House will agree that planning processes should be as efficient as possible. The Government have done quite a lot to speed up such processes, but they should not be speeded up at the expense of individual rights.

Mr. Peter Ainsworth (East Surrey) (Con): We all want affordable housing in the south-east—there is no question about that—but we also want the people who live in them to have access to water. Will the Minister join me in congratulating the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) on achieving Royal Assent for his Climate Change and Sustainable Energy Bill? That will have a significant and positive impact on improving energy efficiency in new homes, and on promoting renewable energy. Is it not ironic, however, that the Bill fell under the responsibility of the Department of Trade and Industry? Is not this another example of how impotent DEFRA has become? The hon. Member for Bolton, South-East (Dr. Iddon) has just made a very sensible suggestion. What plans does DEFRA have to introduce its own legislation to ensure that house building is compatible with the natural resources of the country and the planet, and, in particular, that there are adequate water supplies to ensure that the new homes are worth living in?

Ian Pearson: I certainly congratulate my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz) on his Bill receiving Royal Assent. However, there is a difference between us and the Conservatives on these issues. The hon. Member for East Surrey (Mr. Ainsworth) is on record as saying that the present level of house building is excessive, but the Government do not believe that to be the case. We believe that thousands of young couples should have the opportunity to have new houses, but that has to be achieved in a sustainable way. That is why we are working closely with the Department for Communities and Local Government on its growth point plans, so that, when the schemes come forward, those growth point areas will have been subjected to a rigorous analysis of the environmental impacts and benefits. That is the right way to do it. The Conservatives say that they want to see house building, yet they support early-day motions that oppose new house building. That strikes me as the activity of a party that is neither responsible nor in control.

Climate Change

4. **Norman Baker** (Lewes) (LD): What progress has been made against the Government's carbon reduction targets; and if he will make a statement. [79345]

8. **Mr. Siôn Simon** (Birmingham, Erdington) (Lab): What progress has been made with the climate change programme. [79349]

The Secretary of State for Environment, Food and Rural Affairs (David Miliband): In March the Government announced a climate change programme setting out measures that will affect all major sectors and sources of UK emissions. The review predicts that the measures will reduce the UK's carbon dioxide emissions to 15 to18 per cent. below 1990 levels and the emission of greenhouse gases to 23 to 25 per cent. below 1990 levels, which is double the Kyoto target. Progress will be monitored and assessed regularly and frequently by an inter-departmental board, and there will be an annual report to Parliament every year, starting next year.

Norman Baker: I hope that the Minister agrees that if any target is to be meaningful, it must include aviation, which, as he will know, presents a major threat. If that continues at the same rate, it will cancel out all the gains made in other sectors. Does the Minister accept that while emissions trading is a useful tool which represents a step forward, it is not enough in itself to halt the inexorable growth of aviation? Does he accept that when one of my constituents goes to Spain and back by air solely to buy fags and beer cheaply, the price of aviation must increase?

David Miliband: The hon. Gentleman may be confusing the question of whether we have an emissions trading scheme with the question of what the scheme includes. At present aviation is not included, but the Government are committed to ensuring that it is. If there are rising levels of air travel, they must be offset elsewhere. That strikes me as a more sensible way of putting a cap on emissions and tackling the problems. If the hon. Gentleman wants to tell his constituents that they are not allowed to fly he can do so, but I think it is better to say that if more people are flying, emissions must be offset and reduced elsewhere.

Mr. Simon: According to 2004 figures, 30 per cent. of total UK energy use comes from the domestic sector, as do 27 per cent. of total carbon emissions. What more can the Government do to convince people that individual action in aggregate accounts for a massive percentage of the overall problem?

David Miliband: My hon. Friend makes an important point. Let me say two things to him. First, by 2050 30 per cent. of houses will have been built since the introduction of the new building regulations, which represents a 40 per cent. improvement in energy efficiency in new housing. Secondly, I believe that there should be cross-party support for the home information packs that will be introduced next year. They will include an energy rating of every household, which has never been available before. They will also tell householders how they can cut energy emissions, and how they can save themselves money. *[Interruption.]* If the Conservative party opposes a measure that is both green and economic, it needs to re-examine its policies.

Mr. Tim Yeo (South Suffolk) (Con): Given that the Government have now admitted that they are missing their own targets for cutting carbon dioxide emissions, and given that transport is one of the largest sources—and an increasing source—of carbon dioxide, why are the incentives for motorists to drive low-emission cars so utterly feeble? Will the Secretary of State undertake, as one of his first acts, to press the Chancellor of the Exchequer to widen substantially the differentials relating to vehicle excise duty, so that those who choose to drive low-emission cars receive a proper financial reward for doing so?

David Miliband: The hon. Gentleman spent three productive hours debating these issues in Committee with my right hon. Friend the Secretary of State for Transport.

I feel that, as a relatively new Secretary of State, I should congratulate the Chancellor on introducing different levels of car tax for different fuels. The hon. Gentleman has made an important point, however, and I am sure that, along with other representations, it will be taken into account when the Chancellor considers how to implement his proposals.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I congratulate my right hon. Friend on introducing the reduction in carbon emissions and control of the carbon footprint in Government offices, but will he now go further? Will he launch a campaign for every child in every school to know its carbon footprint on our planet, and for every institution in the country—every school and every business, small and large—to know its carbon footprint and have a target to reduce it?

David Miliband: That, too, is an important point. I think that I am right in saying that more or less every citizen is responsible for an average emission of about 3 tonnes of carbon a year. If we are to meet our 2050 targets, we will have to reduce that to 1 tonne, which means thinking about our own footprint. I have the impression, from my constituency and elsewhere, that the younger generation—those at school—are ahead of the game when it comes to thinking about their carbon footprint, but we must do as much as we can nevertheless, and I will certainly explore my hon. Friend's ideas.

Mr. Nick Hurd (Ruislip-Northwood) (Con): Six months ago, the Government launched a climate change communication fund with about £12 million of funding. Having heard what Al Gore said yesterday afternoon, does the Secretary of State think that that funding is adequate? How much of the money has been spent?

David Miliband: I am pleased to confirm to the House that that programme of £12 million is being allocated to organisations such as the National Federation of Women's Institutes, which was mentioned earlier, and the Scout Association. We think that it is better for organisations such as that to spread the message about climate change than it is for the Government to spend money on Government advertising showing the Government wagging their fingers at people. What I took away from the vice-president's speech and presentation—

Mr. Hurd: Former vice-president.

David Miliband: In fact, he retains his title, but let us not get into that. Vice-President Gore's argument is that there are major challenges, for all industrialised countries and for the developing world, in meeting the problems of climate change. As he said, this country should be proud of the progress that has been made and of the fact that we are one of only three countries meeting our Kyoto commitments. However, we must go further, and I am committed to doing so.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I praise my right hon. Friend the Secretary of State for attending yesterday's presentation by Vice-President Gore. I am sure that he will recall that the vice-president made it clear that we must persuade his own Government to do much more on climate change. What is my right hon. Friend doing to answer that call? Achieving more American effort in this regard would reflect great credit on him as Secretary of State.

David Miliband: In fact, the vice-president painted quite an optimistic picture of the changes in American politics—or at least of the ones that may take place after 2008. My hon. Friend raises an important point. A year and a half ago, my right hon. Friend the Prime Minister launched the drive for the presidencies of the G8 and the EU that the UK held. I think that the debate about the scientific evidence is now conclusively over. Vice-President Gore referred to 928 articles that showed absolute consensus about climate change and its causes. We need to move on to a debate about the level at which we should stabilise emissions, and how we can do so. I believe that the continuing G8 commitment and the UN process for after 2012 mean that we can get the Americans involved for the first time.

Chris Huhne (Eastleigh) (LD): The latest environmental accounts from the Office for National Statistics show that there has been an increase in carbon emissions since the Government came to power in 1997, and a corresponding reduction in fossil fuel and other green taxes. Overall, green taxes fell again last year to 2.9 per cent. of GDP—the lowest level since 1990. The Chancellor of the Exchequer has said that green taxes are the only area in which the Labour Government should follow the Conservative policy of reducing taxation as a share of GDP. Does the Secretary of State agree?

David Miliband: I agree with my right hon. Friend the Chancellor. Like me, he fought last year's election on a manifesto that promised to ensure that taxation is based on the needs of the economy, the environment and families. That is what we are committed to doing.

Rob Marris (Wolverhampton, South-West) (Lab): There are two sides to the climate change equation—causes and effects. In today's answers to questions, all sorts of positive statements have been made about the causes, and the Government have an excellent record in respect of emissions controls. Yet again, however, nothing has been said about the effects of climate change or about what the Government are doing, by means of sea defences or new building designs, for example, to deal with rising sea levels or to control river flooding. Will my right hon. Friend say what on earth the Government are doing to deal with the inevitable effects of climate change?

David Miliband: I should be very happy to do that, and could give my hon. Friend a voluminous list of Government actions in that regard. However, he mentioned flooding, and it is important that I pick up on that. The Environment Agency now has a budget of £500 million a year for flood defences. That is a significant improvement: I stand to be corrected, but I think that it represents a tripling of the investment in flood defences. I am happy to engage with him and the rest of the House at great length on many other things that the Government are doing, but I fear that I may trespass on Mr. Speaker's patience if I go too far.

Mr. Peter Ainsworth (East Surrey) (Con): Does the Secretary of State consider it acceptable that bickering between his Department and the Department of Trade and Industry has left the Government unable to make up their mind about the amount of carbon that we need to cut under phase two of the EU emissions trading scheme? Does the right hon. Gentleman think that such dithering helps the UK to be a credible provider of leadership in the international fight against climate change, or that it helps responsible industry to make the necessary investment to ensure a clean, green future?

David Miliband: One thing that certainly would undermine our leadership is opposition to the climate change levy, which has cut 7 million tonnes of carbon every year. In respect of the emissions trading scheme, I look forward to debating the Government's conclusions with the hon. Gentleman and I can assure him that there will be one Government conclusion about the level of the phase 2 cap under the scheme. I can also assure him that it will make a significant contribution to the progress that we, along with the rest of Europe, need to make. Our Government was one of only three in Europe that set the emissions trading cap below the level of emissions. I am working very hard with my European partners and also with the European Commission to ensure that every country in Europe sets a cap at the right level so that we drive down the level of emissions right across Europe.

David Taylor (North-West Leicestershire) (Lab/Co-op): In the foreword to the energy White Paper 2003, the Government set out the four pillars: the environment, energy security, affordable energy for the poorest and competitive markets for industry, business and households. In pursuing the nuclear energy route in such a pell-mell fashion, do we not risk abandoning all four pillars and having the whole structure crumbling in on us?

David Miliband: I can say that there is nothing pell-mell about the way in which the energy review has been conducted and that we are absolutely committed to the four pillars of our energy policy, which my hon. Friend has rightly mentioned. The test for any policies considered under the review—whether it be for nuclear, renewables, micro-generation or energy efficiency and energy reduction—will be how they contribute to the strengthening of those four policy pillars. I look forward to seeing what I believe will be a strong package that meets all four tests when the energy review is published.

Centre for Ecology and Hydrology

5. **Sandra Gidley** (Romsey) (LD): What assessment he has made of the impact on environmental research of proposals for restructuring the Centre for Ecology and Hydrology. [79346]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Barry Gardiner): All of the centre's six current areas of research activity will continue after the restructuring, and the centre will continue to deliver its contractual commitments to DEFRA and other Government Departments and agencies.

Sandra Gidley: The Minister will be aware that four laboratories and 200 scientists will be lost in freshwater research and monitoring. The Wessex Salmon and Rivers Trust, among others, has raised concerns about the lack of commitment to the conservation of the freshwater environment. How will the Minister ensure that we fund adequate research into the potential impact of global warming on vulnerable aquatic ecosystems, particularly on Atlantic salmon, which is an endangered species?

Barry Gardiner: The hon. Lady will understand that the Centre for Ecology and Hydrology is wholly owned by the Natural Environment Research Council and that it is its job to decide on the appropriate allocation of resources to ensure that the very best research programmes are carried out. Indeed, as part of the whole rationale driving the process forward, an additional £5 million a

year will be made available for front-line quality scientific research—the result of savings made from the amalgamation.

Mr. James Gray (North Wiltshire) (Con): It is hard to understand how £5 million a year will be saved when the total cost of the reorganisation is about £45 million and the centre's total budget is £30 million a year. How on earth the Minister has come up with £5 million worth of savings, I do not know. To set our minds at rest, rather than simply saying, "It is not our problem"—the Government's response on most things—will the Government give us an absolute assurance that all the scientific research currently undertaken in these vital biodiversity centres will continue after the reorganisation?

Barry Gardiner: First, let me answer the hon. Gentleman's questions about the mathematics. It is very simple. The restructuring will take £43 million—not £45 million—and over a period of six years, the £7 million a year saving from that restructuring will by year six achieve an additional £5 million going into front-line research. That deals with the mathematics. I hope that the hon. Gentleman was not suggesting in the latter part of his question that, in deciding what are the best programmes of research, he and I should substitute our scientific expertise for that of the Natural Environment Research Council, which has far greater expertise in this area than we do. It is not a matter of shuffling off the problem, as the hon. Gentleman suggested, but of making sure that we continue to have, as we do now, the best qualified people to judge the quality of research undertaken and to decide which research is most vital for British interests.

Climate Change Talks

6. **Colin Challen** (Morley and Rothwell) (Lab): What the outcomes were of the Bonn climate change talks in May. [79347]

The Minister for Climate Change and the Environment (Ian Pearson): The talks held in Bonn in May provided a successful start to the two-track process launched at the UN climate conference in Montreal on future international action to tackle climate change. Parties agreed that those discussions would continue at the November conference in Nairobi. Work also continued on developing a plan of action to further the understanding of how to adapt to the effects of climate change.

Colin Challen: I am grateful to my hon. Friend for the answer. There is a climate change framework, which has widespread support on both sides of the House, which has been praised by the Prime Minister and which my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs has described as a beautiful model. It is supported by the Kenyan Government, who will be chairing the talks in Nairobi. It is called "Contraction and Convergence". Will my hon. Friend ensure that our negotiating team gives that model all the support that it requires and what, I hope, the Kenyans will require in pushing it forward?

Ian Pearson: As a Government, we are certainly aware that a number of different models are being discussed—the Kenyans' proposal on contraction and convergence is one and there are proposals from Brazil and others—and we need to have a full debate to explore the advantages and disadvantages of all the options. However, the contraction and convergence model is certainly favoured by a number of African countries, and we certainly want to look at it, as part of the process of building the international consensus on climate change that we need if we are to agree a stabilisation target and an effective package of measures to tackle climate change in the future.

Gregory Barker (Bexhill and Battle) (Con): When Ministers were in Bonn in May, did they take the opportunity to talk to their German counterparts about why efforts in Germany with the Renewable Energy Sources Act have been so much more successful than Labour's efforts in the United Kingdom in promoting a range of renewable technologies? What do they learn from that? How do they plan to address the failure of our framework to give the lead in promoting renewables that we need if we are to meet our climate change targets?

Ian Pearson: As a new Minister, I have not yet had an opportunity to discuss issues with my German counterpart, but I reject the suggestion that we are not taking action on renewables. Under the renewables obligation—the targets that we have set for renewable energy—we want to generate 15 per cent. of energy from renewables by 2015, and with the renewable transport fuel obligation, we want 5 per cent. of our fuels to come from renewable sources by 2010. That clearly demonstrates that the Government are taking action on renewables, and we will continue to do so in the future. Indeed, that is a significant part of the work that has been undertaken by the energy review.

Carbon Capture

10. **John Robertson** (Glasgow, North-West) (Lab): What discussions he has had within the EU and with China on climate change, with particular reference to the development of carbon capture and storage technology. [79351]

The Minister for Climate Change and the Environment (Ian Pearson): As a key element of the EU-China partnership, the UK is leading the first phase of a three-year feasibility study for a near-zero emissions coal with carbon capture and storage demonstration plant in China, and supporting it with £3.5 million of funding. We are also working closely under the EU climate change programme to establish a regulatory framework on carbon capture and storage within the EU, including a recognition of CCS projects in the EU emissions trading scheme.

John Robertson: I thank my hon. Friend for his extensive answer, and I am sure that he will agree that there is no better example of the UK Government's efforts than the agreement on carbon capture that was signed by Sir David King with the Chinese in Beijing.

However, will my hon. Friend look further afield and take a look at the American systems of dealing with carbon capture and come to an agreement with the Americans, so that we can start to reduce in greater volumes the carbon emissions that come particularly from that country? Will he also look at the benefits that that will create for the workers and business in the United Kingdom?

Ian Pearson: I certainly agree with my hon. Friend about the importance of carbon capture and storage technology. I am pleased that it is recognised as such by the European Commission, and he will be aware of what Commissioner Dimas said recently about carbon capture and storage. We are very interested in talking to the Americans about CCS technology. Along with a number of colleagues, I visited Canada recently and was very interested to hear about the Canadians' plans and proposals for CCS technology. It is an important technology for the future, and it is right that the UK is involved at its leading edge.

Mr. Peter Bone (Wellingborough) (Con): How much confidence does the Minister have that the European Union can carry through this project, given that it could not even open up the gas market in continental Europe? That led to people in this country having to pay £186 extra last year, because of the failure of the Government and the EU.

Ian Pearson: Across Europe, there is a wide interest in carbon capture and storage technology, not least because of the coal reserves that exist in Europe and issues to do with security of energy supply. I am optimistic about progress over the coming months and years in respect of CCS technology, and about ensuring its inclusion in the EU emissions trading scheme. That will be an important benefit: it is the kind of advantage that we need to provide to incentivise CCS technologies to come on stream.

Paddy Tipping (Sherwood) (Lab): As well as pressing for carbon capture and storage in China, should we not be working to demonstrate it here, so that, with clean-coal technology, our indigenous British coal industry can have a future? Will the Minister press for that during the energy review?

Ian Pearson: My hon. Friend makes a good point, and that matter is indeed being looked at as part of the energy review. Carbon capture and storage is an important technology, and it will be essential for our future internationally. CCS is part of a package of measures that we will need if we are to achieve our target of a 60 per cent. reduction in CO_2 by 2050.

Energy Recovery (Waste Incineration)

11. **Mr. David Burrowes** (Enfield, Southgate) (Con): If he will consider the merits of setting targets for the recovery of energy from waste incineration. [79352]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): Our recent consultation paper on waste policy envisaged that energy from waste would deal with up to 27 per cent. of municipal waste by 2020. The extent to which energy from waste can contribute to our renewable energy targets is being considered as part of the Government's current energy review.

Mr. Burrowes: I am grateful for that reply. My constituents are concerned about the proposals for expansion in respect of incinerators—they are particularly conscious of the neighbouring Edmonton incinerator. Given the proposals for a threefold increase in their number over 15 years, what are the Government's proposals in terms of harnessing and utilising energy from incineration plants?

Mr. Bradshaw: They are not proposals yet; they are merely suggestions in a consultation document. If proposals come, they will do so when we publish the new strategy in the autumn.

I acknowledge that in the past there was public concern about incineration—although, to be frank, I think that some of it was based on outdated fears about potential dangers from incineration. We have climate change concerns, and there is no doubt that good waste-to-energy technology is better for the environment and our climate change targets than sending waste to landfill. The fact is that we will need a lot more waste-to-energy and recycling—those steps go together in every other European country, and there is no reason why they should not do so here, too.

Miss Anne McIntosh (Vale of York) (Con): Are there lessons to be learned from Scandinavian countries that are moving away from recycling towards combined heat and power, thereby providing domestic houses and local businesses with cheaper forms of heating from distance warming? Those countries care deeply about the environment, and they assure their public that there are minimum—perhaps zero—particles. Why can we not adopt the same system in this country?

Mr. Bradshaw: The hon. Lady is right that there is huge potential for combined heat and power—and also for energy from waste, as the hon. Member for Enfield, Southgate (Mr. Burrowes) suggested. However, she is wrong to suggest that countries on the continent are moving away from recycling. In percentage terms, there may be a slight downward trend in their domestic recycling, but they are still far ahead of us in terms of how much they recycle. I can give the hon. Lady the figures: in Sweden, for example, the recycling rate is 38 per cent. and 45 per cent. for waste-to-energy. Although our recycling levels have trebled under this Labour Government, they are still down at only about 25 per cent.

Mr. Jim Cunningham (Coventry, South) (Lab): As part of my hon. Friend's consultation exercise on waste reduction, will he have a look at the unit in Coventry, which serves the major part of the west midlands?

Mr. Bradshaw: I cannot promise my hon. Friend that I will have the opportunity to visit the unit to which he refers, but I will certainly make sure that my officials provide me with a full report on the contribution that it is making.

David Simpson (Upper Bann) (DUP): Surely one way to overcome the difficulties associated with the public's buying into incineration is for Government to insist that companies use more recycled material, so that we do not have to pursue a future involving incineration.

Mr. Bradshaw: The hon. Gentleman makes an extremely good point. A week ago, a report was published—he may have missed it, as a lot is going on in this House and in government in general—by the Sustainable Procurement Task Force, which is chaired by Sir Neville Simms. In its action plan, the taskforce will look at increasing significantly the proportion of recycled materials sourced by companies.

Air Quality

12. **Mr. Greg Hands** (Hammersmith and Fulham) (Con): What measures he is considering to improve air quality in London. [79354]

The Secretary of State for Environment, Food and Rural Affairs (David Miliband): The Greater London Authority Act 1999 gave the Mayor responsibility for improving air quality in London. He published his air quality strategy in September 2002, setting out proposals for implementing policies in the air quality strategy for England, Scotland, Wales and Northern Ireland, which is currently under review. Local action under the Mayor's strategy is supported by a range of actions at national and international levels.

Mr. Hands: I thank the Secretary of State for that answer. It is all very well saying that this issue is the responsibility of the London Mayor, but the European Commission is threatening to impose huge fines on this country for the very poor air quality in London, and it is the Government, not the Mayor, who will pay the fines. One measure that the Secretary of State might consider is doing something about the traffic flow in London to get it moving again. The Government's statistics show that in the past decade, traffic volumes have been static, whereas traffic speeds have actually gone down—from 13.7 mph to 12 mph. Why does he not do something about it?

David Miliband: I admire the hon. Gentleman's brass neck. The party that opposed the congestion charge root and branch is now complaining about the speed of London traffic. The party, I hasten to add, whose policy it is to force cyclists on to the pavements is now—

Mr. Speaker: Order. It is not for the Secretary of State to talk about the policy of the party concerned. I call Mr. Edward Garnier.

Mr. Edward Garnier (Harborough) (Con): Does the Secretary of State agree with me that one influence on air quality in London is air traffic and aviation pollution? Will he apply his mind to discussions with his colleagues in the Department for Transport, to ensure that efforts to deal with aviation pollution lead to an improvement in air quality not just within London but, for example, in the region of Nottingham East Midlands airport?

David Miliband: As we discussed earlier, it is the Government's policy to ensure that airline emissions are included in the European emissions trading scheme. I can also reassure the hon. and learned Gentleman that we are working hard in Europe on the ambient air quality directive, which I will discuss in Luxembourg on Tuesday. I can further reassure him that I will discuss it with mainstream Christian democratic and socialist parties, not with the Latvian peasants' party.

Water Resources

13. **Mr. Paul Burstow** (Sutton and Cheam) (LD): What plans his Department is developing for the future management of water resources. [79355]

15. **Simon Hughes** (North Southwark and Bermondsey) (LD): If he will make a statement on plans for the future management of water resources. [79357]

The Minister for Climate Change and the Environment (Ian Pearson): In England and Wales, the Environment Agency has a statutory duty to manage water resources, and it has a 25-year forward-looking strategy, entitled "Water Resources for the Future". Water companies also produce 25-year water resources plans to reconcile supply and demand. In April 2007, the production and maintenance of these plans by companies will become a statutory requirement under the Water Act 2003.

Mr. Burstow: I am grateful for that answer. The Minister will be aware that just yesterday, Thames Water admitted that, for the third year on the trot, it has missed its leakage reduction target. At the same time, it announced a 31 per cent. increase in its profits. Will the Minister tell the House today what is being done to make sure that the regulator is taking the necessary steps to ensure that increased water charges to consumers are not just put into increased dividends, but used to increase spending on dealing with leakages?

Ian Pearson: I do not know whether the hon. Gentleman was not listening a moment ago when I clearly said that Thames Water's leakage rates are unacceptably high. As I also said, that is, in the first instance, a matter for the regulator, and we expect the regulator to want to assess Thames's returns and decide on appropriate action. The regulator has powers under the Water Act 2003 to fine a company up to 10 per cent. of turnover. I have to point out, again, that the Conservative party voted against that Act, which would have meant those powers not being available.

Simon Hughes: Given that we understand that water metering would reduce water consumption by 15 per cent., and given that the average consumption per household is between 140 and 170 litres per week, what can we do, aside from taking personal responsibility by reducing our own consumption, to ensure that the Government give a lead nationally to the water companies, businesses and households? What is the target? What is the objective? Where will we get to if Government policy is followed?

Ian Pearson: As a Government, we believe that water metering has the ability to reduce water demand. Research suggests that water savings of something like 10 per cent. can result from metering, which is why the water savings group that I chair and which includes representatives from the industry, the Environment Agency, Ofwat and consumer groups is looking closely at what more can be done on metering. We do not think that universal compulsory metering is the right way to go, but in areas of water stress there is a strong case for looking at metering, and that is what the Government are considering.

Mr. Henry Bellingham (North-West Norfolk) (Con): The Minister will be aware that the whole of East Anglia is an area of water stress. Does he agree that the time has come for the Environment Agency and water utilities to have a bigger say in planning applications?

Ian Pearson: I remind the hon. Gentleman that Anglian Water has a good record on leakage rates. It is supplying the same amount of water as it supplied in 1989 to 20 per cent. more customers, so it has done a lot about water efficiency.

Of course, water companies need to be involved in the planning process. The Water Act 2003 enables them to be statutory consultees on regional spatial strategies and local planning applications. It is important that the voices of water companies and of the Environment Agency are heard in planning applications, and that is taken into account in the process at the moment.

Bovine Tuberculosis

14. **Mr. David Heathcoat-Amory** (Wells) (Con): What compensation was paid to farmers in England for cattle slaughtered because of bovine tuberculosis in 2005. [79356]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): Some £32.4 million pounds.

Mr. Heathcoat-Amory: The Krebs report concluded that badgers are a significant source of infection in cattle. That was nine years ago, since when all we have had is endless consultation by the Department, and no action. Is the Minister happy that hundreds of thousands of cattle have been slaughtered and countless badgers have suffered this form of TB? All we get is endless drift and inertia from a Department whose very hallmark is inaction. What we need is to grip this long-running, tragic situation.

Mr. Bradshaw: Of course we are not happy about the situation, but the right hon. Gentleman is wrong to say nothing has happened since the Krebs trials. He may have missed it, but we have been conducting the first—the only; no trials were conducted by previous Governments—scientific trials into badger culling. We are culling more badgers than were culled when the Conservative party was last in office. We are considering the results of our consultation on that and shall make an announcement in due course.

I may also say that, in the past six months, there has been a fairly significant reduction in bovine TB, and it is very important that we should understand the reasons for that before we reach any decisions.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): The Conservatives, as my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) said, have been calling for a very long time for action on bovine tuberculosis. Yesterday, on the news, we were informed that major trials were taking place on the immunisation of badgers. Why did we have to find out about the new trials from the BBC? Why did the Minister not inform the House first?

Mr. Bradshaw: The hon. Gentleman has not been a Member of the House for all that long; in fact, we announced that we would be trialling vaccines on badgers a long time ago, before he was a Member.

Bill Wiggin (Leominster) (Con): What did the Minister mean when he said "due course"? When will we find out what he is doing about the consultation? I believe there are 47,000 respondents—he must be reading each response individually. When did the Minister decide to abandon the concept of replacement value for cattle? I have a copy of the June compensation tables. You will be aware, Mr. Speaker, that there is a big difference between a four-year-old cow and one of 14 years old, yet the Government have made no attempt to allow proper compensation for the culling of those poor beasts.

Mr. Bradshaw: That is rather a lot of questions. I have nothing further to add to what I said about timing. The hon. Gentleman acknowledged in his question that there had been 47,000 responses to the consultation, which may be a record for any Government consultation. Of course, it is important that the Government take those representations seriously, and that we study the science. On the hon. Gentleman's point about compensation, he is aware that a number of independent reports have criticised the Government and the Welsh Assembly for seriously over-compensating farmers for TB reactors and that we have a new system based on table valuations, with 47 categories. That was consulted on twice. We are always looking at ways to improve the system, but it is already proving extremely effective in addressing the serious issue of over-compensation that occurred previously.

Viral Haemorrhagic Septicaemia

16. **Mr. John Greenway** (Ryedale) (Con): If he will make a statement on the movement restrictions imposed on fish farms in North Yorkshire. [79359]

17. **Sir Nicholas Winterton** (Macclesfield) (Con): If he will make a statement on the outbreak of viral haemorrhagic septicaemia on trout farms. [79360]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): Due to the serious nature of viral haemorrhagic septicaemia, controls have to be placed on entire river catchments following confirmation of the disease. Sampling of fish in the River Ouse catchment has been undertaken, as

have preparations to disinfect the single affected fish farm. We are working closely with fish farms in the area to ease restrictions as quickly as possible.

Mr. Greenway: I thank the Minister for his helpful and sympathetic letter yesterday in response to the representations I have made on behalf of a number of my constituents. He acknowledges the adverse impact on businesses, especially those engaged in rearing fish for restocking farms and fisheries. There is a major welfare problem so we need an urgent decision from him about whether, following further testing, those fish can be moved. What time scale does he envisage for that? Secondly, he suggests that he has asked his officials to look at the assistance that may be available to alleviate the economic impact of the disease. Has he been in touch with the European Commission about the matter, as some of our MEPs are making representations, too? They could support and agree with the aid that he has in mind.

Mr. Bradshaw: I sympathise greatly with the hon. Gentleman's constituents; fish farms in his area and in the constituencies of a number of other colleagues are suffering real hardship. My officials are working flat-out to try to resolve the issue as soon as possible. The hon. Gentleman will appreciate that we are under legal rules—both UK and European—about how we deal with such diseases. It is very important that our priority remains to contain and eradicate the disease so that it does not spread and make the problem worse elsewhere. We are looking at ways of reducing the size of the area under restriction and that is under active consideration. I cannot give him an exact time scale, but I can assure him that we are doing everything that we possibly can. If he and other Members would like to bring a delegation from their constituencies to meet me, I would be happy to discuss the issue with them.

Sir Nicholas Winterton: I associate myself with all the remarks made by my hon. Friend the Member for Ryedale (Mr. Greenway). Does the Minister accept that VHS could destroy a number of commercial fisheries, such as Danebridge Fisheries Ltd in my constituency, which has been in business for 28 successful years? Will he give an assurance that if there is compulsory slaughter of fish, due to the disease, the Government will pay compensation; otherwise, such companies will disappear, to the disadvantage of the consumer?

Mr. Bradshaw: I am afraid that I cannot give the hon. Gentleman the assurance that he seeks. The policy under successive Governments has been not to compensate for fish diseases. If anything, the way in which we pay for the cost of animal diseases is moving more and more in the direction of cost-sharing between industry and the taxpayer. However, I will look into other ways in which we can help to support the industry; for example, it would be sensible for the industry to set up its own hardship fund, from which a business could seek help if it got into serious trouble. Perhaps the hon. Gentleman would like to join the delegation of the hon. Member for Ryedale (Mr. Greenway) and meet me to talk about the matter in greater length.

Bill Wiggin (Leominster) (Con): What economic assessment has the Minister made of the impact of the disease? It is all very well—and probably very helpful—to call for a hardship fund, but what will the cost be, looking at the big picture? We want to know, because the track record of the Department for Environment, Food and Rural Affairs is not that great when it comes to handling these diseases. We have heard all the right words, but we have not seen the right actions in the past. We would also like to know how the disease got here in the first place.

Mr. Bradshaw: The hon. Gentleman should appreciate, if he does not already, that the UK has an extremely good record on fish health—probably among the best of any member of the European Union. We want to keep these diseases out. I am afraid that I cannot give him an answer to his last point about where the disease came from. We simply do not know at the moment, but there is an intensive epidemiological investigation under way. If we get a better idea, we will keep the House informed. The cost depends on how many businesses are ultimately affected. My understanding is that the businesses that are worst affected at the moment—as raised by the hon. Member for Ryedale and one or two others—are those that move fish out to other fish farms for breeding or catching. The majority of the fish farms in the area that are producing trout and other fish for consumption should not be affected, because once those fish have been killed and gutted, there is nothing to restrict them from being exported to shops and sold in the normal way.

Business of the House

11.3 am

Mrs. Theresa May (Maidenhead) (Con): Will the Leader of the House give the business for the coming weeks?

The Leader of the House of Commons (Mr. Jack Straw): The business for next week will be as follows:

MONDAY 26 JUNE—Second Reading of the Charities Bill [*Lords*].

TUESDAY 27 JUNE—A debate on pensions reform on a Government motion.

WEDNESDAY 28 JUNE—A motion to approve the Police and Criminal Evidence Act 1984 (Code of Practice C and Code of Practice H) Order 2006, which is the order relating to the extension of the detention period to 28 days, followed by consideration of Lords amendments to the Electoral Administration Bill, followed by consideration of Lords amendments to the National Lottery Bill, followed by consideration of Lords amendments to the Childcare Bill.

THURSDAY 29 JUNE—Remaining stages of the Commons Bill [*Lords*].

FRIDAY 30 JUNE—The House will not be sitting.

The provisional business for the following week will be:

MONDAY 3 JULY—Estimates [3rd Allotted Day]. There will be a debate on the work of the Electoral Commission, followed by a debate on human reproductive technologies and the law. Details will be given in the *Official Report*.

At 10pm the House will be asked to agree all outstanding estimates.

TUESDAY 4 JULY—Proceedings on the Consolidated Fund (Appropriation) (No. 3) Bill, followed by the Ways and Means resolution on the Finance (No. 2) Bill, followed by remaining stages of the Finance (No. 2) Bill.

WEDNESDAY 5 JULY—Conclusion of remaining stages of the Finance (No. 2) Bill.

THURSDAY 6 JULY—A debate on armed forces personnel on a motion for the Adjournment of the House.

FRIDAY 7 JULY—The House will not be sitting.

I should also like to inform the House that the business in Westminster Hall for 6 and 13 July will be as follows:

THURSDAY 6 JULY—A debate on the report from the Culture, Media and Sport Committee on the analogue switch-off.

THURSDAY 13 JULY—A debate on the report from the Work and Pensions Committee on the efficiency savings programme in Jobcentre Plus.

Following is the information: In so far as they relate to human reproductive technologies and the law (Fifth report of the Science and Technology Committee, session 2004-05 (HC 7-1) and the Government response (CM 6641) and the Review of the Human Fertilisation and Embryology Act, A Public Consultation, Department of Health, 2005)

Mrs. May: I thank the Leader of the House for giving us the business for the coming two weeks. I am sure that he will have seen the report from the Scottish Affairs Committee, which stated that the West Lothian question was now

"a time bomb that urgently needs to be defused".

As he will also know, my right hon. Friend Lord Baker introduced a Bill in another place to resolve that problem. Will the Government bring forward proposals to address the issue and will there be a debate on the report of the Scottish Affairs Committee?

Did the Leader of the House see the report today of head teacher Peter Brackley, who has been praised by Ofsted for his outstanding educational vision, but is quitting teaching because of too much Government interference? Mr. Brackley is reported as saying:

"I have grown increasingly frustrated by the constant avalanche of central government policies many of which are ill-conceived and inadequately resourced. Sadly education suffers from too much interference and not enough trust".

Can we have a statement from the Education Secretary on how he intends to reduce Government interference and restore trust in our teachers?

Yesterday, the hon. Member for Pendle (Mr. Prentice) asked the Prime Minister:

"A year ago, my friend told us that a decision to replace Trident would have to be made in this Parliament. Would not it be an absolute outrage if billions were squandered on a new generation of nuclear weapons without a vote in the House?"

The Prime Minister's response was:

"As I think I said before, there should be the fullest possible debate on the issue. I am sure that there will be and that, yes, the decision will have to be taken in this Parliament."—[*Official Report*, 21 June 2006; Vol. 447, c. 1315.]

He did not comment on whether there would be a vote in the House, so will the Leader of the House tell us whether the debate on Trident and the future of the nuclear deterrent will take place on a substantive motion, thus enabling hon. Members to vote on the issue? When will that debate be held?

Of course, that question of timing is more relevant given that the Chancellor of the Exchequer said in his Mansion House speech last night that he believed in retaining the UK's independent nuclear deterrent in the long term. Of course, what the Chancellor said and what his aides briefed out were different. He talked about retaining the nuclear deterrent, yet the briefing referred to the replacement of Trident. The *Financial Times* reported:

"'Gordon is in no doubt that if the military chiefs recommend a full replacement for Trident then that is what we must deliver,' said a close ally of Mr Brown."

I know that a defence debate is about to take place, but will the Leader of the House arrange for the Chancellor to come to the House to make a statement on Trident so that he may answer questions from hon. Members about his speech and Government policy in the area?

Of course, it is not unusual for the Chancellor to deal with matters that are not in his direct remit. In the past six months, he has spoken about liberty and the role of the state, Britishness, security and anti-terrorism, and the environment. Given that the Chancellor now has such a wide-ranging role, will the Leader of the House arrange for time in the parliamentary programme for questions to the Prime Minister-designate?

Finally, will the Leader of the House arrange a debate on the influence of popular culture on political life? I am sure that many hon. Members will be saddened to hear about the demise of "Top of the

[Mrs. May]

Pops", which has played such a role in the cultural life of the nation. Of course, pop songs can be very relevant to politics. For example, given the Home Secretary's recent problems, I wonder whether he should listen to the U2 track "I Still Haven't Found What I'm Looking For". Perhaps we could have a touch of Dire Straits for the Deputy Prime Minister with the track "Money for Nothing". I suppose that the Chancellor might look to Diana Ross with "You Keep Me Hangin' On". Perhaps the Prime Minister would like the Clash's "Should I Stay or Should I Go". Talking of clashes, perhaps the Chancellor would describe his relationship with the Prime Minister with the White Stripes track "Every Day I Love You Less and Less". Or, given the Chancellor's commitment to new Labour, maybe his track for him and the Prime Minister should be Elton John's "Friends Never Say Goodbye":

"There isn't much I haven't shared
With you along the road...
Who's to say who's right or wrong
Whose course is braver run
Still we are, have always been
Will ever be as one".

Mr. Straw: The first question that the right hon. Lady asked me was about the West Lothian question and the report from the Scottish Affairs Committee, which I have indeed read with interest. We have no plans for an immediate debate on the issue. It has been debated at great length. What the Conservatives—who used to be called the Conservative and Unionist party and were concerned about the break-up of the Union—need to think about is that however superficially sedulous the West Lothian question may be, it is a very dangerous idea to argue that Members of this House should not be able to vote on issues that affect the whole of the United Kingdom. We determine in this House, with a vast majority of English MPs, total spending in the Scottish Parliament, because we decide the block grant. We decide many other issues for Scotland. It was we who decided to vote, again with a majority of English MPs, in favour of the Scotland Act 1998 and of the Government of Wales Act 1998. We are a unitary country and we remain so. I am proud to have been a member of an Administration which, with support from the Liberal Democrat party and others, ensured a good measure of devolution to Scotland and Wales, while preserving the Union.

The right hon. Lady's second question was about the head teacher who is mentioned in one of the newspapers. Of course I am very sorry, as I know my right hon. Friend the Secretary of State for Education and Skills is, about that particular head teacher and his concerns about education. However, we should not generalise from the concerns of one individual. Anybody who goes into schools across the country can see the dramatic improvement that is shown by many indicators. It is shown in the salaries of head teachers and in the professional support now given to head teachers. Above all, it is shown in the fantastic increase in standards being delivered by those head teachers to our schoolchildren. It is reprehensible of the Opposition to seek to denigrate the fantastic performance of teachers across the country in raising standards for all our children.

The right hon. Lady then asked me about Trident. Our manifesto at the 2005 general election stated that we—the Labour Government—are

"committed to retaining the independent nuclear deterrent".

In speaking about the longer term, as well as this Parliament, my right hon. Friend the Chancellor of the Exchequer was fully consistent with that manifesto commitment put before the British people at the last election. Decisions on Trident's replacement have yet to be taken. When they have been taken, they will be put to Parliament in a White Paper. I cannot anticipate at this stage the most appropriate form of debate, but it will be in a form that shows proper respect for the House. I hope that by the time of our White Paper and the debate, the Conservative party will have determined not just what its policy is on Trident, but whether it has a policy.

Dr. Julian Lewis (New Forest, East) (Con): Of course we have a policy: retain and replace.

Mr. Straw: If that is the policy, why was it not mentioned in the Conservatives' 2005 manifesto? The 2005 Conservative manifesto was completely silent on the issue of Trident's replacement.

The right hon. Lady asked about the Prime Minister-designate. I am glad to know that she believes that the Prime Minister-designate is the Chancellor, not the Leader of the Opposition. Finally—I congratulate her researchers on their efforts—she came up with some laboured quotations from titles of various pop songs. I will not try and compete with her—I apologise for that—except to say that, like her, I deeply regret the passing of "Top of the Pops", which connected me, and no doubt her, to our youth.

Kate Hoey (Vauxhall) (Lab): My right hon. Friend will aware of the Friends of the Earth's Big Ask campaign, which is about trying to get a Bill on climate change into the Queen's Speech. It is a big issue—I had a huge meeting at Lambeth Friends of the Earth last week—and we want to set targets year by year. Will my right hon. Friend arrange for a debate on climate change before the end of the Session so that Members who have been involved with the campaign might influence what goes into the Queen's Speech?

Mr. Straw: I am glad that my hon. Friend has raised the issue, as I know of her constituents' great concern and of the work that she has done. She, in turn, will know that it has become a major priority not only for the Government but, through our right hon. Friend the Prime Minister, for the G8, and it will be followed up at the forthcoming G8 summit in St. Petersburg. I cannot promise a debate before we rise for the summer recess, but I promise that I will do my very best to see whether we can have a debate this Session before the Queen's Speech.

Mr. David Heath (Somerton and Frome) (LD): What are the right hon. Gentleman's intentions regarding a welfare reform Bill? The consultation paper from the Department for Work and Pensions makes the process clear:

"The timescale is now pressing (given that we intend to have the new Employment and Support Allowance in place from

2008). We therefore hope to introduce a Welfare Reform Bill in this Parliamentary session and to seek Royal Assent by Easter 2007."

Is it the intention to introduce a Bill before the summer recess, and is it the right hon. Gentleman's intention that it should be carried over to the next parliamentary Session, which is the only conclusion that we can draw from the statement in the White Paper?

Once again, can I ask for a debate on post offices? I accept that this is a well-worn track, as the issue has been raised by many hon. Members on both sides of the House, but it remains a pressing need. I will receive two petitions this weekend from constituents who are concerned about the future of their local post offices. I did not organise those petitions—they were organised by my constituents, who are worried about the future of their local post office. There is a pressing need to hold a debate, because the termination of the Post Office card account has been announced, and sub-post offices have lost the right to issue the BBC television licence. I understand that, next year, the contract with the Driver and Vehicle Licensing Agency for the issuing of the road fund licence is to end. Before a decision is made to give that contract to someone else, can we have a debate in the House on the future of the Post Office?

Finally, as the nights are now drawing in, may I set the scene for our consideration late in the evening and ask for a debate on the conundrum of ministerial responsibility, which puzzles all of us? Yesterday, the hon. Member for Uxbridge (Mr. Randall) asked a question about the new post of liveability Minister. The Prime Minister did not deny that he was going to make such an appointment, but he did not confirm it, nor did he give any indication of who would be the liveability Minister. However, he said:

"Liveability is the ability of local communities to be free from crime and fear".—[*Official Report*, 21 June 2006; Vol. 447, c. 1315.]

I take the old-fashioned view that making sure that communities are free from crime and fear is the job of the Home Secretary, so is that a responsibility of which he has now officially divested himself?

Mr. Straw: On a welfare reform Bill, we hope to introduce such a measure. It is a candidate for carry-over, on which there will be consultations with the usual channels. The hon. Gentleman asked for a debate on post offices, implying that there had not been any debates on the financing of rural post offices. However, there have been a great many, not least on the Adjournment and in Westminster Hall. He will know that because of changes to the way in which people communicate with one another and in banking practice, the Post Office operates in a more commercial environment. No, I cannot promise a debate before a decision is made by the Post Office—and not by Ministers—on whether it can win a contract with, for example, the DVLA, because that is a matter between the DVLA and the Post Office. Of course, issues of public service will be taken fully into account. Notwithstanding the closure of some post offices, 99 per cent. of people in urban areas—I accept that the figure is lower in rural areas—live within a mile of their local post office, and the network of post offices is still substantial. In addition, the level of subsidy from the public purse to support the network in rural areas is still very high.

On the interesting issue of ministerial responsibilities and liveability, we are all responsible for making sure that our communities are liveable, but I wish that a different word had been chosen—

John Bercow (Buckingham) (Con): Out of respect for the English language.

Mr. Straw: The English language is always developing, but sometimes developments take place that we may not appreciate.

The Home Secretary remains fully responsible for our law and order policy. Government policies on health, housing, the built environment and education all contribute to whether an area is congenial, peaceful, quiet and enjoyable—in other words, liveable.

Tony Lloyd (Manchester, Central) (Lab): May I draw my right hon. Friend's attention to the present debate about Thames Water, which has decreased its capital spending while increasing prices enormously? May we have a debate on the whole saga since privatisation of the water companies by the Conservative party? The public not only in the Thames region, but across the country, feel that they are being ripped off by companies that shove up the salaries of their senior operatives—the chief executive and so on—and shove up prices for the consumer, but do not invest in order to provide the water supply that we need.

Mr. Straw: I will do my best. My hon. Friend is reflecting widespread concern, particularly on this side of the House, about the original water privatisation conducted by the Conservative party. Something has gone wrong with the balance between investment and profit. My hon. Friend the Member for Vauxhall (Kate Hoey) has witnessed the huge waste of water that pours from an unending series of leaks which, after years and years of claiming to have put them right, Thames Water still allows to happen.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): The Leader of the House will be aware that the United States Senate is this week considering American policy in Iraq and that the House of Representatives had a similar opportunity quite recently. Does it not remain a disgrace that, in more than a year since the previous general election, the Government have not provided any time in this House for British Government policy on Iraq to be fully debated? Will the Leader of the House give us a categorical assurance today that such an opportunity will be provided before the House rises for the summer recess?

Mr. Straw: With respect, that is simply incorrect. Today's main debate is on defence. [*Interruption.*] The most important priority for our defence forces—[*Interruption.*]

Mr. Speaker: Order. We must be temperate in our language. When the right hon. and learned Gentleman asks a question, he must remain silent when the answer is given.

Mr. Straw: There is an Adjournment debate today on defence, when those issues not only can be raised, but will be raised and have been raised in the past. Our policy on Iraq is of fundamental importance to our defence forces, because they are implementing it. Furthermore, there will be a debate on armed forces personnel, which is another opportunity to raise the issue. I do not accept the premise of the right hon. and learned Gentleman's question.

Mr. Iain Wright (Hartlepool) (Lab): Before I ask my question, I should point out to the House that the right hon. Member for Maidenhead (Mrs. May) was incorrect, because "Every Day I Love You Less and Less" is sung by the Kaiser Chiefs, not the White Stripes, which demonstrates that in popular culture, as in other things, the Conservative party has got it completely wrong. With reference to the right hon. Lady, I am tempted to refer to the Artic Monkeys' song, "Mardy bum", but I shall be more gracious, and say, "I bet you look good on the dance floor".

Following the Israeli Prime Minister's visit to this House last week, and given the hugely significant events in the middle east, will my right hon. Friend arrange for a debate on the Floor of the House in Government time on the peace process in the middle east? Recent Adjournment debates on that subject have been absolutely packed—

John Bercow: Yours.

Mr. Wright: Thank you. Given the UK Government's vital role in the peace process, such a debate would allow hon. Members to discuss the issue, Government policy and future prospects for peace in the middle east.

Mr. Straw: I am grateful to my hon. Friend for his corrections in respect of the poor research by the right hon. Member for Maidenhead (Mrs. May). I say to her affectionately that that shows the danger for those of us of a certain age—[*Interruption*]—I am speaking for myself—in trying to pretend that we have knowledge of the younger generation.

I understand the concerns about the need for a wide debate on middle east foreign policy. The programme until the summer recess is under considerable pressure, but we will do our best.

Mr. Andrew Mackay (Bracknell) (Con): The House has a genuine problem. The Chancellor of the Exchequer regularly makes speeches on issues beyond his Department, such as Trident, Northern Ireland and sub-Saharan Africa. You, Mr. Speaker, would rule us out of order if we were to ask the Chancellor about those subjects at Treasury questions, so we need a mechanism for the Prime Minister-elect, as I think that he would like to be known, to come to the Dispatch Box. Will the Leader of the House relieve the Deputy Prime Minister of his Question Time—which the Deputy Prime Minister, who no longer has any responsibilities anyway, clearly dislikes—to allow the Chancellor to come to the Dispatch Box to answer questions beyond his Department, which we would find very interesting?

Mr. Straw: I congratulate the right hon. Gentleman on his ingenuity. We all make speeches that range more widely than our immediate responsibilities, and we have always done so.

Mr. Mackay: We do not all get the front page.

Mr. Straw: If the right hon. Gentleman were to come to Blackburn town centre on a Saturday when I am doing my soapbox sessions, he would see that I range across Government policy, which I hope that I remember correctly.

Mr. David Hamilton (Midlothian) (Lab): Will the Leader of the House bring forward the date for the next energy debate? Energy security should be at the core of the debate because it is the most important issue. Incidentally, "Keep on running" by Spencer Davis would have been a better response to the shadow Leader of the House.

Mr. Straw: The right hon. Member for Maidenhead has started something. Perhaps we will keep it going next time.

Energy security is of fundamental importance, and it is one of the reasons why we are currently conducting a full review of energy policy. A White Paper will be presented to the House in due course, and once it is before the House, it will be debated.

Mr. John Hayes (South Holland and The Deepings) (Con): The Leader of the House knows that yesterday Cardinal Murphy-O'Connor called for a review of abortion law in the light of the fact that most babies born at 24 weeks now survive and that last year there were more than 3,000 abortions at or after 20 weeks. Will the Leader of the House facilitate a Committee of both Houses to examine the matter in measured and considered terms and then make time for a debate on that Committee's conclusions?

Mr. Straw: I understand the concerns that the hon. Gentleman, His Grace Cardinal Cormac Murphy-O'Connor and many others have about this, but he will appreciate that equally strong views are held on the other side of the argument. The hon. Gentleman requests the establishment of a Joint Committee of both Houses. Joint Committees are sometimes established, but usually for specific purposes. I have not yet heard a good case made for establishing a Joint Committee for this purpose. We have a very adequate arrangement in this House called the Select Committee on Health, which, if it wishes, can establish its own inquiry into the matter. Then, depending on the weight of its recommendations, we would consider whether to provide time on the Floor of the House. I think that that is the appropriate way to proceed.

Richard Burden (Birmingham, Northfield) (Lab): My hon. Friend the Member for Hartlepool (Mr. Wright) and I have different perspectives on the middle east situation, but I fully endorse his request for a debate in

Government time on the Israel-Palestine situation. His Westminster Hall debate was very well attended by hon. Members from both sides of the House with widely differing opinions, and it was exactly the same story a few months ago in a debate called by my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman), when more Members wanted to speak than there was time available. If my right hon. Friend looks at the Order Paper, he will see an early-day motion that already has 93 signatures, calling for both sides in that conflict—not one side, but both sides—to renounce violence, and for a return to a negotiated settlement, not unilateral actions. This is a matter of great concern to Members on both sides of the House, and I endorse the call for an early debate to give everyone a chance to express a view on this key matter for world security.

Mr. Straw: I note what my hon. Friend says. I understand his deep commitment to the issue, which is widely shared, from different perspectives, across the House. I will consult my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs and the Chief Whip. I understand my hon. Friend's concerns, but in turn I ask him, and the House generally, to understand the pressures on the parliamentary programme.

Mr. Peter Robinson (Belfast, East) (DUP): Is the Leader of the House aware that on Tuesday the Northern Ireland Grand Committee had one of its shortest meetings, following a protest by several Members about the Government's failure to resolve the issue of permitting the Grand Committee to meet in Northern Ireland, which left only three of Northern Ireland's 18 Members of Parliament present in the Committee? On 8 June the Leader of the House wrote to me indicating that he would not be surprised that there remains an absence of consensus on this issue. The Conservatives have said that they would like the Committee to meet in Northern Ireland, and the Liberal Democrats have done the same. The Government have said that they are content that it should meet in Northern Ireland, and the Ulster Unionists and the Democratic Unionists have said that they want it to meet in Northern Ireland. That leaves only the Social Democratic and Labour party. Why should three Members of this House be able to veto what more than 640 others might wish to happen? On the BBC website this week, the SDLP's leader is quoted as saying that his party was not opposed to the Committee meeting in Northern Ireland. If there is now a consensus, will the Leader of the House give us a firm undertaking that the next meeting of that Committee will be in Northern Ireland?

Mr. Straw: The big question is whether there is a consensus. The hon. Gentleman spelled out why that is not the case at the moment. Of course I would like there to be a consensus—but what he describes is not a consensus but a disagreement. I will pursue the matter with my right hon. Friend the Secretary of State for Northern Ireland to see whether further steps, to which he is very committed, can be taken to reach the consensus that so far has proved elusive.

Ms Diana R. Johnson (Kingston upon Hull, North) (Lab): In 2007, it will be the 200th anniversary of the abolition of the slave trade, led by the Hull MP, William Wilberforce. My hon. Friend the Minister for Culture is visiting Hull next week to see what celebrations we are planning. Will my right hon. Friend say what plans there are for the House to mark this important anniversary?

Mr. Straw: I accept that the anniversary is extremely important. During the visit by the United States Secretary of State, Condoleezza Rice, we went to the slavery museum in Liverpool, which was a poignant time for her, just as I had visited the civil rights museum in her birthplace of Birmingham, Alabama, which for me raised the issue of slavery very powerfully. I cannot make an announcement at this stage about plans by the Government or for this House, but I promise to talk to my hon. Friend. I accept the importance of ensuring that this 200th anniversary is appropriately marked.

Peter Viggers (Gosport) (Con): The Leader of the House may be aware that I have served as chairman of the campaign for defence and multilateral disarmament, the object of which is to promote an informed dialogue about the nuclear deterrent. Does he agree that that subject is not only of profound importance to this country, and indeed to mankind, but complicated? May we have an early debate in Government time on the nuclear deterrent and its replacement? It is far too important a subject to leave to the Chancellor of the Exchequer to throw away in a reference—or career move—in a speech at Mansion house, which was subsequently denied by his staff.

Mr. Straw: I have already said that there will be a debate, and there will be a White Paper. Our manifesto was clear on this issue, while the hon. Gentleman's party's manifesto, despite having been drafted by the right hon. Member for Witney (Mr. Cameron), who is now Leader of the Opposition, was completely silent on whether the Conservatives would continue with the nuclear deterrent if they were to be returned. What my right hon. Friend the Chancellor said in talking about the long term was entirely consistent with our manifesto commitment, which states:

"We are...committed to retaining the independent nuclear deterrent".

I accept the hon. Gentleman's interest and expertise in this field. As he said, it is not only an issue that generates a lot of emotion but a complicated matter, and the more debate there is, the better.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May I draw my right hon. Friend's attention to early-day motion 2391, on the International Whaling Commission's decision to lift the 20-year moratorium on the killing and slaughter of those beautiful mammals?

[That this House notes with concern the fact that for the first time the pro-whaling alliance won a majority of support at the International Whaling Commission (IWC) voting to end the 20 year old whaling moratorium; recognises that to end the moratorium a majority of 75 per cent, is required and that the 51 per cent, majority secured is a major shift in the IWC stance; condemns the actions of Japan and other whaling nations such as Norway and Iceland who have campaigned to secure the votes of small African and Caribbean countries in exchange for multi-million dollar foreign aid

[Jim Sheridan]

packages; and calls on members of the IWC to put the interests of many and often rare species of whale ahead of narrow self-interest.]

May I ask my right hon. Friend to use his good offices to work with the appropriate Department and Minister to get that decision changed, or to explore ways in which we can ban the sale of products derived from the killing and slaughter of those poor mammals?

As the shadow Leader of the House, the right hon. Member for Maidenhead (Mrs. May), is the only female representative on the Conservative Benches, perhaps "Only the Lonely" would be an appropriate song for her—*[Interruption.]*

Mr. Straw: The right hon. Lady says from a sedentary position, "Man, I Feel Like a Woman". *[Interruption.]*

Mr. Patrick McLoughlin (West Derbyshire) (Con): What was the question again?

Mr. Straw: The question was about the International Whaling Commission and what was described as the disgraceful position taken by it. I have a helpful note here headed "Government position", which is completely blank, and another headed "Lines to take", which is also completely blank, so I will make it up myself—as I usually do.

I agree with my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan). He will know that the British Government's position has been consistent in trying to preserve and maintain those beautiful mammals.

Sir George Young (North-West Hampshire) (Con): May I support the call for an early debate on the doctrine of collective ministerial responsibility, which seems to have taken some punishment recently? Can the Leader of the House arrange for the Home Secretary to take part in that debate and explain what he meant by what he is reported to have said in today's edition of *The Times*, when asked what would happen if he failed to improve the Home Office:

"What happens when any Cabinet minister fails at the Home Office? I think we've lost four."

Does the Leader of the House regard that as a comradely remark?

Mr. Straw: My right hon. Friend the Home Secretary was not referring only to Cabinet Ministers when he mentioned losing four Home Office Ministers—it was four in aggregate. I am happy to say that that excludes me. I was at the Home Office as Home Secretary for four very happy and successful years—some say. There was the most intensive engagement in respect of Home Office issues—law and order, asylum and immigration, passports and much else. During the 2001 general election, I was pursued—almost literally—by the ever-vigorous right hon. Member for Maidstone and The Weald (Miss Widdecombe), who was then shadow Home Secretary. Despite the Opposition's campaign, or perhaps because of it, and perhaps because of my record too, I am pleased to say that we won the election, not least on Home Office issues.

Andrew Miller (Ellesmere Port and Neston) (Lab): Last Friday, I received a welcome letter from the prisons Minister confirming that child sex offenders will not be placed in the bail hostel in my constituency, in response to a request that I made to the Home Office more than two years ago. This week there have been interviews with a chief constable who is not, and has never been, connected with my constituency, but is trying to put a different spin on the subject. May we have a debate on whether chief constables should stand for election if they are to be allowed to comment on things outwith their immediate purview?

Mr. Straw: Chief constables are entitled to their opinions, but they must accept that if they go into matters of great controversy, others will criticise them. It is the Conservative party that is currently considering whether to have elected police chiefs.

As a result of provisions in the Criminal Justice and Courts Services Act 2000 and the Sexual Offences Act 2003, police and probation services have the right to disclose information about sex offenders to the public or other bodies on a selective basis when they consider it appropriate. My hon. Friend's experience of knowing about offenders and making representations, and the subsequent decision of my right hon. Friend the Home Secretary, all suggest that that policy is working. However, my right hon. Friend has announced that a Home Office Minister will go to America to consider the current application of what has been called Megan's law. As I have said publicly, six years after the murder of Sarah Payne and the measures that we originally introduced, it is appropriate to consider whether we can draw on experience from overseas.

John Bercow (Buckingham) (Con): May we please have a debate in Government time on the loathsome scourge of human trafficking? Given that the Council of Europe convention on the subject was tabled in May 2005 and that so far no fewer than 24 of the 46 Council members have signed up to it, does the right hon. Gentleman agree that a debate would allow the Home Secretary to explain why the Government still feel unable to sign it? After all, it would guarantee minimum standards of protection and treatment for all trafficked people.

Mr. Straw: The Government are not only committed to dealing with what the hon. Gentleman rightly describes as the scourge of human trafficking, but have taken many practical steps to tackle it. I am not immediately familiar with the reasons why we have not signed up to the convention so far. I promise to write to him as well as taking up the matter with my right hon. Friend the Home Secretary. If there is a case for a debate, of course we will arrange one.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. Friend, more than anyone, knows about the continuing tragedy in Darfur. There was some optimism a few weeks ago, and I give due credit to the Secretary of State for International Development for managing to put together a peace agreement. However, since then there has been nothing but obstruction in Khartoum of the attempt to move from African Union

to United Nations troops coming in to enforce the peace. Sadly, there is much evidence of small arms flooding into Darfur, especially from China, as the rebel groups splinter. Is not it time that hon. Members had a genuine opportunity to discuss in the Chamber what is happening in Darfur? It is a huge problem, and the eyes of the world are on it, but progress remains slow.

Mr. Straw: I accept my hon. Friend's case. I am familiar with the continuing tragedy and outrage that is Darfur. I was more optimistic when, in January, I spoke firmly to all parties involved in the peace process in Abuja. Not least because of the efforts of my right hon. Friend the Secretary of State for International Development, we have got the agreement, but as my hon. Friend says, too many in Khartoum still resist implementing it.

I accept that we should have a debate if we have time. On arms flooding into Sudan, one of the reasons for the Government's commitment to obtaining and implementing an international arms trade treaty is that once it exists, we can take genuine measures against not only the ballistic and nuclear weapons that are there but small arms and light weapons, which are all too readily available and fuel all conflicts, especially in Africa.

Bob Russell (Colchester) (LD): I wonder whether time could be found for a debate on the so-called private finance initiative to fund public buildings, services and facilities, which often ends up with the public paying considerably more for less. The scheme for the expansion of Colchester general hospital through PFI collapsed last week, leaving the NHS with a bill of £3 million wasted and the private sector with a bill of £7 million wasted, which it is trying to claim back from the NHS. The result is £10 million lost, no new facility and the voluntary sector in the town, which provides so much support for the health service, being denied its revenue because the NHS says that it cannot afford it.

Mr. Straw: I hope that the hon. Gentleman will apply for an Adjournment debate on that issue; it is obviously a good subject for one. I do not know the details of what has happened in Colchester, but I stress that the PFI has generally been successful in ensuring much earlier investment in hospital services than would otherwise be the case. I waited 25 years for promises that the previous Government made to build a new hospital in my constituency to be fulfilled. It never happened, but as a result of a PFI decision in 1998, we now have a brand new district general hospital almost completed, up and running.

Rural Payments Agency

12.16 pm

The Secretary of State for Environment, Food and Rural Affairs (David Miliband): With permission Mr. Speaker, I shall make a statement on the Rural Payments Agency. In my written statement on 9 May, I promised to keep the House informed of progress made by the RPA on the single payments scheme. At oral questions today, no questions on the SPS were on the Order Paper. I therefore thought it right to give hon. Members the chance to raise the issue.

In summary, there has been some progress, but the situation is far from satisfactory. As of Tuesday 20 June, some £1.38 billion, representing more than 90 per cent. of the total fund, has now been paid to more than 100,000 applicants; 82,571 claims have been settled in full, and 18,785 applicants have received a partial payment and are awaiting their "top-up".

On 9 May, I said that the priority for the RPA would be claims of more than €1,000 Euro where no payment had been made. The number of claimants in that category is now approximately 2,300. I recognise the hardship involved for them and deeply regret the distress caused. The RPA is taking further steps to pay those complex claims, including discussing issues direct with claimants and, when feasible, bringing parties together in cases of continuing disagreement—for example, when two or more parties have made a claim for the same piece of land. The RPA has written twice to all the individuals concerned.

I also recognise the importance of the unresolved hill farm allowance payments. Of the approximately 10,500 eligible HFA claims, 5,000 have been paid in full and a further 900 authorised for partial payments. Full and partial payments are continuing to be made.

The EU defined payment window for making 2005 SPS payments runs from 1 December 2005 until 30 June this year. Work is continuing to pay as many claims as possible by 30 June. However, farming leaders have made representations to me on behalf of the farmers who do not receive the full sum due to them during the legal payment window. I have therefore authorised the RPA to make interest payments at the London Interbank offered rate plus 1 per cent. calculated from 1 July, in respect of any payments where responsibility for the delay rests with the RPA. That will be subject to a minimum interest payment level of £50. Further details will be given on the timing of those payments once the RPA has assessed how they can be integrated most effectively into the existing payment schedule.

Work on delivery of the 2006 scheme to be paid between 1 December this year and 30 June next year is under way. As I said on 9 May and want to repeat today, the 2006 scheme year will be challenging. The RPA's interim chief executive, Tony Cooper, has made an initial assessment of the task ahead. He has confirmed that, in respect of customer service and management information, there is no quick fix. Possible options for the 2007 scheme—for example, the use of a minimum payment level—are not available for 2006.

Against this background, farming leaders have understandably called for partial payments to be made

[David Miliband]

in 2006, as they were in 2005. I have discussed the need for the necessary EU legislation to make partial payments with the Commissioner, Mrs. Fisher-Boel, and authorised the RPA to start work on the necessary systems. However, until the RPA chief executive has had an opportunity to make a realistic assessment of the prospects for full payments, I do not want to commit to a particular timetable or specify whether or when partial payments might be necessary. Initial validation of the 2006 claims is under way, and detailed validation should start next month. By the time the House returns after the summer recess, therefore, we should have a better understanding of the prospects for the 2006 scheme, and I will make a further statement then.

Given the position on the 2006 scheme, I have decided to simplify to the maximum extent possible the arrangements for the incorporation into the single payment scheme of additional support arising from last November's landmark EU sugar reform. In practice, that means that the £52 million concerned will be added entirely to the entitlements held by sugar beet producers who meet the defined criteria, rather than some of the funds being used to increase the flat rate value of all entitlements. Further details, including on arrangements for 2007, will be announced in due course.

I can also report that an EU regulation has been adopted which provides for all 2006 claims to be accepted without penalty until 15 June. Under the original timetable, the limit would have been 15 May. This extra time above and beyond the extension to 31 May—to which I referred in my statement on 9 May—will mean that around 4,000 farmers will not now be penalised. I am sure that the whole House will join me in expressing my gratitude to the European Commission for its understanding on this issue.

The fundamental review of the RPA that the then Secretary of State, my right hon. Friend the present Foreign Secretary, set in train earlier this year will be important for the future of the RPA when it reports at the end of this year. In the meantime, I know that this year's problems have caused real distress and I repeat the apology to farmers that I have made before, both in the House and elsewhere. I can assure the House that the new RPA chief executive, with the support of the Department, will be looking to take interim steps to aid the recovery process and to improve the experience of farmers dealing with the agency to the maximum possible extent. I will keep the House informed as matters progress.

Mr. Peter Ainsworth (East Surrey) (Con): I am grateful to the Secretary of State for keeping the House informed of the modest progress that is being made to deal with this problem. It is unfortunate, Mr. Speaker, that the BBC's "Farming Today" programme probably heard about this statement before you did—but that is life these days, under new Labour. As I said, it is good to hear that modest progress is being made to address this appalling fiasco, which has brought added hardship to many in the farming community and related industries at a time of profound change, uncertainty and stress.

Many questions remain to be answered, however. How did the problems arise in the first place? What happens next? The Environment, Food and Rural Affairs Committee is conducting an inquiry into what went wrong. Will the Secretary of State give an assurance that the Committee will be given access to all the information that it needs to form a balanced, accurate and comprehensive view of the events that led to the failure to make payments on time? The Committee's inquiry has already produced some interesting evidence, and we look forward to its findings with great interest. Meanwhile, the BBC's "File on 4" programme has disclosed that the Office of Government Commerce gateway review was warning two years ago that there were severe problems with delivering the new system. Why were those warnings ignored?

I welcome the announcement that the Government will start paying interest on the money that they owe from 1 July. But what about the people who are entitled to payment but have received nothing for the six months before 30 June? Those people have been put at a huge competitive disadvantage by the Government's incompetence, denial and mismanagement, and have been forced to take out commercial loans. The Secretary of State said that 90 per cent. of the total fund had now been paid, but he did not say—unless I missed something—how many claimants remained unpaid. I would be grateful if he could give us that information. Will he also tell us whether the hill livestock allowance claimants will benefit from the initiative on interest payments that he has announced today?

How many farmers will receive compensation equal to the salary of the sacked chief executive of the Rural Payments Agency, who, as I understand it, is still on the payroll but doing nothing? What estimate has the Secretary of State made of the total bank interest paid to date by the farming sector in England as a result of his Department's failure? What estimate has he made of the likely cost to British taxpayers of the Government's failure to meet the 30 June deadline? Are we to assume that the Government's humiliating plea to the European Union for an extension beyond that deadline has been refused? What discussions has he had with the EU Commission about the fines that Britain will have to pay for this failure? What discussions has he had with the Chancellor about which budget the fines will be paid out of? If they will be paid out of the Department for Environment, Food and Rural Affairs budget, what will the Secretary of State cut in order to pay them? Or will they come from some other source?

Does the Secretary of State realise that the RPA is still getting its field data wrong and making wildly inaccurate party payments? Will he tell us how many overpayments and underpayments have been recorded, and give us the value in each case? Can he give us the date on which he expects the 2005 payments to have been completed? Is he really unable to give us a date by which farmers can expect to receive their cheques for 2006? Can he guarantee that the UK will not face fines a second time?

Much has been made by Ministers of the hard work of the staff at the Rural Payments Agency, and I am sure that the majority of them have worked very hard to sort out the mess that their political masters have created. Will the Secretary of State take this opportunity to comment, however, on press reports about RPA staff

who, even as calls to the rural stress network reached record levels, were cavorting naked in the office and hiding cups full of vomit in office cupboards?

We detected a bad smell about the handling of the single farm payment last year, but the Government denied that there was a problem. We called last year for the Government to introduce a partial payment scheme. Their refusal to open up that option at the time cost the farming community millions of pounds. We called on Ministers to return to farmers the interest that they had paid because of the Government's failure, but again the door was closed. It has taken months for them to accept any financial liability at all. Every time we prise open the door on this wretched affair a little further, the smell gets worse.

David Miliband: The hon. Gentleman has asked some intelligent questions, which I shall address. However, he has also made some allegations that are completely unworthy of him, and should be rejected utterly. There is no question of the Department speaking to "Farming Today" about the interest payments that have been speculated about. We have made a point of being scrupulous in our engagement with stakeholders, and about coming to the House and not making "Farming Today" the first step.

I am happy to confirm to the hon. Gentleman that there will be full co-operation with the Environment, Food and Rural Affairs Committee. I am not sure, however, whether he fully understands the purpose of the gateway reviews. Their role is to identify issues that need to be addressed, and at every stage the purpose of the different traffic lights is to show which those issues are. Officials and Ministers have tried to address those issues; they certainly have not ignored them.

I think that I made it clear in my statement that 2,300 claimants of more than €1,000 had not been—

Bill Wiggin (Leominster) (Con): How many in total?

David Miliband: If the hon. Gentleman will just contain himself, I can assure him that he will get the full picture. As I was saying, 2,300 claimants of more than €1,000 have not been paid, and about 12,000—it might be 12,200—claims of less than €1,000 have not been paid.

As for the taxpayers, the hon. Member for East Surrey (Mr. Ainsworth) will know that the European Commission requirement is not to pay 100 per cent. of the payments by the deadline. Obviously, some people die, and there are other reasons involved. The target is a 96.1 per cent. payment for the UK as a whole—this will be of interest to Members from outside England—and our commitment is to make as many payments as possible by 30 June. It would be wrong of me to make predictions, especially given the history of some previous predictions, but we have now reached over 90 per cent. for England, and we are trying to make as many payments as we can as soon as possible.

As for the completion of the 2005 scheme, which relates to the 30 June question, I have said that I want to meet as many claims as possible as fast as possible. The RPA is dealing with that, but I see no value in making predictions about when the process will be completed.

Finally, in respect of 2006, I think it right for me to say that our first commitment should be to seek every opportunity to make full payments, but if full payments are not possible, we have the backstop of partial payments. We shall ensure that the decision on partial payments is made at an early rather than a late stage.

David Taylor (North-West Leicestershire) (Lab/Co-op): As one of the co-rapporteurs on the EFRA Select Committee, whose members were selected as long ago as December last year to investigate the process, I welcome some of the progress that the Secretary of State has announced. However, 2,300 farmers have still received absolutely nothing.

The Secretary of State said that the Rural Payments Agency would be the subject of a root-and-branch review at some point during the next few months. Will he incorporate in that review an assessment of the success or otherwise of the specification, design, development, implementation and operation of the information and communications technology system? Will the review also consider the role of Accenture—a company whose performance has been patchy, to put it kindly—and that of the Office of Government Commerce, whose purpose is supposed to be to advise Government on these matters?

David Miliband: My hon. Friend raised an important point about the Hunter review, which was established by my right hon. Friend the Member for Derby, South (Margaret Beckett). Those conducting it will seek to learn all possible lessons from this year's difficulties.

Chris Huhne (Eastleigh) (LD): I cannot comment on "Farming Today", but I note that the right hon. Gentleman's statement was available on the Department's website long before it was made available to the House. As a former journalist, I am delighted that at least one part of the Department is operating beyond its productivity quotas, namely the press and communications office. I hope that that does not reflect the Secretary of State's priorities, because this continues to be a grave issue for a number of farmers. I was informed today that, in the last three days alone, five farmers who have received no payment have approached my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith). We now know from the Secretary of State's own figures that a substantial number of claimants—nearly 15,000—have received no payment. That is obviously devastating for some of the farmers involved.

We are pleased that further progress is being made on payments. We are also pleased that the Secretary of State has seen fit t. authorise interest payments, which we have requested for some time, and party payments for the 2006 single payment scheme, which we have also requested. However, it is worth noting that it is reported that the parliamentary ombudsman has received several complaints about the maladministration of single farm payments. If that is indeed the case, is it not clear that the interest payments have been granted at a time when the Government have a gun to their head?

Moreover, the Department's proposed interest rate of 1 percentage point above the London interbank offered rate strikes me as surprisingly niggardly. There may be a farmer or two in the country who can borrow at 1 per cent. above LIBOR, possibly including the Duke of

[Chris Huhne]

Westminster, but a more typical rate for small farmers would be between 3 and 4 per cent. above LIBOR. Although DEFRA has made that commitment, I should be grateful if it took account of what farmers have had to pay to relieve the liquidity crisis caused by its incompetence and reflected that more adequately in the proposed interest payments.

Does the Secretary of State agree that, by giving firm assurances that 96 per cent. of payments would be made by March 2006—assurances given as late as 2005—his Department raised farmers' expectations about the timing of their payments above the legal minimum, and that that has seriously disadvantaged many farmers? How will he compensate them? Will he also undertake to assess the impact of mapping disputes causing farmers to miss the deadline for entry to agri-environment scheme?

In response to a question from a Liberal Democrat, the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Brent, North (Barry Gardiner), said:

"Feed merchants are, to varying effects, likely to be affected by the cash-flow issues faced by farming business waiting for receipt of payments under the 2005 Single Payment Scheme".—[*Official Report*, 14 June 2006; Vol. 447, c. 1209W.]

What plans has the Department to assess that impact accurately, and how will the Secretary of State ensure that feed merchants and other businesses that depend on farm revenues do not suffer?

As the Secretary of State knows—because he was asked about it by the hon. Member for East Surrey (Mr. Ainsworth)—the late payments will have an impact not just on the finances of rural communities, but on Government finances. However, I did not hear him specify a figure that he has told the Treasury to expect for the overrun that will be caused by the fact that the European Union will not meet any payments made by DEFRA after 30 June. What is that figure, and will it be met from the departmental budget? If so, what other budget lines will be cut to defray the extra cost? If not, will the Secretary of State assure us that the amount will be met from the contingency reserve? That would obviously be preferable for all concerned.

The Secretary of State said that a minimum payment level was not available for 2006. Given that the RPA has made a payment of just 1p, and that the costs of the £54 million IT system, if divided equally among claimants, would be about £450 per head, will he give urgent consideration to imposing a minimum threshold on payments for 2007 to prevent a repetition of this costly bureaucratic nonsense? I should be grateful if he also gave us an update on the trading of entitlements.

David Miliband: At least two of the hon. Gentleman's questions were answered in my statement. I explained about the minimum threshold, which we are exploring seriously. I cannot believe that he disagrees that complicating the 2006 payments further at this stage would be dangerous, but we are considering the 2007 payments carefully. I referred to the mapping disputes that occur between different farmers. The RPA has told me that it will examine that issue with due speed.

The hon. Gentleman's allegation about the website was a serious point. I am assured that, under departmental procedure, no copy of my statement would appear on the website until its conclusion in the House, but I will check as soon as this is over and write to the hon. Member for East Surrey (Mr. Ainsworth) if a breach has occurred.

As for the European Union and possible implications for the United Kingdom's finances, issues of disallowance or fines are serious, but they are subject to negotiation and dependent on final figures for payments. The hon. Gentleman asked about the 96 per cent.; it would be unwise to start bandying figures until we know whether we have reached that amount.

I have discussed the particular circumstances surrounding the single payment scheme this year with Mrs. Fisher-Boel. My officials will work with her officials, and I will keep the House informed. I hope that there will be a reasonable outcome.

Paddy Tipping (Sherwood) (Lab): The Secretary of State again rightly acknowledged the difficulties that farmers have faced because of late payments. I hope he will accept that what is essential now is for no false promises to be made about 2006 payments. What farm businesses want is certainty. Will he make that his policy aim, and, more particularly, will he acknowledge that the difficulties have arisen partly because of changes in the common agricultural policy? Despite the difficulties at the RPA, further reform of the CAP is inevitable and necessary. Will the Secretary of State make that a major objective?

David Miliband: Continuing reform of the CAP is essential. The decoupling of payments from production achieved by my predecessor was a landmark change and the increasing emphasis on the second, rural development, pillar of the CAP is critical. On my hon. Friend's first point, I hope that he recognises that, far from seeking to hide the difficulties ahead, in my statements of 9 May and today I have tried to be as clear as possible about them. I have said repeatedly that my assessment is that 2006 will be a very challenging year, but I am determined that we will keep farmers' representatives and the House informed as the RPA grapples with these difficult issues. As to whether partial or full payments will be made for the 2006 scheme, I shall come back to the House in the autumn with the recommendation from the chief executive of the RPA.

Sir Patrick Cormack (South Staffordshire) (Con): In thanking the Secretary of State for his personal candour and contrition, may I ask whether he is truly aware of the depth of depression and concern in rural areas? Will he spend a goodly portion of the forthcoming recess touring the rural areas, talking to farmers and those who depend on them for their living? Will he seek to give them a sense of hope and tell them how he is going to deliver on it?

David Miliband: I hope that the hon. Gentleman accepts that it is part of my job to visit rural areas and farms in my working time as well as during holidays and at weekends. Certainly, that has been my practice for the past six weeks, and I intend to continue it—including this Saturday, when I shall visit a farm in Northumberland.

The hon. Gentleman spoke about the depth of depression and despair in rural areas. I do not underestimate that at all, nor the damage that has been done to the Department's reputation among farmers. We are pursuing an ambitious and shared programme with farmers and farming communities to develop British agriculture, with strong supplier networks and so on. I am as keen as he is—if not more so—to ensure that that relationship is strengthened rather than weakened. That can happen only when the difficulties at the RPA are overcome.

Mr. David Drew (Stroud) (Lab/Co-op): I welcome my right hon. Friend's statement and further apology. I also welcome the flexibility that he is displaying in trying to clean up the mess. My hon. Friend the Member for Sherwood (Paddy Tipping) is right to say that we must not be derailed from securing further changes in the CAP. If the French and their allies see that the reforms are failing in this respect, it would play into their hands and we would return to the production subsidies regime. That would be unacceptable, as it is entirely the wrong way to help agriculture.

I do not want to prejudge the Select Committee's approach to the matter, but no one has satisfactorily explained why there were so many more claimants. Is it not time to define much more carefully which people really are farmers and who needs the help? In the past, money seems to have gone to entirely the wrong people.

David Miliband: My hon. Friend makes some wide-ranging points. I can assure him that we will continue the drive to reform the CAP and it is important to make the link with the World Trade Organisation negotiations.

Mr. Deputy Speaker, I think that the usual practice is that the House should be informed as soon as possible when information comes to hand about issues that have been raised. I have just been passed a note about the statement's appearance on the website, about which the hon. Member for Eastleigh (Chris Huhne) was so concerned. The instructions were that the statement should appear on the website as I gave it, and I asked my officials to check that that happened. I gather that the statement was released to the House, to Government and Opposition Whips and to Mr. Speaker at 10 am, in accordance with the usual procedure. However, I shall certainly check that further.

Sir Nicholas Winterton (Macclesfield) (Con): Does the Secretary of State accept that this country's food producers and farmers operate in a very competitive environment? Many make scarcely any profit on what they produce. I genuinely thank him for the modest gestures that he has announced today, with additional interest to be paid to farmers on money owed to them, but can he give a firmer assurance that farmers will receive their payments on time next year? Otherwise, we will be putting them at a serious disadvantage in the European context. Is it not a pity that we cannot decide these matters for ourselves, without reference to Europe?

David Miliband: The hon. Gentleman asks for certainty about next year's payments and it is right that we prepare for all eventualities. We must make sure that the legal and other infrastructure is ready to make party payments, if necessary, but I hope that he will agree that it would be premature to commit to party payments now. Equally, it is right that I come back to the House in October with a written or oral statement to report on what the RPA chief executive has said about the prospects for full payments. If full payments for the 2006 scheme cannot be made at an appropriate time in 2007, it is clear that party payments will have to be the answer.

Miss Anne McIntosh (Vale of York) (Con): I genuinely welcome the spirit in which the Secretary of State made today's statement, and I am especially grateful for the apology that he made. Does he accept that farm incomes have fallen dramatically in the past five years and that farmers make payment claims in good faith? Although they may not wish to receive the subsidies, they come to rely on them.

The Secretary of State did not respond to what my hon. Friend the Member for East Surrey (Mr. Ainsworth) said about the alleged appalling and deplorable behaviour of RPA staff in Newcastle. Although I gather that most farmers in Vale of York have now received their money, they were at their wits' end because, even as late as March, they had received none at all. Does he agree that RPA staff showed an utter lack of respect for their clients in partying and calling farmers names in the way that has been alleged? I hope that disciplinary action will be taken and that, if necessary, staff will be dismissed.

David Miliband: I am grateful to the hon. Lady for her kind remarks and for reminding me about the question raised by the hon. Member for East Surrey (Mr. Ainsworth). I apologise for not responding earlier and am glad to have another opportunity to do so.

The allegations are very serious, but there is an important distinction to be drawn. The hon. Lady implied that the whole office in Newcastle was at fault, whereas the hon. Member for East Surrey made it clear that most of the staff are hard-working and that only a minority indulged in antics that bring the RPA and the whole of public service into disrepute. Of course the behaviour is appalling and must be taken in the most serious possible way. I can tell the House that one member of staff has been dismissed, and that a number of others face severe disciplinary action. The behaviour—some of it alleged, but much of it substantiated—is completely unacceptable and needs to be dealt with in the most serious way.

The hon. Lady is right that many farm incomes are under pressure and the hon. Member for Macclesfield (Sir Nicholas Winterton) made the same point. However, I think that she will accept that the farming industry has different sectors, some of which are doing better than others. In addition, some sectors—such as the poultry sector, most obviously—are not involved in payments at all. It is important to recognise that we are not dealing with a single picture, but the message that I want to give is that British farming is important, for the countryside and for the whole country. We all benefit from a strong farming sector and it is incumbent on the Government to do all that we can in that respect. She is right that farmers want to be able to compete and win in world and domestic markets. If necessary, they

[David Miliband]

should be paid for the public goods that they deliver, but their pride lies in producing products that people want to buy.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): I apologise to the Secretary of State for my late arrival, but I was still chairing the Select Committee when he began his statement. Farm workers in my constituency are being paid off and farmers threatened with legal action for debt. I have referred many cases in which no payment has yet been made to Ministers in his Department, and to the Minister of State in particular. May I plead with the right hon. Gentleman to make it his business to ensure that the RPA makes payments to the people involved within days?

David Miliband: I am grateful to the right hon. Gentleman for his clarification and give him an absolute assurance that the 2,300 larger payments of more than €1,000 are our priority. However, the picture that he has painted previously of the relationship between some of his constituents and the banks is not repeated all across the country. We have been in touch with the banks, as have farmers' leaders, making the very strong case that viable businesses should not be penalised for their difficulties with the RPA.

Mr. Geoffrey Cox (Torridge and West Devon) (Con): Dozens of farmers on Dartmoor in my constituency have yet to be paid their hill farm allowance. When will the payment of the HFA be complete?

Secondly, I was told recently by the chairman of the Devon county National Farmers Union that hundreds of forms for 2006 are being returned on the grounds that they are inaccurate or otherwise deficient. I am becoming increasingly concerned at the triviality of the grounds for returning these forms and particularly concerned about the fact that the condition placed on the grant of interest for payments made after 30 June is the weasel expression,

"where it is the fault of the Rural Payments Agency".

Many hon. Members will know from their surgeries that delays in payment are often the result of inquiries that turn out, on examination, to be very trivial, easily resolvable and providing no proper basis for returning the form in the first place. Will the Secretary of State give a clear instruction to the RPA that it should take a robust view of the basis on which forms should be returned and of the whole question of fault when it comes to the payment of interest?

David Miliband: The hon. Gentleman is right to say that some forms are returned for what may seem like a small matter—if a form is not signed, for example. At one level, that is incredibly annoying, but at another level, it is obvious that a form has to be signed. If a signature is missed out at the end of a form, it can cause problems, and a surprising amount of the traffic is about unsigned forms, though there may be other reasons.

In respect of interest, we have responsibilities to the Exchequer, but I hope that the hon. Gentleman will take it from me that the spirit as well as the letter of my commitment today is acknowledgment that the payments should have been made in the 1 December to 30 June window. It would be wrong of me to give a blanket commitment and it is important to include the point that it must have been the RPA's fault. We start from the position that the non-payments were the fault of the RPA for the system as a whole, and I will ensure that we adopt a judicious approach to the problem.

Mr. Nigel Evans (Ribble Valley) (Con): I am glad to hear the Secretary of State say that he will look carefully into cases where mistakes were made not by farmers, but because of the RPA. One farmer in my area had to take out a loan of £30,000. Will he receive the interest payments on the loan that he had to take out, as he has been paid 90 per cent. of his claim only recently? Can we imagine what the House would hear if the Secretary of State's salary and expenses were not paid for several months? If that happened, he would know exactly how much an arrangement fee for loan costs or how much interest has to be paid on borrowings that were taken up. Can the Secretary of State understand the anger of farmers who missed out as a result of a shambles that was made by people other than themselves? Nor is it only a matter of farmers feeling frustrated; some of them have become ill because of the stress that they suffered because of the fault of the RPA. Will he give an assurance that, if farmers can prove how much they have paid in interest and arrangement fees as a result of this shambles, they will be reimbursed that money as well?

David Miliband: I understand the hon. Gentleman's passion and the even greater passion of his constituents over this matter. It is part of the deal for farmers that they should expect efficient service from a public service organisation that is working for them. I appreciate that, but it is right for me to stick to what I said earlier today—that the interest will be calculated on the basis of payments outside the payment window of 1 December to 30 June. We intend to ensure that that is done in the appropriate way.

Mr. Stephen O'Brien (Eddisbury) (Con): I am grateful for the circulation of the statement, which has enabled me to catch up with the two paragraphs that I missed at the beginning. Many farmers in my area who have undergone intense stress as a result of these problems will be disappointed at the fact that the Foreign Secretary is not in her place alongside the Secretary of State, as they regard her as primarily culpable. The stress is compounded because, in addition to the welcome partial interest payments just announced, the Secretary of State has made a fair admission of liability on the part of the Government. I hope that he will now look seriously into examining claims for the full consequential losses that flow from the incompetence of the Government and their agency. Certainty is, as repeatedly mentioned, a key matter for farmers in an increasingly uncertain and harsh competitive world. Many farmers are finding that the uncertainty surrounding their 2005 payments has undermined any certainty about the basis of their next payments, so they cannot plan, they cannot have the right discussions with their bank managers and they cannot move forward with any confidence. That is what farmers need and I hope that the Secretary of State will now give us a decent assurance.

David Miliband: The hon. Gentleman makes the case for getting on with paying the 2,300 outstanding claims for more than €1,000 as quickly as possible. That is my commitment.

Mr. William Cash (Stone) (Con): Does the Secretary of State accept that, in dealing with questions of fair compensation on normal principles, the redress should be for actual loss? As was made clear by several of my hon. Friends, that is not the basis on which the Secretary of State is proceeding. He is trying to mitigate the loss. I do not want to be churlish, but I am not impressed by his apology. The fact is that people who have suffered losses should be paid full compensation, not only for interest payments but for the dislocation to their business. I have to tell the Secretary of State that I do not think that his statement and answers today are at all adequate for the purpose.

David Miliband: The Government have legal commitments in respect of payments under the single payment scheme, which apply between 1 December and 30 June. Where we failed to meet those legal commitments, it is right for us to pay the interest. That is the right basis for proceeding in this matter and it has been the basis for doing so in the House for many years.

Helen Goodman (Bishop Auckland) (Lab): This is a most unfortunate episode, as the Secretary of State and all the farmers in my constituency know. I welcome his decision to pay interest on outstanding costs to farmers, but when he looks ahead to reforming the Rural Payments Agency, will he consider giving it a positive duty to ensure that farmers receive all that they are entitled to? We have already heard about some of the rather trivial reasons given for not paying, so placing a positive duty on the RPA to do more than simply administer the system would be very helpful.

David Miliband: We will certainly look into that matter and any other ideas. It is the duty of the RPA to make payments accurately, efficiently and on time. That is certainly what we have to deliver.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): As chairman of the all-party dairy farmers group, I would like to inform the Secretary of State that 72 Members have signed up to it, which shows the level of feeling on both sides of the House about protecting our dairy farmers. I want to ask him two questions. First, will he apologise to my Shrewsbury dairy farmers for the lateness of their payments and consequent stress caused? Secondly, will he give an assurance that similar delays will not occur next year?

David Miliband: As the hon. Gentleman knows, given that we discussed it three days ago, I am aware of the number of MPs in his dairy group—

Mr. Stephen O'Brien: A cross-party group.

David Miliband: Indeed, a cross-party group. I can assure the hon. Gentleman that I would be more than happy to meet his group. As to the apology and next year's commitments, I think that he was in his place to hear my statement earlier, in which I openly and clearly dealt with both points.

Daniel Kawczynski: I was asking about Shrewsbury farmers.

David Miliband: Shrewsbury's farmers certainly have my apology. I can feel a press release coming out already about how the hon. Gentleman has winkled or even dragged a specific apology to Shrewsbury farmers out of a recalcitrant Secretary of State. Shrewsbury farmers have my apology, but it would be wrong for me to say that they have a greater apology than farmers anywhere else. Nevertheless, they have my apology and my commitment to pay them as efficiently and quickly as possible next year and for subsequent years.

Point of Order

12.59 pm

Bill Wiggin (Leominster) (Con): On a point of order, Mr. Deputy Speaker. It is with some regret that I have to make this point of order about what was said during questions this morning. It started when a journalist at *The Times* reported me as calling for a boycott of British strawberries, which is something that I never did, and that journalist was kind enough to write a note confirming that I never called for such a ban. That is not a matter for the Chair, but I should like to draw your attention to the fact that, when I was standing in the queue for the Table Office, the hon. Member for Sherwood (Paddy Tipping), whom I have told that I would make this point of order today, was standing in front of me. He tabled an early-day motion that suggested that those words were true, although I was able to show him the note from the journalist to prove that they were not true.

My hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) was unhappy with the truth of the comments made by the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Exeter (Mr. Bradshaw), and was rightly brought to order. What I should like you to do if possible, Mr. Deputy Speaker, is to insist that those very high standards of truthfulness and honesty on which we insist in the Chamber are also applied outside it, with particularly reference to early-day motions.

Mr. Deputy Speaker (Sir Michael Lord): I cannot get involved in the individual point that the hon. Gentleman makes—I am sure that he will resolve it in his own way—but I certainly confirm that Mr. Speaker and, indeed, any occupant of the Chair expects the highest possible standards of behaviour in every aspect of our parliamentary life.

Defence Policy

[Relevant documents: the Fifth Report from the Defence Committee, Session 2005-06, HC 558, on the UK deployment to Afghanistan, and the Government's Response thereto, and the Sixth Special Report from the Committee, HC 1211.]

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

1.1 pm

The Minister of State, Ministry of Defence (Mr. Adam Ingram): Any debate on defence policy should be grounded in key current operations. I should therefore like to start by laying out the policy context for our major existing deployments, before setting out our future thinking.

Ministers have a responsibility to develop a clear policy framework that allows front-line service people to understand what they are being asked to do, and why, and ensures that they have the resources to succeed. It is then for our military commanders to ensure that that policy is implemented on the ground. Without motivated, informed and properly supported people, policy is just empty words.

I have made it a key part of my role over the past five years to see for myself our military contribution to overall UK and international efforts, whether in Iraq, Afghanistan or elsewhere. I pay tribute to the achievements of our troops. They carry out their role with the highest degree of professionalism, commitment and dedication to duty. Those are the attributes that they are delivering in the highest measure in our two main operational theatres—Iraq and Afghanistan—and I want to touch on both of those areas.

On Iraq, to withdraw prematurely would represent a huge disservice to the Iraqi people, undermining their hopes for a better future after Saddam's tyranny and the recent and current sectarian insurgency. What is needed is a measured and agreed process of transition. This week, we have seen two good examples of that approach: first, the announcement of the Iraqi security forces taking responsibility for Al Muthanna, and secondly, the new Basra security plan, announced yesterday, that will increase the number of Iraqi security forces patrolling the streets to make the city a safer place.

The plan also has a public services element, supported by the coalition provincial reconstruction team, to provide local people with the know-how to ensure the provision of vital services—things that we all take for granted in our own communities, such as clean water, reliable electricity supplies and refuse collection. As in Al Muthanna, our objective is progressively to transfer responsibility to the Iraqi security forces in the other provinces in Multi-National Division (South-East): Maysan and Di Qhar and Basra.

In Afghanistan, forces from 36 countries are now assisting the Afghan National Government through the NATO-led, international security assistance force, working within and under a full UN mandate. In Afghanistan, too, we have a duty to play our part in helping a fledgling democratic state to overcome fanatical and undemocratic antagonists. As in Iraq, and previously in the Balkans, transition is a key

feature of our strategy. With our allies, we are training and equipping local police officers and soldiers to take back responsibility for the control of their country in the face of intimidation and terror.

Over time, a process of transition from ISAF to the Afghan security forces will take place. Completing that process is not simply a moral obligation to the Afghan people; success is also essential for future British security interests. If the Karzai Government were to fail and Afghanistan were to be an unpoliced and impoverished black hole, there could be no greater boost for worldwide Islamist extremism and no more certain way to ensure abundant and uninterrupted supplies of heroin on our streets. That is why we the United Kingdom, along with others, have made a long-term support commitment to Afghanistan.

Bob Russell (Colchester) (LD): The right hon. Gentleman gave the number of countries that are assisting in Afghanistan. How many of them are also represented in Helmand province?

Mr. Ingram: There are a number of countries in the south, which is part of phase 3 of the process. Canadian, Australian, Dutch and forces from other nations are assisting as well. Clearly, the United States is still there as well. We have deployed a significant force to Helmand, but the south is, of course, bigger than Helmand, and it is going to the north of that area as well. Our military deployment in Helmand is part of the planned NATO move into the south to support the Afghan National Government. There is a tendency to focus on military developments, but it is important to place them in context. The real measure of success, of which the military effort is but a part, is effective civil policing, economic development, reconstruction and social cohesion.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Will the Minister give way?

Mr. Ingram: I will give way to the hon. Gentleman, but we had a useful debate yesterday, and he made a very good contribution. I did not agree with everything; I did not get the chance to address every point that he made, but he has a lot of knowledge on the subject. I hope that his intervention will be about Afghanistan.

Mr. Ellwood: I wish to raise that very issue. The subject of today's debate is the Defence Committee's fifth report, "The UK deployment to Afghanistan". I appreciate that the Minister takes a huge interest and has an obligation to speak, but he is just about to touch on other areas that go far beyond the military interest. Therefore, why do we not see members of the Foreign Office team here and, importantly, the Department for International Development team, given the huge sums of money that are coming from those Departments as well?

Mr. Ingram: I do not see any representative of the Conservative Foreign Office team in opposition to me. The debate is one of the four planned debates on defence. This one is on policy. It so happens that the Defence Committee has tabled its report on Afghanistan, and those members of the Select Committee who are present can clearly make their contribution in the light of their report and the Government's response to it. I take the point—as I recollect, it was made yesterday—that there should be greater engagement and debate across the Government, either from the Foreign and Commonwealth Office or from DFID. I understand that that was raised earlier during businesses questions. That will be taken on board, and we must consider how best we ensure that there is an understanding that such things are co-ordinated across the Government and not solely defence-led.

Mr. Michael Ancram (Devizes) (Con) *rose—*

Mr. Ingram: I will give way to the right hon. and learned Gentleman, but I hope that he will not suggest, as he did on Iraq, that we should pull out of Afghanistan.

Mr. Ancram: I am very grateful to the right hon. Gentleman for giving way, but I would not presume that he can give me instructions on what my intervention should be about. In fact, I was not going to ask him a question about that.

On the general policy, since the strategic defence review in 1998, have not the envisaged levels of commitment gone up and the envisaged levels of resources, both human and financial, gone down? Are not our armed forces more undermanned, more ill-equipped and more under-trained than at any time in the past 60 years?

Mr. Ingram: I agree in part with some of that, but not with the latter part. If anything, there is a greater intensity in ensuring proper training. In many ways, the nature of the deployments that our troops have undergone has given them greater awareness, greater knowledge and greater capacity to keep up their skills. There was a long time—it was certainly before my time—when that must have proved difficult, because we had a static position in Germany. Sadly, we had the experience of Northern Ireland. Much of that experience has helped us elsewhere.

In terms of training and knowledge, that is not the picture that I have of Her Majesty's armed forces at present. In terms of equipment, I would accept that that was the picture in the early stages of our deployment—but, of course, needs must. What happened in Afghanistan happened, as did the attacks on the twin towers. They happened, and not by design or with predictability. We had to react, and we did so—I believe correctly.

At the same time as we were having to react to that, we had a major exercise under way in Oman, which had been planned five years before. Its purpose was to ensure that we had the necessary logistic support and the right kit—that the kit being used was capable of working in hostile environments such as those in Oman. We could have cancelled that exercise.

Mr. Gerald Howarth (Aldershot) (Con): You tried to.

Mr. Ingram: We did not try to. We decided to continue with it because it was teaching us invaluable lessons, as is clear if one looks at what is happening now in terms of logistic support, the way in which urgent operational requirements have been triggered in, and how our personnel are currently kitted out. Complaints about equipment by our personnel to people who visit them are now very rare. I am not saying that there are no complaints, but they are very rare, and they are certainly at nothing like the level they were at five years ago.

On reshaping and restructuring the armed forces overall, we could have a debate about future army structure, and the projected size of the new navy, while remembering the ships we are purchasing—I will address that later in my speech—which require fewer personnel to serve on board. That is the case even for the new larger aircraft carriers, for which I think about 200 fewer personnel are needed. That meant there would be a reshaping. We have also reshaped the RAF; about 7,500 posts have gone. The RAF has never been busier, and, actually, it is delivering to tremendous effect. So we should get this issue into the proper context. If the right hon. and learned Member for Devizes (Mr. Ancram) is prepared to say, drawing on his parliamentary experience, that the armed forces were always fully manned and always equipped beyond need, he is not living in the real world.

I have been talking about the tendency to focus on military developments and the importance of putting that in context. I said that that has to be part of an overall package of delivery of civil policing, economic development, reconstruction and social cohesion. As the House will be aware, the means by which we hope to achieve that is through the proven route of a provincial reconstruction team to be based in Helmand. It will combine the various agencies of UK Government delivery—the Ministry of Defence, the Foreign and Commonwealth Office and the Department for International Development. That mechanism has already delivered in the north and west of Afghanistan. I recognise that the south is a more difficult environment, but we are determined to succeed.

Mr. Nigel Evans (Ribble Valley) (Con): Will the Minister state whether he believes that there are sufficient forces in Afghanistan to deliver all the things that he has said they wish to achieve in that very large country?

The Minister also mentioned heroin and the drug supplies that come from Afghanistan. What support is he getting from within Afghanistan to help to eradicate those supplies?

Mr. Ingram: On the latter point, we have been able to equip, train and assist a standing Afghan force that deals with eradication, and it is very successful. The problem is huge, and it will not be solved overnight. *[Interruption.]* I hear the points that are made, but I do not hear any solutions, other than those that we are seeking to deliver. If anyone has a better solution for dealing with the increase in the opium crop, I will be interested to hear it, because we will certainly take on board any good ideas.

On the hon. Gentleman's other point, we have always said that we will keep the size of the deployment under review. We recently made an announcement in respect of sending a company of the RAF regiment to lay down better force protection at Kandahar airfield. We will always examine what we are doing and listen to what the field commanders are saying—about whether they need particular expertise, or strengthening in one area or another. All that is judged on a military basis—although, of course, it must ultimately have ministerial approval—so if there is such a requirement and it can be met, it will be met.

Dr. Liam Fox (Woodspring) (Con): I am grateful to the Minister for giving way. He will be aware of the deaths of four more American soldiers last night and of subsequent comments by al-Qaeda in Afghanistan. President Karzai, commenting on the security situation in Afghanistan, said last night:

> "I have systematically, consistently and on a daily basis warned the international community of what was developing in Afghanistan...and of a change of approach by the international community in this regard."

How does the Minister interpret those comments, in terms of both how we are carrying out Operation Enduring Freedom and the ISAF deployment?

Mr. Ingram: First of all, we have to discuss that with President Karzai. The incident referred to is recent, and he clearly has specific views on what should be happening. We have an international capability, which is seeking to deliver. If more needs to be done, let us see if more can be done.

What we are seeking to do in Afghanistan has been well planned, well structured and has a very clear focus. I say again to the hon. Gentleman that if he thinks we should be doing more, he should tell us how, and we should also set that against his view that we are overstretched and we cannot run campaigns in two theatres. If he wants us to do more, where does he think that will come from?

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Will the Minister give way?

Mr. Ingram: Hold on a moment.

When demands are made, they have to be set against available resources. That is what we seek to do. We are also constantly seeking to engage greater international buy-in to this. That process will continue; that is part of what NATO force generation is all about. We cannot commit other countries; we cannot force them to do things. We can only consult our allies and seek to get the best possible lay-down of military presence. Also, we keep closely in touch with President Karzai; we listen to his concerns, and if we can react, we will do so.

Sir Malcolm Rifkind: The Minister asked what could be done to make better use of existing resources. Does he not agree that the time has now come to fully integrate ISAF and Operation Enduring Freedom, because western, NATO military forces in Afghanistan cannot make the best use of resources if there are two command structures, even given the current attempts to co-ordinate them?

Mr. Ingram: That will come, but the point is that they are under two separate command structures because they are carrying out two distinctly separate roles.

The right hon. and learned Gentleman has sophisticated knowledge of these matters. He knows what we are doing. We have worked successfully in the north and the west, and we have proved that we can deliver in a particular way. We then said, "Let's look at what can now be delivered in the south"—which is stage three of the development. It took a good number of months to build up force capability and to see what to do. We are almost fully deployed—but we are not there yet. However, we are already taking action against whatever force comes up against us—such as insurgencies inspired by the Taliban or tribal warlords. When that has proved successful, the intention is to move into the east.

This has been a progressive process, which has "approvability". We are now in the most difficult environment: the south. This stage will take time, but difficult time scales will be set down for the military commanders to make judgments as to when we can make the next move in the process. I agree that what the right hon. and learned Gentleman recommends is required, but we are not yet at the stage to do that.

Let me now turn to broader issues.

Ann Winterton (Congleton) (Con): Will the Minister give way?

Mr. Ingram: No. The comprehensive approach that we have adopted in both Iraq and Afghanistan guides much of the work of the MOD. We work increasingly closely with other Departments on a range of security issues. The conflict prevention pools and the post-conflict reconstruction unit are major innovations in joined-up Government. They bring together MOD, FCO and DFID resources for a more strategic approach to conflict reduction. They integrate the Government's conflict prevention work in a wide range of countries. Countering the proliferation of non-conventional arms is a good example of that and is a cross-government priority. Our work on instruments such as the non-proliferation treaty and the chemical weapons convention aims to eliminate certain types of weapons of mass destruction.

In particular, we are actively pursuing global partnership activities in the former Soviet Union and elsewhere. For example, I recently visited Shchuch'ye, in the Russian Urals. In Shchuch'ye, the MOD, on behalf of the UK and other international donors, has implemented projects to enable the construction of a key chemical weapons destruction facility. The UK's role has been to bring together some 10 international donors, with a funding commitment of £55 million, as part of a major Russian/US-led project designed to destroy the chemical weapons stockpiles of the former Soviet Union.

The MOD is also actively working with other Government Departments to further the UK's commitment to gaining international support for an arms trade treaty, which will improve international mechanisms and reduce the flow of irresponsibly traded conventional arms, particularly in areas of conflict. There are too many parts of the globe from which this illegal and evil trade emanates, which is why we need renewed and better-focused international mechanisms to deal with the problem.

Running alongside that is the important role played by the MOD's defence diplomacy initiatives, which are aimed at changing attitudes and perceptions among emerging states and at helping the development of democratically accountable armed forces. Our financial contribution is in the region of £50 million and covers conflict prevention and management, as well as post-conflict reconstruction. That contribution is made within the financial and policy framework of the global conflict prevention pool and the defence assistance fund, and brings together defence diplomacy and defence development work. All that is conducted within a common strategy, and in the light of shared conflict analysis agreed between the Foreign and Commonwealth Office, the MOD and the Department for International Development. The programmes delivered through this mechanism can make a real difference, whether in sub-Saharan Africa or elsewhere.

There is only so much that the United Kingdom can do in isolation, however. We contribute strongly to the wider work of international agencies to deliver change. This is why we are keen to see the UN being properly transformed to deal with the new global challenges and threats. NATO is also undergoing a dramatic transformation so that it, too, can respond to the full range of global security challenges; the most prominent example is the ISAF mission in Afghanistan. NATO continues to make a vital contribution to ensuring stability in Kosovo.

On the European front, the European security and defence policy is progressing. It is proving to be both an effective partner to NATO, and is able to act in its own right when NATO as a whole chooses not to be engaged. It is contributing a peace support mission in Bosnia, after taking on that role from NATO. Of course, NATO will remain the natural choice for operations involving both European and north American allies, and it remains the essential basis of our collective defence.

The European Union also has the potential to bring together its diplomatic, judicial and economic strengths, alongside its ability to conduct a range of military operations. Both the EU and NATO have the potential to play a role in partnership, or individually, to promote world security. They are co-operating in the Balkans—in both Bosnia and Kosovo—and they are working together to support the African Union peacekeeping mission in Darfur. NATO is playing a vital role in Afghanistan, and the EU has helped to end the civil war in Aceh.

Jeremy Corbyn (Islington, North) (Lab): I am looking forward to hearing what the Minister has to say about the nuclear non-proliferation treaty, and whether he believes that the development of a new generation of nuclear weapons by any signatory to the non-proliferation treaty that currently holds weapons would indeed be illegal—not to mention very costly—and probably immoral.

Mr. Ingram: If my hon. Friend cares to hold on, I will deal with that issue in some detail.

[Mr. Ingram]

I turn now to another key part of our defence policy: the defence industrial strategy. The strategy is more than just a policy document: it is a framework for action, so that both the MOD and the UK defence industry can develop and implement the changes that both need to make. The Government's commitment to defence should not be in doubt. We are working on some massive programmes: future aircraft carriers, Type 45 destroyers, new armoured fighting vehicles, Typhoon and the new joint strike fighter, to name but a few. These and other platforms will have long lives. In the unpredictable future that we face—of uncertain threats and new requirements—we are looking at new ways of delivering support to the front line, and at doing so in partnership with industry.

The defence industrial strategy is designed to match this new environment. It provides greater transparency in respect of our defence requirements, and sets out the industrial capacity that we need in the United Kingdom to meet them. Its overall aim is to ensure that, in future, we can provide our armed forces with the equipment that they require. We are delivering the DIS. We announced today in a written ministerial statement the signature of a strategic partnering arrangement and a business transformation incentivisation agreement with AgustaWestland—an arrangement that balances opportunity and challenge to create precisely the demanding partner relationship envisaged by the DIS. I am also delighted to say that we have placed an order for 70 Future Lynx helicopters with AugustaWestland. That fulfils another DIS commitment, and will help to sustain critical skills onshore and provide vital major equipment for our armed forces.

Mr. Andrew Robathan (Blaby) (Con): I am interested in what the Minister is saying, not least because I know of his commitment to the armed forces. But there was a report in the *Evening Standard*—of course, it is only a newspaper and I do not always believe newspapers—on 12 June entitled, "Huge cuts to the defence industry". It alleges that the Chancellor wishes to take £1 billion out of the defence budget per year and to devote it to homeland security. It then suggests that one major procurement project—the Minister has just been discussing those projects—could be scrapped, such as the aircraft carriers. Can the Minister please categorically deny that?

Mr. Ingram: I learned a long time ago never to believe what I read in the newspapers, when it is under a glaring headline and the context in which it is written is not based on any identifiable or authoritative source. I have just mentioned the aircraft carriers, our procurement programme and the major development of the rotary wing fleet, and more will follow on the back of that. Today's announcement is worth 1 billion, and I should have thought that the hon. Gentleman would thank us for that, rather than trying to find some windmill to tilt at.

Ann Winterton *rose—*

Mr. Ingram: The question of the way in which the overall budget will be developed is part of current discussions. Let us look at what we are doing and delivering, which is very substantial.

Mr. Gerald Howarth: Will the Minister give way?

Mr. Ingram: If it is on AugustaWestland.

Mr. Howarth: I am extremely grateful to the right hon. Gentleman for giving way. He referred to the written statement that he made today, which is indeed largely welcome. Can he explain why the new Lynx helicopters will not be available until 2014 and 2015, given that the Lynx currently operated by the Royal Navy are absolutely knackered—for want of a better word—and say what the division is between the number of helicopters for the Royal Navy and for the Army?

Mr. Ingram: I cannot give the hon. Gentleman specifics on the latter point. He should have read the written statement in the round, because it does mention the new partnering arrangement. A dismissive reference has been made to that arrangement, but it is a new arrangement not just with AugustaWestland but across industry, the purpose of which is to incentivise the industry and ensure that it delivers on its commitments to the existing fleet. We are looking at new ways of ensuring greater availability of existing platforms, and of perhaps extending their life, to ensure that the spares required to sustain those fleets are provided at the right time and in the right volume. Of course, part of the overall package that we have delivered for AugustaWestland is a future procurement stream, but it must also deliver on the existing stream. Industry understands this—we are adopting this approach with Boeing, Rolls-Royce and BA Systems. The hon. Member for Aldershot (Mr. Howarth), who has detailed knowledge of these issues, would do well to spend some time studying our efforts in this regard. If he does, he will find that there is full, not just partial, support for what we are doing.

I need hardly remind the House that we face decisions on the future of our Trident nuclear deterrent. It is worth reminding the House—

Mr. Brian Jenkins (Tamworth) (Lab): Will my right hon. Friend give way?

Mr. Ingram: Although I want to make progress, I appreciate the importance of the opinion of my hon. Friend, who is a member of the Defence Committee, so I will give way.

Mr. Jenkins: I thank my right hon. Friend for giving way. The defence industrial strategy is long overdue and very welcome, but can he assure me that it will not lead to a level of protectionism? Do we recognise that we still have to access the best equipment anywhere in the world for our forces, and to look for value for money? We must work with our European partners to provide Europe, as well as Britain, with resources.

Mr. Ingram: My hon. Friend has good knowledge of the subject and raises an issue of concern over whether we have monopolistic suppliers and what the implications would be. The DIS is very much designed to ensure that we keep in this country what core competences we can. We have to recognise that increasingly there will be joint ventures; indeed, the joint strike fighter is a joint venture

with the United States. The purpose of the European Defence Agency is to begin to look at where the shortfalls are in European capabilities and to grow from that a greater willingness within Europe to supply to meet the shortfalls.

We have a comprehensive approach, but it is early days and it has not been fully tested. We have to be careful not to find ourselves becoming reliant, as has happened in the past, on a procurement stream that neither delivers on time or on cost, or to the quality that we require.

Ann Winterton: Will the right hon. Gentleman give way?

Mr. Ingram: The hon. Lady keeps wanting to intervene and will get very angry if I do not give way. I will, but I do so reluctantly because I have a lot of issues to cover.

Ann Winterton: I could never be angry with the Secretary of State and am grateful to him for giving way. Before he moves on, I have a question about equipment connected with Afghanistan. As our forces appear to be winning the firefights in Afghanistan, does he expect those who oppose our troops there and in other theatres to revert to the use of improvised explosive devices? If so, what vehicles are our forces to be equipped with to counter the threat?

Mr. Ingram: I am glad I gave way to the hon. Lady, because she promoted me to Secretary of State. I will keep giving way if that is how she opens her interventions.

Mr. Ellwood: The right hon. Gentleman will be Home Secretary next.

Mr. Ingram: I am not bidding for that.

The hon. Member for Congleton (Ann Winterton) raises an important issue. We have been very effective in Afghanistan. We have a potent force in the Apache attack helicopters. We are up against intelligent and capable enemies, whether in Afghanistan or Iraq, and we know that they will continue to look for ways to attack land-based vehicles or air-based platforms. We have a lot of measures in place. The hon. Lady will understand that it is not appropriate to discuss all the detail, but where we identify a threat—be it a new or technological threat—we identify a quick way to deal with it. Sometimes that takes time as we come to understand the threat before developing the technical response. Our focus at all times is the protection of our personnel, whether it involves fixed-wing aircraft, helicopters, land-based systems or maritime systems.

I want to deal with the future of our Trident nuclear deterrent. It is worth reminding the House that when the Government came to power we initiated a range of changes to our nuclear weapons profile. The UK has an excellent record in meeting our international legal obligations. We have withdrawn and dismantled the RAF's air-launched WE177 nuclear bomb without replacement, so that Trident is our only nuclear weapons system. We have dismantled all our remaining Chevaline Polaris warheads, demonstrating our commitment to irreversible reductions in the UK's nuclear weapons. We have reduced our operationally available stockpile of nuclear weapons to fewer than 200 warheads—a 70 per cent. reduction in the potential explosive power of our nuclear forces since the end of the cold war. We have reduced the readiness of our nuclear forces: only one Trident submarine at a time is on deterrent patrol, carrying 48 warheads, compared with a previously planned total of 96, on several days' "notice to fire", and its missiles are de-targeted. We have signed and ratified the comprehensive nuclear test ban treaty. We have also continued to press for negotiations without preconditions, to begin at the conference on disarmament in Geneva, of a fissile material cut-off treaty.

At the last election, we stood on a manifesto commitment clearly stating that we intended to retain this country's current independent nuclear deterrent. That commitment remains. We sent an initial memorandum to the Defence Committee on these issues, which was published in January.

Dr. Julian Lewis (New Forest, East) (Con): Will the Minister give way?

Mr. Ingram: No. I shall set out the whole of our policy and take it from there.

We currently have no requirement for a new nuclear warhead, nor do we have a programme in place to develop a new nuclear warhead. We did, however, announce last July additional funding for the Atomic Weapons Establishment, the purpose of which was to put in place a programme to ensure that our current Trident warhead remains both safe and reliable.

We have made it clear that decisions on the future of the UK's nuclear deterrent are necessary in the current Parliament. As a consequence, work is under way by officials on risks, threats, options and costs in order to prepare the ground for eventual decisions to be taken by Ministers. It remains the case that no decisions have yet been taken in principle or detail on any replacement for Trident. I stress that any decisions that may be taken on the future of the UK's nuclear deterrent will be fully consistent with our international legal obligations, including those under the nuclear non-proliferation treaty.

On the role of Parliament in this process, the Prime Minister has repeatedly promised—most recently yesterday at Prime Minister's Question Time—that there will be the fullest possible parliamentary debate on the issue. He has also indicated that the timetable on the way forward should be clearer around the end of the year.

Dr. Lewis: The Minister made much of the commitment in Labour's manifesto to retain our independent nuclear deterrent. I do not think that there has ever been any question of a Government policy to abandon the existing Trident system. The question is not whether they intend to retain it, but whether they intend to replace it. Last night, the Chancellor of the Exchequer said that he would support the retention of our independent deterrent in the long-term. That has been interpreted as meaning replacement, which is why it is on the front pages of the press. Have the Government decided to replace the nuclear deterrent? If they have not, does he think that the Chancellor was talking about retention or replacement?

Mr. Ingram: I do not think that my statement could be any clearer, which is why I wanted to set out the policy in detail. The Chancellor said that he pledged to demonstrate the strength of national purpose in protecting our security in this parliament and in the long-term. He said that we would be

"strong in defence, in fighting terrorism, upholding NATO, supporting our armed forces at home and abroad, and retaining our independent nuclear deterrent."

Let me also quote the hon. Member for New Forest, East (Dr. Lewis). He said that last night's speech was just more spin designed to cast the Chancellor as a statesman. Well, the Chancellor is a statesman. He represents this country at the very highest levels of international negotiations, and he does it exceptionally well. He is not the political pygmy; he is a world statesman. The hon. Gentleman also said that the Chancellor was "reheating" an old pledge to retain the current deterrent, but not committing to replacing the independent nuclear deterrent when it reaches the end of its current life.

Dr. Fox *indicated dissent.*

Mr. Ingram: Well, it seems to me that the hon. Member for Woodspring (Dr. Fox) is asking me something he should ask of his hon. Friend, who has clearly made his mind up on the interpretation of what the Chancellor said.

Mr. James Gray (North Wiltshire) (Con): I am disappointed that instead of answering the perfectly reasonable question about the Government's intentions put by my hon. Friend the Member for New Forest, East (Dr. Lewis), the Minister chose to hand responsibility back, implying somehow that the Conservative party's views on these matters are more important than those of the Labour Government.

Leaving that aside, however, will the Minister tell us one thing? I thought that I heard him say that the Government had not yet decided on the principle of replacing the nuclear deterrent. Will he confirm that they have not decided on that principle? He also said that he would consult the House as widely as possible. Will he confirm whether the Government intend to give a vote to Members of the House of Commons on whether that principle should be endorsed?

Mr. Ingram: The hon. Gentleman knows as well as I do that it is not in my gift to offer the House a vote; there are procedures that apply.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): Will my right hon. Friend give way?

Mr. Ingram: I realise that my hon. Friend wants to be helpful—at least I hope that he does—but he must let me reply—[*Interruption.*] I assume that Members on the Labour Benches are rising to be helpful because we made a manifesto commitment to retain the independent nuclear deterrent, so I can only assume that they want to say why they support that commitment and why they were proud to be elected Labour MPs on that platform at the last election.

Dr. Fox: Will the right hon. Gentleman give way?

Mr. Ingram: Let me first answer the question put by the hon. Member for North Wiltshire (Mr. Gray). I have set out the process and I cannot do so in any other way. Officials are looking at the range of things that have to be done so that they can report to Ministers. Ministers at a senior level in Cabinet will then make the decision. Once a Cabinet decision has been taken it will be subject to parliamentary scrutiny. I do not think that the hon. Gentleman was asking for any other process and the one that we have established is clear.

Mr. Flello: As my right hon. Friend has recalled our manifesto commitment, perhaps it would be helpful to remind the House of what it said, to contrast it with what the Opposition's manifesto said on that point.

Mr. Ingram: I knew that my hon. Friend would be an honourable friend because, like me, he was pleased to be elected a Labour Member at the last election on that manifesto commitment about the retention of our independent nuclear deterrent. The programme has an extensive life span, which is why we have invested to ensure its long-term safety and reliability.

Stewart Hosie (Dundee, East) (SNP): Will the right hon. Gentleman give way?

Jeremy Corbyn: Will the Minister give way?

Mr. Ingram: I can answer only one question at a time.

My hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) asked whether I had a view about what was in the Conservative manifesto. It is not really for me to say, but I do not think that they even mentioned the matter. We took a brave political decision—they just seem to disappear when things get tough.

Jeremy Corbyn: I thank the Minister for giving way. In his remarks about a possible replacement for Trident, or a new generation of weapons, he said that everything would be done consistent with international treaty obligations, including the non-proliferation treaty. That treaty, signed in 1970, includes a commitment by the five declared powers to long-term disarmament. Can he explain which part of the treaty would be broken if we developed a new generation of nuclear weapons in contravention of it?

Mr. Ingram: I was hoping that my hon. Friend would say that he, like me, was proud to stand as a Labour candidate at the last election on our manifesto commitment—I do not think that he resiled from it then. On our international treaty obligations, I have set out what we have done since coming to power in 1997, and made it clear that at all times we take the lead in trying to push forward multilateral discussions on the NPT and elsewhere. I wish that my hon. Friend could take some pride in what the Government have achieved, instead of constantly trying to undermine us and giving us the benefit of his—although I hesitate to say it—wisdom by explaining the meaning of the treaty. The Government know what the treaty means and we are standing by it.

Stewart Hosie: The Minister spoke about retaining the current nuclear deterrent. The Chancellor's comments about the long-term tend to indicate that there will be a replacement. The Minister said that officials would carry out the necessary risk assessment to make a decision about the future and that there would be parliamentary scrutiny. If I recall the Prime Minister's answer correctly, he said that the decision would come back to Parliament, but will the Minister confirm that there will be parliamentary approval rather than merely a report and parliamentary scrutiny in the normal way?

Mr. Ingram: I think that I am right in saying that the hon. Gentleman's party wants to get out of NATO, never mind its non-nuclear stand, although it may be revising that. Of course, if members of the Scottish National party decide to change their policy—as they should—they will come under the nuclear umbrella, so they will have a problem in squaring those views. Perhaps that explains their approach to NATO and to the way in which it tries to deal with problems in the Balkans and Afghanistan.

I have made clear what we said. Our manifesto commitment was clear and the way in which I set out the process for the development of the policy was abundantly clear. It is not inconsistent with anything that anyone has said recently.

Dr. Julian Lewis *rose—*

Mr. Ingram: I want to move on. Members know that I do not run away from debate but I have already been speaking for 45 minutes and I have several other important policy matters to set out. I want to talk about our personnel.

We recognise that our people remain our greatest asset, and we are doing our utmost to implement policy that will provide our service personnel with conditions and services that help to generate and maintain battle-winning defence capability. Among the wide range of projects and initiatives under way, I shall mention two in the context of the debate: improvements in training and accommodation for our people.

The defence training review rationalisation programme aims to provide modern, cost-effective specialist training, improved facilities and accommodation and significant savings through the more efficient utilisation of a reduced training estate. That will give our servicemen and women the best living and learning environment that we can provide, and we expect to announce preferred bidders later this year.

The importance we attach to our personnel is also reflected in the investment we are making in modernising the defence estate across the country. In Colchester, the modernisation programme will enable us to move more than 2,000 service personnel from their current cramped and inadequate living accommodation to state-of-the-art, single occupancy, en-suite accommodation fit for the 21st century. It will also provide exemplary social and working conditions for personnel across the garrison.

Bob Russell: The Minister is describing a private finance initiative project. Will there be accommodation in the new garrison for every serving soldier?

Mr. Ingram: Not in the whole British Army. The figure I mentioned was 2,000. I realise that the hon. Gentleman is a strong supporter of the project, but as I do not know the basis for his question I cannot give him a specific answer. If I can find out the answer before the wind-ups, I will let him know. It is a major project and he has taken a close interest in it. I was proud to cut the first sod—

Bob Russell: That was me.

Mr. Ingram: I will not even go there. It was great to see the project and the enthusiasm of everyone associated with it. The private contractors and our own people—both civilian and military—are keen for it to succeed.

I want now to touch on future policy and to address our long-term strategic defence posture. Our investment decisions are measured in decades ahead, rather than individual years, and we need to get them right. The debate is an opportunity for the House to consider the challenges of the longer term, and to understand how the Ministry of Defence is looking at them. The primary responsibility of any Government must be to provide security for its citizens, but we also have a global responsibility to defend international stability. It is in the UK's interest to act internationally to bring about a peaceful and prosperous world.

Our prosperity rests upon globalisation and we need, as a nation, to remain engaged in its development to ensure both our security and success. Our armed forces are a key asset for achieving that. Their quality and reputation are second to none. Their capabilities allow us and, often, international organisations, such as the UN, the EU and NATO, to respond to threats and to support an international system based on human rights, good governance, democracy, civil and political liberties and free trade.

As the House will agree, no nation can be the world's policeman, and that applies equally to the UK. However, we will continue to act where it is right to do so. The British people expect nothing less. That is why we have to adapt in good time to the trends that we identify both at home and around the world. We do not expect that purely national and military solutions will be adequate. Armed forces cannot act alone to maintain international stability. As I have indicated, we recognise that the major security challenges of this century will require joint, integrated and multinational solutions. UK policy needs to be based upon putting to good use the resources and expertise of different Departments in the UK, and different nations across the world. We will continue to build on our alliances, working together with the international community in Iraq, Afghanistan, the Balkans and Africa. It seems to me that public debate tends to focus on the British and American roles only, but we must not ignore the vital contributions of our allies and partners.

The success of our British military contributions has derived from expeditionary forces whose structure and capabilities provide speed, agility, deployability and the ability to conduct a range of tasks. Those capabilities, which make the UK armed forces almost unique, are possible only because of commitment to professional

[Mr. Ingram]

excellence and sustained investment to deliver what is required in today's—and tomorrow's—security environment.

All that brings me to the longer-term policy question of the future strategic context. Globalisation is driving unprecedented growth and prosperity across the world. Increasing cross-border flows of resources, goods, services and people will spread values and ideas. We can expect greater wealth, lowered cultural and ideological barriers and widening freedoms. All that could be suggestive of a 21st century world where conflict between nation states would be a rarity, unlike the terrible wars and traumas of the 20th century. However, as we move into the 21st century, we see the beginning of profound changes to the strategic environment. There is the speed with which powerful forces are developing, the range of unpredictable ways in which they could interact, and the vulnerability of an increasingly interdependent international system to physical, economic or political shocks—all those things breed uncertainty.

Key security challenges for the future will include the familiar—weak and failing states, the proliferation of weapons of mass destruction and global terrorism—but we also need to consider the potential security consequences of climate change, rapidly growing pressures on natural resources, accelerating technological change, and the social, cultural and geopolitical challenges that will accompany the rise of Asia and other emerging powers. It is not possible to predict how those and many other factors will interact, but it is right to acknowledge that not all of the potential futures are benign and that conflict within and between states will not disappear. Weak states will continue to face severe pressures. Extremist ideologies will still find breeding grounds among those who believe that they are not gaining from rapid change. Even a return to confrontation between major states or blocs cannot be ruled out.

British Governments, like the entire international community, will continue to have to work hard to promote security and success in that challenging future environment. We need to consider systematically how our armed forces can strengthen the UK's ability to act, to influence the international management of crises and to respond to unforeseen events. Later this year, the Ministry of Defence will publish a paper on the future strategic context for defence. It will offer an analysis of the future strategic environment and its implications and, I hope, improve understanding of the issues and the key questions to be decided.

Painstaking analysis of security challenges helps to maintain the vital continuous understanding among service people of how they fit into overall policy, which I mentioned at the beginning of my contribution. It also helps us to continue to give our people the right tools, by investing in the highest priority programmes. Beyond the services, in a democracy such as ours, major decisions require an informed public discussion. I hope that today's debate will contribute substantially to that process and I look forward to hearing the contributions from both sides of the House.

1.53 pm

Dr. Liam Fox (Woodspring) (Con): Let me start with a quote from 1997:

"A strong defence capability is an essential part of Britain's foreign policy...By 1999 defence spending will have fallen to 2.6 per cent. of GDP...The people who have had to bear the burden of these cuts are our servicemen and women, overstretched and under strength as never before. The strain on our Armed Forces is huge. We have a continuing commitment in Northern Ireland. Our forces operate in the Gulf, the Balkans, Africa, the Falklands, Cyprus, Hong Kong, Gibraltar, Germany and other parts of the world all at once."

That was our Prime Minister in full pre-election flow. What have we seen from the Government he brought to office? The answer is further commitments in Sierra Leone, Iraq and Afghanistan, and cuts in our armed forces of almost 40,000. The Army is down 9,000, the Navy is down 10,000 and the RAF is down 16,000 since the Government came to office. This year we will spend only 2.2 per cent. of our GDP on defence—the smallest proportion of our national wealth that we have spent on defending our country in any year since 1930. So much for the overstretch that the Prime Minister described when he was in opposition.

That level of defence expenditure is supposed to provide for, at most, no more than one small-scale operation and two medium-scale operations at any time. However, since 1999, British armed forces have been operating over and above the Government's own planning assumptions in every year but one. The Chancellor and the Secretary of State for Defence, the former Chief Secretary to the Treasury, have trimmed the available resources time and time again—at the same time as the Government have been asking our soldiers to do more and more. For example, the gap between deployments for infantry units had dropped to 15 months, when it is supposed to be a minimum of 24 months, increasing the stress placed not only on our servicemen and women, but on their families—something that is not sufficiently taken into account. As a consequence, there is a rising divorce rate among service personnel.

There are serious capability gaps now, and more looming in the immediate future. Only 40 per cent. of the Lynx and Gazelle helicopter fleet is fit for purpose—as is only 40 per cent. of the C-130K Hercules fleet. At times, we have had so few aircraft that soldiers have been left sitting on the tarmac in Basra because there have been no planes to fly them back home. This March saw the withdrawal of the F/A2 Sea Harriers, leaving the maritime fleet without air defence. As Ministers openly acknowledge, we shall be reliant on the United States for air defence of the fleet until the Type 45s, with their air defence role, enter service around 2009. These will be followed by the new carriers, with their joint strike fighters, which are due to enter service—well, we do not know exactly when they will be entering service. Perhaps the Minister could enlighten us.

Mr. Ingram: The hon. Gentleman has missed the full explanation on the Sea Harriers. This keeps being raised. The background is that to have upgraded the Sea Harriers would have cost in the region of £500 million. The process would have been technically difficult and there was no guarantee of success; in fact, it was so technically

difficult that it could have meant a delay in the aircraft flying. Against those criteria, the judgment was made not to proceed. That was done on the basis of military advice: "Don't spend the money on something you can't get a guaranteed return for." Clearly, however, the old spendthrift ways of the Tories are still there. That is why we have such a big headache in defence in relation to some of the legacy programmes.

Dr. Fox: As ever, the Government, having been in office for nine years, can find nothing better to do than blame their predecessors for the problems that they themselves have brought in. Many in the military believe that the Sea Harriers could have been kept flying without a change in engine for some time yet, but the Government have chosen instead to leave that gap in our services and to leave us dependent on the United States. I am keen on our partnership with the United States, but we are talking about a Government whose members kept telling us when they were in opposition that there was overstretch and underfunding and that gaps were being left. Since they came to office, we have had greater commitments, insufficient funding and greater gaps.

Mr. Ellwood: However the Minister dresses it up, there remains a fundamental gap in our air defences. Even when the T45 is rolled out, it will still have only a limited radar capability to the horizon. The only way in which we are going to protect our fleet is by having either Sea Harriers or the F-35, which has the radar capability. However the Minister dresses it up, our sea fleet will be vulnerable until the aeroplanes are replaced.

Dr. Fox: My hon. Friend is not only knowledgeable, but has a regular discourse with the Minister in Westminster Hall. That sounds like a good attempt to make sure that we keep that discourse going. Since my hon. Friend has been getting by far the best of the debate, I am sure that he can look forward to that.

The Public Accounts Committee reported recently that on average, 30 per cent. of the UK armed forces had serious weaknesses in their peacetime readiness levels between January and September 2005. Our armed forces are already experiencing serious gaps in their capabilities, and as major projects such as the carriers and the future rapid effect system continue to fall back, the effect of those gaps will become more acute.

That brings me on to a second type of capability gap, which occurs when a capability is cut back to such an extent that it is no longer able to fulfil the role that is required of it. For example, there were originally meant to be 12 Type 45s. The number was cut down to eight, and the Government have failed to give a commitment on the final two ships, which would leave the Navy with six. That is the case before we get on to the ludicrous prospect of reducing our purchase of aircraft carriers, as has been rumoured, from two to one, to address budgetary shortfalls—*[Interruption.]* If the Minister wishes to confirm that we will be having two not one, I will happily give way to him.

Mr. Ingram: I think that I set out our future programme: future carriers—plural—the Type 45s, land systems and air systems. The programme is substantial. There was the biggest increase in defence spending for 20 years in the last spending round, so let us get back to the facts.

Dr. Fox: And let us get back to the spin from the Treasury. Not content with confusing the Government over their nuclear programme, the Treasury has been happily briefing that it wants the proportion that we spend on defence to be brought down from 2.2 per cent. of GDP and that major cuts might have to be introduced. Perhaps it would be worth while for the Cabinet to meet now and again to discuss some of these issues, so that we could get less confusion from two different wings of the Government.

Mr. James Arbuthnot (North-East Hampshire) (Con): Will my hon. Friend bear in mind what the Minister just said about the increase in defence expenditure? If a Government reduce spending on defence dramatically on coming to office, they can of course introduce the largest percentage increase in defence expenditure on the bit that they previously cut; that is not a difficult thing to do.

Dr. Fox: Obviously, my right hon. Friend has studiously worked out how Labour's arithmetic is calculated and how the process of spin, which the Government have improved as a black art, can make something turn out to mean anything that anyone wants. The truth of the matter is that it is impossible for any Government to increase the number of commitments for our armed forces without equally increasing the resources that enable them to do their job properly. Without such resources, we get unacceptable cuts and a lack of capacity.

Mr. Jenkins: Will the hon. Gentleman give way?

Dr. Fox: I will give way to the hon. Gentleman in a moment.

Let me turn to the situation in Iraq. Many people see the deteriorating security situation in Iraq and claim that that in itself is an argument that the war in Iraq was wrong. I do not believe that. I still believe that it was right to want people to determine for themselves who would govern them. It was right to help people to enjoy free speech and a legal framework that they could design, which we take for granted in this country. It was right to free those people from a vicious and bloody tyrant who used chemical weapons against his own people. It has to be a good thing that we saw the end of a regime that had started two wars and was almost certainly sanctions busting and attempting to gain nuclear technology. Frankly, those who take a contrary view need to explain why Iraq, the middle east and the rest of the world would be better off with Saddam still in control.

Like everyone else in the Chamber, I believe, I want our troops to come home as soon as possible—but that can happen only when we are confident that the Iraq that we leave behind is a functioning stable nation. I purposely do not use simply the words "a functioning democracy". Far too many people take the simplistic view that democracy simply means an exercise in electoral mechanics. It took us in this country 200 years to get from Adam Smith to universal suffrage. We are a liberal democracy, but we were liberal before we were

[Dr. Fox]

democratic. We had a set of liberal values, a judicial system that applied equally to the governing and the governed, a respect for human rights, and the ability to own property and to exercise our individual liberty in a market system. All those things are necessary for a functional stable state. Being a democracy is not enough, as Gaza has all too clearly demonstrated. We need to take that into account when people consider the expectations of what can be achieved in Iraq and when they are likely to be achieved.

Harry Cohen (Leyton and Wanstead) (Lab): The hon. Gentleman has blown his own argument out of the water in a few sentences. First he says that what happened was about democracy—not about weapons of mass destruction, incidentally, which was what the Tories and the Government were saying at the time—but then he says that it was not about democracy. His argument is a bit inconsistent.

Does the hon. Gentleman not realise that in a whole number of ways—if I catch your eye, Mr. Deputy Speaker, I will put them on record—it is worse for the population of Iraq now, under the occupation, than it was under Saddam Hussein? I am no supporter of Saddam Hussein; I am pleased that he has gone. However, the hon. Gentleman should see that his argument would lead to occupations all round the world, because there are plenty of Saddam Husseins in other places.

Dr. Fox: I was making the point—although not sufficiently clearly for the hon. Gentleman—that a stable and sustainable state is made up not simply of democracy, but of other elements. I can only explain the argument to the hon. Gentleman; I cannot understand it for him.

Post-war mistakes have clearly had several consequences, so we should accept what they were. Both the British and American Governments failed to plan successfully for the aftermath of the war. My right hon. and learned Friend the Member for Devizes (Mr. Ancram) said time and time again in the Chamber that although winning the war would be the easy part, given the overwhelming firepower, the difficult part would be the reconstruction. The Iraqi police and army were disbanded far too soon, and I am afraid that the insufficient deployment of troops at the outset has led to a situation in Iraq that means we are likely to be there longer, and in more difficult circumstances, than might otherwise have been the case.

In recent days, both Japanese and Italian troops have withdrawn from the theatre of operations. The handover of al-Muthanna province to the Iraqi authorities is a development to be welcomed, but that does not mean that there is not still much to be done. Only this week the chief of joint operations made it clear that it would be some time before an area such as Basra could be handed over, although many of us already took that for granted. The Minister himself admitted that things had become worse, in that soldiers were in body armour rather than soft hats when he last visited. Intra-factional fighting in Basra is on the increase, and the Iraqi Prime Minister's declaration of a state of emergency is a testament to that.

I hope that we will hear the answers to several unanswered questions at the end of the debate. How prevalent are the militias on the streets of Basra? Given the extent of the overstretch, how do the Government intend to deal with any upsurge of violence in Basra, alongside the increased involvement of Afghan forces that has been announced today? How are the Government dealing with the shortfall in the availability of Lynx helicopters? What are we doing to ensure that the basic rights of Iraqis are protected in the areas that we control and for which we are responsible? In particular, what guarantees can we give that Sunnis will not be systematically intimidated and that women will not be oppressed by fundamentalist groups, reports of which are increasingly appearing in our press on an almost daily basis?

Bob Russell: When the Conservatives supported the Iraq invasion, did the hon. Gentleman and his colleagues also put forward the challenging questions about the post-war reconstruction that he is now asking?

Dr. Fox: If the hon. Gentleman had been listening, or if he took an interest in what is recorded in *Hansard*, he would know that my right hon. and learned Friend the Member for Devizes laid out our reservations on several occasions during that time. Unlike my right hon. and learned Friend, I was chairman of the party at the time, not the shadow Foreign Secretary—these things matter when one is in the official Opposition. It is clearly on record that we laid out our reservations and what we thought that the consequences of several mistakes that we outlined would be. I wish that my right hon. and learned Friend had been wrong, but he was right about many of the things of which he warned. When we took the decision to back the Government, we set out plenty of caveats, which are there for the hon. Member for Colchester (Bob Russell) to read whenever he wants.

One aspect of our deployment to Iraq is not mentioned very often. What we are doing there is not simply a matter of grand geopolitical and military strategy. There is a human cost, not merely to Iraqi citizens, but among our serving British soldiers. According to parliamentary written answers obtained by my hon. Friend the Member for Ludlow (Mr. Dunne), 732 service personnel have been aero-evacuated from Iraq. Almost one in 10 of those were diagnosed with some sort of mental health problem. That is a fairly shocking figure, but after returning from deployment a further 727 soldiers have sought treatment from the MOD's community mental health departments, which raises the question of how many soldiers there are out there who do not know where to turn for help.

It is a matter of the utmost importance that those who risk life and limb in our name be given the health facilities that they require. I hope the Minister will give a commitment to find out whether sufficient information is available, so that those returning know where to go for help, the help they get is appropriate to their service background, and they are not simply treated in a civilian mental health institution, which may not understand the effects of trauma in a military setting.

I turn to the other great deployment—that in Afghanistan, which also remains essential in the wider regional strategic context. As I have said before, while we could not have failed to act, we must not act and fail. The consequences of failure would be calamitous.

A failed state would re-emerge, our enemies would be emboldened, and the hills and valleys of Afghanistan would once more become incubators of global terror.

As a knock-on effect, Pakistan, already a nuclear state, could become destabilised. NATO's reputation would be sullied by one of its first out-of-area operations, with the consequent dangers that the wider NATO membership could restrict operations to the Euro-Atlantic zone in the future. A loss of nerve within NATO, the emboldening of our enemies and the denial to the people of Afghanistan of a better way of life is not a legacy that Britain could or should contemplate.

It is a source of great worry to many within and outside the military that our deployment may be under strength for the many and varied tasks assigned to it. Despite there being some 10,000 NATO troops in Afghanistan under ISAF command, we still do not have enough support or troops to cover the entirety of the areas of responsibility in the three regions that NATO is supposed to be covering. There is excessive duplication of logistics provision in particular, especially with regard to troop movement. NATO needs to co-ordinate this aspect far more than it is currently doing. With 71 separate caveats among more than 30 contributing nations, the effectiveness of ISAF is bound to be compromised.

We are asking our troops to patrol one of the most dangerous provinces in one of the most dangerous countries in the world, yet we often lack the manpower and lift capacity to guarantee success. In particular, ISAF still lacks a reserve quick response force to deal with sudden incidents, such as when the Norwegians came under attack last February.

We must acknowledge success when it occurs. Although there has been good progress in the training of the Afghan army, training for the Afghan police, the prime responsibility of the Germans, is at least two years behind schedule, yet the police are crucial stakeholders in the efforts of the peace and reconstruction teams and those helping to rebuild Afghan civil society.

It is worth pointing out that there are still major incompatibility issues regarding the equipment of the major participating countries, particularly radios and frequencies. Most disturbing is the failure to agree to universal use of Blue Force Tracker, a system to allow HQs to follow all NATO forces via SatNav, down to an individual vehicle. The system is being used in Helmand, but the French and other countries refuse to use it, preferring to wait for a rival system built by Thales, which has yet to come off the shelf. That is not an acceptable position for the NATO operation to be in.

The role of the police has also become enmeshed in the wider strategic mismatch and confusion of roles, of which many have spoken. The Afghan police are not so much a national force, in the way that we would understand it, as a large number of independent semi-militias. The border goes unpatrolled, drug trafficking continues, and it is an open question to what extent the police militias overlap with the forces of the warlords and/or Taliban. The UN and other NGOs have withdrawn from Helmand, claiming it is too dangerous. I raise these points, and they all matter, because we are in danger of losing the hearts and minds war among the local population, which is so crucial to the success of the overall mission.

At the same time as we face these logistical problems, the poppy eradication projects have brought warlords and Taliban into coalescence on many occasions. To varying degrees we are seeing what NATO calls Talibanisation, where the Taliban pay local people for one-off strikes against NATO forces. Given the amount of money involved, funded by the drug trade, these incidents are, sadly, on the increase, as President Karzai noted today.

I raise all these matters because there is still time to do something about them. Our troops are committed, they are brave and intuitive, and they will do almost whatever we ask of them, with whatever we give them. But we need to ensure that they are given all that they need to carry out the task demanded of them—no shortcuts, no shortages. The Government have a twin duty—to maximise the success of the mission, and at the same time to minimise the risk to our troops. We strongly support British participation in the war on terror in Afghanistan, as it is strategically in our national interest and our membership of NATO commits us to it. However, it is questionable whether our security footprint is large enough to achieve the goals identified, in anything like the time scale envisaged. Having acted, we absolutely cannot afford to fail.

Let me deal with the issue that has dominated the newspapers and media coverage today—our nuclear deterrent. While North Korea threatens missile tests and there is the continuing stand-off with Iran, and when we cannot predict what new threats we may face by 2025, we cannot afford to leave ourselves exposed and vulnerable. Given such uncertainty, it is a strategic imperative that we replace our nuclear deterrent when the time comes. I remain to be convinced that any alternative to a submarine-based system is a credible option, but it is still an issue that we will consider in our policy review.

All history tells us that the outbreak of conflicts is seldom accurately anticipated. The onus must therefore be on the nuclear abolitionist, not on the believer in deterrence, to explain why one can be confident that no nuclear or major chemical or biological threat will be posed to the United Kingdom during the long period so far ahead. I doubt if any such explanation will carry much conviction.

The identification of a potential enemy once shaped the nature of our armed forces—the two power standard for the Navy, for example. With our nuclear deterrent, we enjoy a much greater degree of versatility. Intercontinental ballistic missiles such as Trident are sufficiently flexible, given their range and invulnerability, to deter any state that may seek to use, or threaten the United Kingdom with, weapons of mass destruction at any time in the future. In short, it would not matter which potential enemy posed a real threat. Each would face unacceptable retaliation from a modern strategic missile system such as Trident.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): When we have deliberations in the House about the replacement for Trident, does my hon. Friend agree that Members of Parliament should be allowed to debate

[Daniel Kawczynski]

the various options—whether it should be an American purchased replacement or one predominantly made in the United Kingdom?

Dr. Fox: If my hon. Friend will have a little patience, I will shortly come to the process by which that should occur. Let me say one final thing about the policy of deterrence. The versatility of a policy of minimum strategic nuclear deterrence makes up for our inability to anticipate future enemies or predict future threats. Conversely, any decision to deprive ourselves of the deterrent would leave the country open to future aggressors whom we would be able to identify only when it was too late to try and rebuild our nuclear forces that had been so recklessly discarded.

Needless to say, any attempt to reacquire a nuclear deterrent once a threat began to emerge would immediately generate a storm of political protest, on the basis that it would constitute a new arms race and make a tense situation even more febrile. We must act now on principle, because those are powerful and substantive arguments, but the way in which they have been handled in the past few days by the Government is nothing short of disgraceful. Instead of an announcement to Parliament about the Government's intention, there was a one-line mention in an after-dinner speech, not by the Prime Minister or the Defence Secretary but by the Chancellor of the Exchequer. The commitment itself is not clear—is it a commitment in principle or in practice? Will it retain or replace the existing deterrent?

The Minister said that a decision to replace Trident has not been made "in principle", yet the newspapers are full of stories saying that the Chancellor's people have briefed that a decision has been made and that the Treasury will spend the money. The Chancellor, as the Prime Minister in waiting, will oversee a new generation of nuclear deterrence for the United Kingdom. If those newspaper reports are wrong, if all those Treasury briefings did not take place, and if a decision has not been made about the principle of replacing Trident, when will the Chancellor publicly disown everything that has been said in his name in the past 24 hours? This is a vital issue, so it is utterly unacceptable that power politics should be at play in the Cabinet, as the national interest must be put first.

The place to debate major issues is the House of Commons, and we must debate the principle and practicalities of action on our nuclear deterrent. However, we must do more than debate, as the House deserves a vote on those important issues. If the Government do not allow the House the opportunity to vote, the Conservative party will certainly ensure that all hon. Members are given a vote on an issue of enormous importance to the country.

We will back the Government when they act in the national interest, but the professionalism of our servicemen and women stands in sharp contrast to the Government's increasingly shambolic amateurism. What sort of Government, for example, arrange a defence debate, in their own time, knowing that the Secretary of State cannot attend? Those who serve our country deserve so much better; before long, they will get it.

Mr. Deputy Speaker (Sir Michael Lord): Before I call the next speaker to address the House, may I remind hon. Members that there is a 15-minute limit on speeches by Back Benchers?

2.22 pm

Harry Cohen (Leyton and Wanstead) (Lab): I want to speak about Afghanistan and Somalia, but principally about Iraq.

In Afghanistan, not enough aid was provided to lift and stabilise that war-torn country after the initial takeover from the Taliban. We took our eye off the ball when we invaded Iraq, so vital time and good will were lost. Other forces are at work. Drugs are a driving force for lawlessness and the resurgence of the Taliban, which is backed by shadowy forces, probably from Pakistan or Iran and perhaps the countries of the former Soviet Union that have an interest in destabilising the foreign occupation of Afghanistan. That demonstrates the limit of defence operations. We cannot occupy north-west Pakistan, or go to war with Iran in support of our activity in Afghanistan, so we must find other routes to achieve our goals, for example, by working constructively with the United Nations and neighbouring countries. Our aim should be to stabilise democratic governance, with an ensuing reduction in drug production, which cannot be achieved peaceably without tackling the security situation. Killing every member of the Taliban is not possible, and trying to do so causes civilian casualties and acts as a recruiting sergeant. I do not want the Taliban to return, but we must be more politically proactive to incorporate moderate Taliban sympathisers in the political process. If we are to do our job in Afghanistan, the American troops should go, as their roaming, killing role is not helpful and creates a climate of danger for our troops. The exit of the American troops would be a sign that the fighting should be brought to an end. There should be another push to boost aid and the institutions of civil society, as Hamid Karzai suggested today.

In Somalia, the Americans backed the wrong group when it chose to support unpopular warlords. The popular Islamic Court Union is in the process of coming to power and can unify the Somali people for the time being, while the warlords cannot. America has encouraged the UN and the UK to back the wrong horse and the position has been made worse by President Bush's crude strategy of "for or against us", which means that Muslim groups that attain power are automatically assumed to be supporters of al-Qaeda. We have worked constructively with Muslim Governments all over the world—for example, in Saudi Arabia and Turkey—so we can do so in Somalia, too.

We must acknowledge that we backed the wrong horse and start to engage properly and effectively with Somalia to achieve stability. We should not back Ethiopia's efforts to spread the conflict throughout the region, as that would be detrimental for the people of both countries, leading to more poverty and death, and an increase in the number of asylum seekers. We should not become embroiled in such a conflict, because the

hon. Member for Woodspring (Dr. Fox) was right that failed states and ongoing conflict offer the best opportunities for al-Qaeda to operate and recruit. We should therefore encourage stability in countries such as Somalia.

Turning to Iraq, on which I wish to concentrate, the weekly magazine, *Tribune*, published a "world cup" of the worst human rights abusers. It was a very good article and the final was a high-scoring draw between Iran and the United States, which keeps thousands of individuals in custody without charge in Iraq, Afghanistan and Guantanamo Bay. It conducts rendition to undisclosed locations and is guilty of torture at Abu Ghraib, as well as atrocities and abuses, including the mass killing of civilians. The US is our coalition partner and our Government offer apologia and gentle rebukes for such activity—for example, they refer to atrocities as "unfortunate incidents" or say that such matters are "their responsibility, not ours." I strongly believe that joint and several liability applies, because we are part of a multinational force. The Government claimed credit for Saddam Hussein's fall, even though it was mainly achieved by US troops, so we should share the blame for US wrongdoing. A UK general is second-in-command of the coalition forces in Baghdad, and we share overall responsibility, whether or not we make representations, which are often ignored. In my opinion, the UK should have been in the semi-final of *Tribune*'s world cup human rights abusers, given its role in Iraq.

Bob Russell: I intervened on the hon. Gentleman in an earlier defence debate to ask him to pay tribute to the British soldiers who have served, and continue to serve, in Iraq. May I ask him to do so today?

Harry Cohen: I did so in that debate and I am happy to echo what I said. I am amazed that the hon. Gentleman should choose to intervene on me, as he should intervene on Members who supported the war and put the lives of our troops at jeopardy, not to mention risk of mental illness and so on. I am happy, however, to give that assurance and acknowledge that our troops do a splendid job given the terms under which they operate. It is the political decision making that sent them to Iraq of which I am fiercely critical.

We have also been hostile to Iran and Syria, which are neighbours of Afghanistan. In a private sitting of the Defence Committee, the Minister of State discussed Iran's alleged role in Iraq and the death of British soldiers, although I suspect that he had very little evidence. Extending the war to Iran should not be an option, so we need to obtain better relations for mutual security. Threats, hostility and covert tit-for-tat killings are not the way forward.

I want to use this debate to raise some difficult human rights issues. Mr. Abdul Razzaq Ali al-Jedda is a joint British and Iraqi citizen on whose behalf Amnesty International has been making representations. Amnesty is concerned that, even after months of internment, the multinational force is continuing to hold internees without providing them or their legal counsel with substantive evidence to justify their detention. Mr. al-Jedda has been detained since his arrest on 10 October 2004 in Baghdad. He filed a case against the UK Secretary of State for Defence challenging his internment in Iraq, which was dismissed by the High Court of England and Wales on 12 August 2005. However, the court noted:

"Although detained for imperative reasons of security, the claimant has not been charged with any offence; and the Secretary of State acknowledges that, as matters stand, there is insufficient material available which could be used in court to support criminal charges against him. The claimant is therefore detained simply on a preventive basis."

Mr. al-Jedda continues to be held without charge or trial by UK forces. When I tabled a written question on the matter, the reply stated:

"Mr. al-Jedda is being detained by the British contingent of the Multi-National Force in Iraq for imperative reasons of security under the authority conferred by United Nations Security Council".—[*Official Report*, 25 May 2006; Vol. 446, c. 1963W.]

He might be a dangerous man—I do not know—but there should be a proper process of law, including charges and evidence. That man is a British citizen who is being held by British forces under a secretive process, which is not satisfactory. The Government should deal with the case properly.

Then there is the shooting of innocent Iraqi civilian motorists by employees of the UK company Aegis Defence Services. Evidence of that happening was posted on a website and broadcast on TV for all to see. The company has immunity from Iraqi law under the decree of the then chief US occupier, Paul Bremer, which was enacted with the support of the UK, and it is seemingly above UK law. It has had the nerve to use British law to shut up the whistleblower, an ex-Army man, Mr. Rod Stoner. The situation is unsatisfactory and the Government should address it.

I want to discuss inquiries set up by UK forces and the MOD when innocent Iraqis are killed. For example, a helicopter went down in Basra recently and the subsequent disorder led to the deaths of several Iraqis, including two children. During the Secretary of State's statement in this House, I asked whether the mothers of the children who were killed would be able attend or put any evidence to the inquiry, but no answer was provided. That raises a query in my mind about how such inquiries are carried out. The excluded Iraqis who have lost loved ones will see them as cover ups, which I suspect they are. We should hear a statement about how such inquiries are carried out and whether Iraqis who have lost loved ones can be involved.

We have been in control of Basra for three years, so why has it ended up in a state of emergency? The Stop the War organisation has e-mailed me to say that public order in Basra has virtually collapsed and that one person is being assassinated every hour. I have received an e-mail entitled, "Ethnic cleansing under the watchful eyes of the British Army", from Mr. F. Sabri of the Iraqi Islamic party, which is based in London. It states:

"Three years of kidnapping, torture and assassinations by Shiite militias in Basrah caused tens of thousands of Sunnis to flee the city. A healthy Sunni population of 35 per cent. reduced to less than 15 per cent. under British rule. The British government is responsible for the protection of all Iraqis under its control in the south of Iraq yet it failed its obligation under international law to curb the influence and power of the Iranian backed gangs and militias. Last week leaflets were distributed in the city asking the Sunni population to leave by the 3rd of July otherwise they will be exterminated. We have asked the British Government repeatedly to act and protect the civilians in Basrah, but we never receive an answer. We hold the British government responsible for the safety of our people in Iraq. History will tell if

[Harry Cohen]

a tragedy in Basrah will be added to the catalogue of catastrophes committed by Britain against the people of the middle east."

We deserve an answer about what is going on in Basra.

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): Just to help me in the wind-ups, can my hon. Friend tell me where Stop the War collects its data from?

Harry Cohen: I am simply quoting Stop the War, which will have to give that information itself.

Mr. Watson: Presumably my hon. Friend thinks that the information is reliable.

Harry Cohen: I do not know, as we have had virtually a news cover-up about Basra. I do know, however, that there are many deaths and many people are being forced to flee. Stop the War has quoted the information to me and I have put it to the House. It may be true, but we do not know. I bet that if the figures on the number of people killed in Basra were disclosed, they would be high. I invite the Minister to give us those figures when he winds up.

Mr. Watson: My hon. Friend must know that I cannot possibly speak for Stop the War.

Harry Cohen: But the Government know the number of deaths that have occurred among civilians in Iraq and in Basra, and their policy of saying that they will not give those figures is a disgrace. We still need a proper answer about what has been happening in Basra.

Then there is the matter of the death squads. The UN's human rights chief, John Pace, said that they were overwhelmingly linked to the Ministry of the Interior. The then Minister, Bayan Al Jabr, said that it was not down to him and that the death squads were from the facilities protection service set up by the coalition. When I asked a parliamentary question about the FPS, I was told that the UK trained it. Why have we been training and unleashing the death squads that have caused so much damage?

I could raise plenty of other issues, such as Saddam Hussein's trial and the killing of his third defence lawyer. He is not going to get a fair trial in Iraq, and it should be moved to The Hague. If it is all right for that to happen to Liberia's Charles Taylor, it should happen to Saddam Hussein. President Bush is hell-bent on delivering the death penalty to Saddam Hussein and a fair trial can go hang as far as he is concerned.

I could mention a host of atrocities, but time precludes me from doing so. Robert Fisk said in an article that, when the Americans bring a lot of bodies into the mortuaries, they say to the people there, "Don't do any post-mortems." In Haditha, 24 innocent civilians—women and children—were slaughtered in their own homes. Even the American ambassador has said that there is huge social discord among Iraqi. There is a catalogue of problems.

We need an explicit exit strategy. Muthana is a start, but there needs to be a coherent and swift exit strategy overall. That is not consistent with the criteria set out by Ministers, which were completely subjective and not measurable. The situation is not improving; it is closer to civil war—

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman's time is up.

2.38 pm

Nick Harvey (North Devon) (LD): It is welcome to have this chance in Government time to debate these important matters and to range across the whole realm of defence policy. I regret that it has not been possible to have the Secretary of State with us today, but it is still good that we are able to have these discussions.

These are important matters, because in recent months there have been many developments in our overseas operational activities. In the past five months, there have been announcements on major troop deployments to Afghanistan and decisions on the reconfiguration of British troops in Iraq. At the same time, the House has had to consider the Armed Forces Bill, the Blake review, and a series of critical manning, readiness and procurement reports. There are many other pressing issues that have not, until today, been subject to the same level of parliamentary scrutiny or debate, and I shall refer to some of those in a few minutes.

The defence White Paper proposed key changes to cope with new planning assumptions, reflecting the enhanced use of network-enabled capability, effects-based warfare and force restructuring. Those measures were said to create the circumstances for a reduction in future manpower requirements, but I wonder whether that can possibly be considered realistic now, when the demands on our forces in many different places have increased so much.

It must be of profound concern that, although the National Audit Office and the Armed Forces Pay Review Body have found that the services have been operating beyond planning assumptions for at least seven years, the Government have successively reduced armed forces strength requirements, leaving what the Defence Committee describes as "little if any fat" in the armed forces. I am sure that the Committee is right. When outflow from the armed forces is at a high, recruitment is at a low and our overseas commitments appear likely to increase, there cannot be any justification in those reductions in numbers. What impact will that have on our reliance on harmony guidelines and the extent of our reliance on reservists?

The latest Defence Analytical Services Agency figures show an increase in the total annual outflow from the armed forces. The figure is now 24,290 compared with 23,430 in April 2005. Similarly, recruitment from civilian life into the UK regular forces has dropped substantially, to below 20,000 in the past two years. It was reported earlier this year that the Army expects a 12 per cent. recruitment shortfall compared with its target. Will the Under-Secretary confirm recent reports that the bounty offered to soldiers who persuade friends to join up is to be doubled, from £650 to £1,300? Does he acknowledge the serious recruitment problems?

The Armed Forces Pay Review Body's annual report in February attributes the increase in voluntary outflow to "operational pressures" and

"the nature of service life",

which it labels as "retention-negative". The National Audit Office readiness report identified

"the continued use of personnel on operations"

as a potential cause of retention problems. It went further, saying that the problem

"could exacerbate the shortage of specialist skills within the services, or more extensive drawing down of reservists".

The Armed Forces Pay Review Body identified serious shortages in key trades and skills. The Government have declined to make public, on what they describe as "operational grounds", the extent of the shortages in specific areas, but the existence of several operational pinch points is seriously worrying.

The report identifies specific shortages in trades in the Royal Engineers, the Royal Signals, the Intelligence Corps and the Army medical services and asks questions about the prevalence and extent of the problems. What progress has been made in filling those gaps?

Questions are being asked about the effect of operational strains on our armed forces, consequently calling into question the feasibility of the revised defence planning assumptions in the defence White Paper. The NAO readiness report warned that a third of British forces had serious weaknesses in their state of readiness, and of the cumulative effect of a series of minor risks. It has also been said that 8 per cent. of our armed forces are medically unfit for duty, which could get worse with strains on mental health from over-deployment. The hon. Member for Woodspring (Dr. Fox) made that point effectively. That is profoundly significant not only for the individuals—the hon. Gentleman was right to stress the importance of making facilities available to them—but it must have an impact on the calculations of the extent of deployment that we can sensibly undertake in future.

I want to consider some current operations. Understandably, there has been much discussion of Afghanistan. In a memorandum to the Select Committee in February, the Ministry of Defence stated that, despite manning shortages, deployment to Afghanistan is "manageable". However, in its report today, the Defence Committee observes:

"Overall we judge that the impact on personnel of our deployment to Afghanistan is manageable, but will inevitably constrain our capacity to respond elsewhere."

The Committee is quite right to make that very level judgment. I wonder what assessment the Ministry has made of the fighting capabilities of the Taliban and other illegally armed groups in the south of Afghanistan, and what assumptions underlie its calculation of the kind of help that we are going to get from the Afghans themselves.

We support the deployment of troops to Afghanistan. It is intrinsically the right thing to do, but we are less certain of the extent to which it is do-able. I was in Paris earlier this week for the meeting of the Western European Union, which had received a report from a group that had been to Afghanistan. The report concluded that there would be a need for overseas troops to be present there for 15 years. I do not think that political or public opinion in the many parts of the country that are supplying those troops is in any way ready for that.

It is in everyone's interest to achieve the stabilisation and reconstruction of Afghanistan, not least because it supplies 90 per cent. of the world's opium. This concerted international effort has come rather late in the day, however. For three years, not enough progress was made. I fear that energy was being devoted to Iraq at the expense of Afghanistan, and the task is now more difficult because of that neglect. The Government have yet to explain how they can reconcile the concurrent objectives of achieving security and making progress on counter-narcotics. It has already been pointed out that the prevalence of the connections of the drugs industry throughout Afghan society and within its political institutions means that the drugs trade is the foundation of the Afghan economy. Effective measures against the trade are going to make the security situation even more challenging.

I hope that our forces will find ways of overcoming that tension, but I am unclear as to what role they will play in the counter-narcotics strategy. Does NATO have sufficient numbers of combat troops in southern Afghanistan, where the level of violence has reached a new high? What provision is there to cope with any further escalation in hostilities? This is undoubtedly a highly challenging mission, and we must be clear that an enduring solution will not be achieved without comprehensive political reform and serious reconstruction. Success will also depend on the active and constructive engagement of Afghanistan's neighbours, especially Pakistan.

There needs to be clarity on the co-ordination between the different national contingents serving in the international security assistance force—ISAF—as the hon. Member for Woodspring said. There have been examples of overlap, and the co-ordination does not seem to have been as strong as it might have been. With the forthcoming unification of ISAF and Operation Enduring Freedom, there needs to be clarity on the counter-insurgency role undertaken by NATO forces, and a recognition of the dangers of mission creep. There is a real danger that Afghan society will see all foreign troops in the same light, and come to view all of them as unwelcome.

Italy has begun the withdrawal of its troops from Iraq, with a view to complete withdrawal before the end of the year. As that involves the second largest contingent in multi-national sector south-east, I wonder what effect the withdrawal will have on our forces and commitments there. The Secretary of State told me when he made a statement just a day or two into his new post that the objective in Iraq was to reach a situation where we could hand over security responsibility to the new Government—I think that everyone would agree with that—and that the strategy was to achieve the objective. A full debate in the House on Iraq is overdue, and any such debate should be led or shared by the Foreign Office rather than being viewed simply as a defence matter.

A new strategy is needed in Iraq, central to which should be a peace process led by the United Nations to achieve national reconciliation and the internationalisation

[Nick Harvey]

of support for Iraq. That process would need to build on the policies that have been set out by the Iraqi Prime Minister, and would work towards the agreement of an international compact setting out the commitments of all sides and a comprehensive security and reconstruction strategy. It would need to build on the good work—to which I pay tribute—of coalition forces that are busily engaged in the training, equipping, professionalising and regularising of the Iraqi security services. But it would need to go a long way beyond that.

We need a regional contact group to strengthen the engagement of Iraq's neighbours. We need a comprehensive disarmament, demobilisation and reintegration strategy comparable with those that coalition forces have overseen elsewhere. As the hon. Member for Leyton and Wanstead (Harry Cohen) rightly said, we need an end to systematic and indefinite detentions by United States and, indeed, Iraqi forces, with safeguards against abuses. We need an enhanced national programme in Iraq to promote human rights and the rule of law. We need to expedite the reconstruction process, do what is possible to eliminate corruption, and increase the involvement of the United Nations and the World Bank.

As all those components begin to progress, it will become feasible to start talking about a programme for phased security transfer and the withdrawal of coalition troops. To get anywhere near such an approach, however, will require the United Kingdom to use its influence in Washington to press for US support, and it will have to be developed and implemented with the approval of, and in partnership with, the sovereign Government of Iraq.

Le me say something about procurement. The defence industrial strategy has rightly received a generally warm welcome, despite some concerns about its potential impact upon smaller companies. How will the Ministry of Defence monitor its impact over a period, and ensure that it is having a benign effect?

I will not attempt a tour d'horizon of procurement issues in one short speech, but a few brief points are worth making. What progress is being made on technology transfer in relation to the joint strike fighter? Last week, discussions between Bill Jeffrey and Gordon England failed yet again to achieve a statement of principles to facilitate the United States' sharing of technologies with Britain in the context of the JSF programme. Does the Minister believe that a memorandum of understanding between our two nations will be produced by December, as previously planned? Does the recent publication of a report in the US saying that the costs of the JSF could be better controlled if there were competition to provide engines revive any hopes for Rolls-Royce?

Mr. Arbuthnot: Does the hon. Gentleman agree that it would be a great shame if the Farnborough air show came and went without clarification of the technology transfer?

Nick Harvey: That is a very good point. The Farnborough air show will soon be upon us. I hope that it will focus minds and produce some agreements. That would be a realistic and sensible time scale in which to try to conclude discussions that are vitally important. No one wants to see the JSF programme fail, but British Ministers and officials have—rightly, in my view—taken a robust line with the Americans, and it is essential for this thorny issue to be resolved as soon as possible.

Another procurement issue that urgently needs attention is heavy lift capability. My noble Friend Lord Garden has persistently raised the issue in another place. What resources has the MOD with which to address that urgent problem, and when does it plan to do so?

We must ensure that the drive to meet planning assumptions does not lead us towards reduced stock holdings and spares. There are obvious risks associated with purchasing to meet urgent operational requirements, as we saw in the case of Operation Telic. The readiness report from the National Audit Office states:

"The department relies extensively on cannibalising equipment",

and that applies particularly in the fleet. What progress is being made to reduce that dependency, which is often inefficient and manpower-intensive and which restricts operational flexibility?

One issue that has not had parliamentary scrutiny but deserves it has to do with pre-emption and the Geneva conventions. In a speech in March, the then Defence Secretary called for a reappraisal of the Geneva conventions and an expansion of the doctrine of pre-emptive strike. Will the Minister say whether that is Government policy? If so, what revisions are proposed to those conventions, which form the bedrock of international humanitarian law? In light of the catastrophic consequences of the Iraq invasion, on what grounds should the pre-emptive strike doctrine be expanded? The UN High-Level Panel concluded last year that existing international rules on the use of force are sufficient, but that they need to be respected.

Finally, I turn to the matter that has been referred to already and which has dominated this morning's newspapers—the replacement of our nuclear deterrent. In February, the Prime Minister told the Liaison Committee:

"I do not know that we need, specifically, to have a vote...but I am sure there will be the fullest possible Parliamentary debate and there will obviously be that...it will probably be done in a far more open way than these decisions have been taken before."

That was a welcome sentiment, but I wonder about it. The number of scientists working on hydrodynamic testing at Aldermaston is being increased for the first time in 20 years, and additional investment of more than £1 billion is being made in that facility, with more than £10 million allocated to preliminary work on Trident renewal.

I have been rather surprised by some of the answers to parliamentary questions that I have received in the past few weeks. Will the Minister confirm that no work is currently under way at Aldermaston on designs for a new nuclear warhead? It seems inconceivable that that can be right. We need transparency from the Government about the process, and they should actively provide information to Parliament and the public so as to inform a full debate on the matter.

Last night, we learned that the Prime Minister-in-waiting believes that the decision must be taken next

year—although he seems to have made a decision, despite the fact that key facts have not been made public. Successive Defence Ministers have said only that a decision may be required in this Parliament. Why the sudden urgency? Has the Ministry of Defence changed its position and, if so, on what basis? The former Defence Secretary said in a written answer in March that Ministers had not yet begun to consider the position "in any detail", so what new analysis has taken place since then? Exactly when will the "fullest possible parliamentary debate" that the Prime Minister promised begin? The truth is that the timetable for replacement seems to have more to do with political considerations than technical ones.

The Americans are proposing to extend the lifecycle of their Trident systems into the 2040s. I do not pretend that we could do that with ease, but it would certainly be possible. In that case, why does the Chancellor suddenly believe that a decision about replacement has to be made in the next few months?

Dr. Julian Lewis: I am listening to the hon. Gentleman very carefully, but I think that the problem is the life of the Trident missile submarines rather than the missiles themselves. The submarines' lifespan will end between 2020 and 2025.

Nick Harvey: I agree that the problem lies with the submarines, which have a limited lifecycle, rather than with the warhead or the missile. However, the Americans are proposing to eke some extra life even out of their submarines. Although I do not see that we have a great deal of scope to do the same, I do not believe that final decisions need to be made by next spring. If we did everything that we could to extend Trident's lifecycle, a number of years would certainly pass before it had absolutely had to be replaced.

A decision to replace Trident before all the options—as well as their costs, the strategic environment, proliferation implications and security requirements—are considered would be a dereliction of public duty. This is a matter of essential national debate, and all such factors need to be brought into the open. The decision should be taken only after an informed debate and a slow and careful consideration of the issues, not on a political whim.

In concluding, I welcome the announcement in the Minister's statement that, before the end of the year, a future strategic context for defence policy will be published. That in itself may prove a useful step along the way in our discussions of the possible replacement of Trident. I did feel, however, that the Minister was at times in danger of painting a slightly rosy picture of the 21st century context. There are very great dangers; we live in a very uncertain world.

Climate change could prove a great threat to security, as many of the world's cities are based on vulnerable coastlines. HIV/AIDS has been recognised by the UN Security Council as a security issue that threatens to destabilise parts of Africa. Competition for scarce resources is intensifying and the US, China and India should certainly rein in, sit down and participate in discussions about the problem. There is a growing poverty gap between wealthy parts of the world and the developing world, and trade barriers are being put in the way of the developing world as it tries to improve itself. In addition, there is the spread of weapons of mass destruction and the constant threat of terrorism. All of those are new challenges that require new policies. Talk of the peace dividend seems a long way behind us now.

It is welcome that we have a chance to debate the new security contexts later in the year, and I am glad that we have had the opportunity to look into the more current issues now. I very much hope that the Government will shortly give the House more information about the replacement of Trident so that we can begin a rational debate about it as soon as possible.

3.1 pm

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): Right hon. and hon. Members will know about the armed forces parliamentary scheme. I was delighted to be accepted into and to take part in it. For the benefit of anyone observing our debate or reading *Hansard* later, it is worth restating that the scheme was established to enable Members here and in the other place to gain a feel for, and understanding of, what our armed forces do. I venture to suggest that some who have already participated in today's debate or who intend to later would do well to think about signing up to the scheme to widen their knowledge.

One important aspect of the scheme is the sharing with the House of any lessons learned. I would certainly recommend last year's armed forces parliamentary scheme booklet to anyone who wanted to get an idea of what the scheme does and to get involved with it. Over the next few minutes or so, I would like to give the House some of the information that I have learned through participating in the scheme so far. I make no apology for the fact that it is a personal view based on what has been said to me and what I have learned. I also make no apology for the fact that my speech is Army-centred, because that is the armed force with which I worked. I make no apology either for failing to mention any names—it would be unfair for me to do so and it would send out the wrong message to people who want the opportunity to talk to parliamentarians when they are out and about with different units. People should not feel inhibited in any way about speaking to us.

Mr. Gray: Perhaps the hon. Gentleman will make one exception to that honourable self-denying ordinance and join me in congratulating Sir Neil Thorne, the founder of the armed forces parliamentary scheme and its mentor for many years.

Mr. Flello: I would be delighted to do so. The scheme has been going for about 18 years and it has allowed something in the order of 170 or 180 Members to participate. In my relatively short period in the scheme, I have undertaken a few visits. I kick off with the Army presentation team. Again, I would recommend any interested Member to take the opportunity to get a flavour and overview from the team of what it does.

I also visited Headquarters Land Command and met the commander-in-chief of our land forces. The meeting was attended by three chiefs of staff, four assistant chiefs of staff, the Command secretary and his deputy and the director of Army infrastructure. Indeed, there

[Mr. Flello]

were so many stars in the room that I thought I was in an episode of "The Sky at Night". It was extremely informative. We talked about the organisation of the forces, the current operations, as have been mentioned in the debate, the major issues that the Army is addressing and the major challenges that it faces and, indeed, some of the issues that have been so eloquently spoken about already, such as the commitment of forces and the new equipment that is planned.

I also attended Pirbright, spoke to some of the new recruits on their phase 1 training and had an insightful briefing from the commander in charge of that facility. I saw at first hand the high-tech shooting range, where new recruits are taught how to use weapons in an extremely safe environment. They can get used to the equipment in a way that allows the trainers to correct any new recruit who needs some further guidance, in a way that would not be possible traditionally because of the accuracy of the training equipment that they have been given to use. Throughout my experience so far, the quality of the training comes through time and again. Perhaps other Departments could learn some lessons about the quality of the training that the Army is able to undertake. I stand in the House as a perhaps less-than-perfect example of someone at his peak physical fitness, but the effort that goes into, and the quality of, the physical training was also particularly notable.

I was fortunate to spend some time with 1 Royal Anglian on its training exercise. Give that yesterday was the longest day, the name of the exercise—Druids Dance—seemed somewhat appropriate on Salisbury plain. I also spent some time with a squadron of the King's Royal Hussars. Again, that was insightful, and I hope in the next few minutes to develop some of the information that was provided to me during those three very informative days. Most recently, I visited the armoured centre at Bovington with the Royal Armoured Corps. Again, I gained first-hand experience of training and speaking to recruits and soldiers at various stages of their Army careers, as well as the leadership of those facilities.

Later in the year, I hope to visit Iraq to see it for myself. Unfortunately, my hon. Friend the Member for Leyton and Wanstead (Harry Cohen) is not in his place, but if he got himself on to that visit, we could both see for ourselves what the reality of life is like for the troops in Iraq, by talking to serving soldiers about their experiences and perhaps not relying on—dare I say?—propaganda from possibly unreliable sources that cannot be corroborated.

I have had an opportunity to talk to soldiers at all levels, from a recruit who was only a few weeks into phase 1 training to the commander-in-chief of land forces. I spoke to soldiers all the way through: captains, majors, lieutenant-colonels, colonels and all the ranks. I had a particularly interesting conversation over a cup of tea in a deckchair on Salisbury plain with a brigadier, who very kindly hosted me at the headquarters of 12 Mechanised Brigade.

I want to get to the meat of the major issues that were expressed to me, but this is just a snapshot of some of them. The Bowman radio system has not been mentioned specifically in the debate, but it has been alluded to. I got very mixed views from professional soldiers—the signalmen—to whom I spoke, but the vast majority of them were impressed with the system. They said that it was fantastic and that the secure communications, the robustness and the whole set up was very good. Where the problems still lie—they are being resolved—is in rolling out the additional functionality of the Bowman system.

A number of outsiders have expressed concerns to me about the loss of some knowledge and the encryption ability in relation to the use of unsecured communications. Yet when I was with the Royal Armoured Corps at Bovington recently, I saw with my own eyes recruits being trained to use encryption if the secure communications system falls down. There is a lot of hype and myth about the loss of trained skills and abilities, but on seeing the situation for myself, it was clear that the reality is completely different.

Many people outside the military have expressed to me their views about equipment levels and availability. Being a member of the armed forces parliamentary scheme has allowed me to see the situation for myself and to talk to serving soldiers. On doing so, it became clear—I hope that my Front-Bench colleagues will take note of this message, and the spirit in which it is intended; this was a learning experience—that the equipment provided on operational duty was excellent and of the highest quality. Soldiers had what they needed where and when they needed it, but time and again they expressed concerns about training. For example, although the sights provided on operation in Iraq were superb, they were not available in the UK training environment, so there was a delay in deployment and in getting up to speed in the use of that equipment. The thermal imaging sight for the Javelin 2 missile system is an extremely capable piece of kit, but it is not cheap. One sight was available for training use by a number of units, which was sufficient to meeting training needs; however, we could do better.

Some of the equipment used at the land warfare centre to train soldiers is incredible, and a lot of thought has gone into developing the training systems. One room there has desktop computers with training aids that soldiers can use as part of a lesson or in their own time, in order to get back up to speed. They can also take those aids back to their base units, so that they can continue to upgrade their knowledge. There are also gunners' "cabinets", which are used to train gunners, and a wide range of other training equipment. Yet again, the quality of training is absolutely superb.

Turning to the after-action review and my time spent with 12 Mechanised Brigade on Salisbury plain, the training facilities, tools and equipment provided there are absolutely superb. It is possible to identify whether individual soldiers are standing or lying down, and moving in the right or wrong direction. Such information can be gone through item by item in a replay after the training session, which is incredibly valuable.

On asset management of equipment, particularly the heavier equipment—the tanks—it would be remiss of me not to mention the robust session that I had with the King's Royal Hussars in the major's tent at the end of one Wednesday. They expressed their views in a forthright manner, pointing out that although central asset management of tanks such as Scimitars is in principle a good idea in practice, when on exercise troops have to spend a lot of time at the start bringing such equipment back up to standard. Because the unit

that has used it previously does not own it and therefore has no personal pride in it, the various niggles are not sorted out before it is put back into storage. As a result, work often needs to be done to bring it back up to standard when it is taken out of storage. I hope that my colleagues on the Front Bench will take note of that information.

The KRH pointed out to me that most of their vehicles have been switched over from petrol to diesel, but my understanding—I hope that the Minister can correct me if I am wrong—is that the fuel used is virtually of the type to be found in the public garage down the road. It was duty-paid fuel, and it seemed odd to me to use that for those vehicles and that some arrangement has not been made. Perhaps more important, though, would be taking a lead in looking at biofuels and alternative fuels, to see whether there are ways for the services, and the Army in particular, to set an example on the environmental impact of having a Saxon armoured carrier sitting with its engine running so that tea can be boiled up in the brewing vessel. There is a need for alternative fuels.

A lot of comments have been made about soldiers having to buy their own kit, especially if they want anything decent. My experience is that that may have been the case a few years back, but the quality of kit is mighty fine now. It is good stuff. It is good kit. I was issued a pair of boots before going out to Salisbury plain, and only remembered them the day before. So, I had three days out in these brand new boots, but without a blister to speak of, and believe me that was not because I was sitting down, because I certainly had to do a lot of walking.

What came across to me was that soldiers do still buy some personal kit, but that is for personalisation reasons and not because there is anything wrong with the kit. One comment made to me was about a lightweight fleece jacket. Someone had bought one, but two months on they are being issued as standard, and he is looking for the receipt to try to take it back. The quality of food has also come a long way. Napoleon said that an army marches on its stomach, and the only comment made to me was that an awful lot of soldiers carry their own bottles of Tabasco sauce to spice things up a little.

Safety was absolutely paramount on the exercise. Someone twisted an ankle and the whole exercise on the plain was closed down while that was attended to. The quality of the safety, like the training, was phenomenal. Loader training at the Royal Armoured centre involved teaching loaders to get away from the recoil of the Challenger 2 breech. Almost everything seemed to be done, too, in terms of risk assessment. I started slightly cynically, as a Member of Parliament, thinking that things might be being talked about and done for my benefit. But when I sat back in the middle of the exercise and could see things happening for real, I started to realise that risk assessment is well and truly embedded.

Pay is never too far from most people's minds, and soldiers are no exception. One thing mentioned was that overseas troops tend to have tax-free pay. What was not mentioned was levels of pay and how well troops are paid now in comparison with some time ago.

I pay tribute to the soldiers I met. Finally, I ask that veterans day should be not just about ex-service personnel and that we should celebrate our current, serving personnel, who do a tremendous job.

3.17 pm

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): I declare an interest in regard to what I wish to say later about Afghanistan.

I have some sympathy with the problems of the Minister of State and the Ministry of Defence. I know as well as anyone that although the Ministry has what appear to be vast resources—£32 billion a year or whatever it is—that does not enable it to do more than a proportion of what it would like to achieve. The Ministry of Defence is always treated with a lot of jealousy by other home Departments. I recall Margaret Thatcher once saying to me that the problem with the Ministry of Defence is that it has no friends. I suggested that the Foreign Office was perhaps a friend, and she said, "The Foreign Office? They're not wet; they're drenched!" And so was the conversation brought to a premature end.

I hope that the Minister of State will forgive me for saying that our discussion so far illustrates why the Leader of the House was quite wrong to suggest that a debate such as this one meets the Government's responsibilities with regard to the House having an opportunity to debate Iraq or other fundamental issues of defence policy. We have just heard from the hon. Member for Stoke-on-Trent, South (Mr. Flello) and from others about many important topics, and we cannot go through dozens of relevant issues, which just happen to include Iraq and Afghanistan, and then say that the House of Commons has fulfilled its responsibilities and that Parliament has been able to agree or disagree with the Government's policy. That is not acceptable. The United States Congress has had many opportunities to debate Iraq and Afghanistan, and I suggest to the Minister that his Department, and, I hope, the Foreign Office, will impress upon the Leader of the House, who ought to know better than most, why such a debate would be timely and necessary in the wider public interest if the Government wish to try to win back some support for their policy.

I shall not detain the House long, but I want to make two kinds of comment. First, I shall deal with the argument that the Government try to make, either intentionally or subliminally, that the situations in Iraq and Afghanistan—the problems, opportunities and tasks—are broadly the same, and that they are pursuing a single strategy and should have the support of the House and the country. Secondly, I want to make specific comments about Afghanistan.

I support what the Government are doing in Afghanistan; it is absolutely right. The starting point was quite different. Al-Qaeda may be present in both Iraq and Afghanistan, but it is in Iraq as a result of the British and American invasion of that country. Before then, there was a secular despot who had no more time for al-Qaeda than do the British Government. Al-Qaeda has identified a big vacuum in Iraq and is there in a big way, but the situation in Afghanistan is fundamentally different. The British, American and other Governments were right to intervene in that country.

[Sir Malcolm Rifkind]

The second consideration is that the United States had genuine global support. A few years on, it is easy to forget how unanimous that support and sympathy was around the world; there was also recognition of the need to take swift action against the Taliban, because they were giving al-Qaeda practical support. Another consideration is that there is not the insurgency in Afghanistan that there is in Iraq. People express great pessimism about Afghanistan going the wrong way, and talk about mission creep and our being sucked into something insoluble. There are indeed major problems, but they are of a quite different order. For practical purposes, the whole of Iraq—certainly in the areas where the population is concentrated, in Baghdad, Basra and elsewhere—is convulsed by the insurgency. In Afghanistan the Government's remit is relatively limited. However, that is not because there is general insurgency, but because warlords and others control individual provinces and deny respect for the central Government. The situation is not comparable.

Furthermore, 40,000 Iraqis and others have died since the insurgency began. There have been fatalities in Afghanistan, but they are of a different order.

Mr. Gray: My right hon. and learned Friend is right: there is as yet no general insurgency in Afghanistan. Is he not concerned, however, that the unpleasant coalition against us of poppy growers, the Taliban, local warlords and local people, together with al-Qaeda and others coming from Iraq and Iran, may lead to a more general insurgency in the country if we do not do something about it?

Sir Malcolm Rifkind: My hon. Friend is correct; the situation could deteriorate significantly, but at present there is no evidence of such an unholy alliance materialising. There have been no major military incidents of a comparable kind in Afghanistan.

In Afghanistan, there is not the sectarian split that has so dominated the Iraqi issue. Afghanistan is overwhelmingly a Sunni country and no one suggests that that situation is likely to change in any meaningful way. There is no equivalent of the Kurdish dimension; no part of Afghanistan has aspirations to the total independence that would fragment the country. Nor does Afghanistan have what is in one respect the curse of oil, to create further division in that state. However, there are big problems and we must look frankly at why the coalition forces of NATO and others, including the Afghan Government, are finding it so difficult to cope.

Part of the problem is that the Taliban were never defeated in the conventional sense; they simply faded away. They realised the overwhelming strength of the United States, in particular, and its allies, and withdrew to their villages, to the hill areas and the frontier where they could regroup and continue, which creates a very different situation. In addition, there is the inability of the western forces to act in a coherent and united fashion.

Earlier, I raised the question of the integration of the international forces operating in Afghanistan. I appreciate and understand the difficulties. Even within NATO, there are countries with different views on whether they would wish to take part in the kind of work being carried out by Operation Enduring Freedom. However, it is manifestly absurd to have a situation in which many thousands of British, American and other NATO forces are all operating within the country, but with two separate command structures for all practical purposes, two different rules of engagement and with an attempt now being made to draw them closer together. That is a wasteful use of resources and a wasteful way of approaching these matters.

The Minister knows that perfectly well—although he is not in a position to say it in quite the blunt terms that I am using—and the United States knows it perfectly well. Most countries know it well—even if the only way in which we can get a single unified command in Afghanistan, in order to maximise operations against the Taliban and other elements in that country, is to say to the one or two countries in NATO that do not want to go in that direction that they should no longer take part in the operation. Most of NATO is willing to work in a unified way. The United States, which is NATO's leading member state, can hardly be expected not to be part of a single, unified process.

There is a word of warning for the United States. It has seen the British and NATO involvement in Helmand province as the beginning of a process that will enable it to reduce its own troop complement in Afghanistan. Indeed, Donald Rumsfeld, in his usual sensitive fashion, has said as much, and has anticipated that the Americans will now be able to reduce their commitment. That would be an incredibly foolish mistake—comparable to the mistake that the United States, and indeed the rest of us, have been making since the beginning of the Afghan operation.

When the Taliban were overthrown—when Karzai's Government came into effect—the best estimate at that time was that Afghanistan would need an international force of about 30,000 to provide real stabilisation. In fact, we ended up with about a third of that number. Against that background, it is not surprising that warlords in individual provinces have been able to continue in control, and it is not a matter for any particular astonishment that the central Government in Kabul have not been able to extend their authority, even in many of the areas where the Taliban are not remotely present, or not present in any significant numbers. The problem is not just the south and the east. It is the failure in Afghanistan—in this sense it is comparable to Iraq—to realise that once the war is over, we still need a major international military presence. I am afraid that Mr. Rumsfeld is the guilty party, as he is in Iraq, for having decreed that somehow the numbers needed were far more modest than has turned out to be the case.

The Government are entitled to the support of this House. The United States continues to have a considerable degree of international support for what it is seeking to do in Afghanistan. All the warnings that have been given by the Minister and others about what would happen if the west simply withdrew from Afghanistan are entirely correct and justified, but that should not be used as an excuse to maintain an inefficient military command structure that cannot deliver the best results and, most of all, it cannot be used to justify a reducing American military commitment over the next few years.

One of the lessons that we should all have learned from history, over 100 years, is that if one wants to make a profound change in countries of lower economic

and social development, which have major internal problems of stability and cultural differences, one needs to be there for a long time. If one is not prepared to do that, one should not go there in the first place. That is particularly true in Afghanistan at the moment. If the Government are able to pursue such an approach—not only in their own policy, but in the recommendations that they make to other Governments, including the United States—they will deserve the support of the House.

3.29 pm

Sarah McCarthy-Fry (Portsmouth, North) (Lab): I begin by paying tribute to the brave men and women of our armed forces, who risk their lives every day to keep us safe and secure. My constituency is the home of the Royal Navy and Portsmouth ships have defended our country in many famous sea battles. Portsmouth itself suffered badly from bombing during the second world war and we who live there are aware that our city still remains a military target. My constituents and I owe a great debt to the men and women who have defended and continue to defend the city and our country.

Up until fairly recently, our defence policy was centred on keeping our borders and those of our allies safe from attack by potential enemy states by preparing our stand-by forces for traditional combat operations. However, things have shifted dramatically since 9/11, and our country now faces threats not so much from states, or even organisations with which we can negotiate, but shadowy individuals who are not allied to any one state. Such individuals can cross international borders and operate within our borders. They have unprecedented access to technology and weaponry that can cause destruction on a massive scale. They also operate without a thought for preserving their own lives. The accepted conventions under which defence policy was formulated for many years have thus changed.

We can no longer adopt a mentality of sitting on top of a hill and fending off the attackers, and sheer force of numbers does not help much against a chemical or biological attack. We must have a smarter and more agile position in which we use the best equipment that technological advances can give us. Such equipment must be able to move in quickly and perform a multi-functional role, and the men and women who operate that equipment need to be professionals who can exercise judgment. They must be treated with the respect that they deserve, given the danger in which we ask them to put themselves.

The Ministry of Defence must prepare for all eventualities when it makes policy. We owe it to the men and women of our armed forces to ensure that they are trained for all types of conflict. We do not want them to have to be put in a situation that has not been foreseen and for which they have not been properly prepared. Of course, we cannot foresee every eventuality, but we need to think outside the box and prepare for as many scenarios as we can possibly envisage, no matter how unlikely they might seem at the time.

We need to consider not just conflict. Often the work of the armed forces is not armed combat, but peacekeeping, peace enforcing and disaster relief. The role of peacekeeping and peace enforcing becomes intertwined with the international objective of sustainable economic development in unstable countries. The role of the troop deployment in Afghanistan is as much to curb the narcotics trade as it is to bring security and stability to the area. That is a delicate role for our troops to undertake. The more successful we are at curbing the traffic in narcotics, the more danger our troops are likely to be in. How do we win the hearts and minds of local people if we are viewed as removing their livelihood? That must be balanced against the fact that Afghanistan will not have security and stability in the long term while the narcotics trade flourishes. We need to ensure that our troops are fully trained for such a role and that we have troops who can exercise their judgment and act professionally in such delicate situations.

I spoke earlier about treating our troops with the respect they deserve. They need to be treated with respect by not just the MOD and their commanding officers, but politicians, the public and the media. A few months ago, I had the opportunity to visit Iraq. I spoke to the men and women who are doing a superb job helping the Iraqis to rebuild their lives and helping to train the Iraqi security forces so that they can take control of their own safety and security. They face danger every day, but they keep their cool and behave professionally against extreme provocation. However, one would not know that from the media coverage. The only stories that are widely reported in the British press are the negative ones, which are then relayed across the rest of the world. That gives the armed insurgents the ammunition with which to arm their followers, which thus puts our troops in even more danger.

I spoke to many serving soldiers who told me about circumstances in which they have faced insurgents who have known only too well the rules of engagement under which our troops operate and goaded them to a point at which they hoped that our troops would break. However, such is the professionalism of our troops that they invariably do not do that. Nevertheless, accusations are still made, and they are duly investigated by our service police, contrary to what my hon. Friend the Member for Leyton and Wanstead (Harry Cohen) said.

I heard of instances of the security services being hampered in their investigations by the unwillingness of alleged victims to give evidence because they had been approached by agents of predatory lawyers who told them not to co-operate with an inquiry, but to sue through the courts for compensation. The Army investigators then stand accused of failing to investigate properly, or covering up, when they are in fact doing their best to investigate properly, but being prevented from doing so. None of that gets properly reported by the British media. It obviously has not reached the ears of my hon. Friend the Member for Leyton and Wanstead. Is it any wonder that some people ask why we are still in Iraq, when all they hear are the negative and unsubstantiated rumours?

The men and women on the ground whom I met felt that they were still part of the solution in Iraq, not part of the problem, but we all recognise that there is a fine line that needs to be kept continually under review. We have a job to do at the request of the elected Iraqi Government and we need to stay until the job is done or the Iraqi Government wish us to leave. There is an important task to do in training and helping the Iraqis

[Sarah McCarthy-Fry]

to take responsibility for their own security. From my own observations, I believe that they have the training, experience and expertise to perform that task well.

It is not just the Army, the Marines or the RAF. The Navy, too, is doing its bit. Representing, as I do, the constituency that is the home of the Royal Navy, no one will be surprised that I am speaking up for it, as it was a bone of contention among sailors whom I met on HMS Bulwark in the Arabian Gulf that there was never any recognition in the media back home of the important work that the Navy was doing in Iraq, working with the Iraqi navy to protect the oil terminals that are the lifeblood of Iraq and the economic key to its reconstruction.

I saw the professionalism and diplomacy of our modus operandi when boarding unknown craft that had strayed into the exclusion zone. I was shown the basket of gifts that the captain of the patrol vessel carries with him, which are handed out to the crew while the marines search the craft. That is how we win hearts and minds and how we gain the valuable intelligence that we need in the fight against international terrorism, not by going in with all guns blazing, although of course there may be times when that is the appropriate response.

When we look at defence policy, we must make sure that we consider how our troops are viewed here at home and in other countries, because that has an impact not only on our ability to defend ourselves, but on our ability to recruit and retain high-quality professionals. We want to make the armed services attractive to young people, to ensure that we recruit people of the highest calibre. We also need to ensure that our armed services are representative of our population. That means encouraging recruitment of men and women from all ethnic backgrounds and reaching out to the gay and lesbian community and encouraging gays and lesbians to join up, rather than the shameful way in which they were treated by the MOD for many years.

I was encouraged by my right hon. Friend the Minister of State when he told the House last year that we had recruited our first Muslim, Hindu and Sikh chaplains, and I hope we can continue to work with the Equal Opportunities Commission and the Commission for Racial Equality to ensure greater diversity.

For too long, our armed services have been a closed world, hidden behind a cloak of secrecy, because of the fear that operational effectiveness could be compromised. But all too often we have seen that secrecy encouraging a culture of bullying. It goes without saying that junior ranks must obey orders from senior officers without question, because their own lives and those of their colleagues depend on it. However, one thing above all else that came out of my visits to Iraq, Cyprus and Oman is the tremendous team spirit among regiments, air crew and ships companies. They all had a joint commitment to a common goal and they were all fiercely protective of their fellow soldiers, sailors and airmen. Time and again, these young men and women told me that what they appreciated from their armed service was the training that enabled them to operate as a team.

Team work is much more likely to be generated by trust, transparency and openness than by operation as a secret closed group. We do not need to bully people into obeying orders and we do not need to break people's spirit. We no longer operate trench warfare and we do not ask our troops to blindly go over the top in the knowledge that not all of them will survive, but in the hope that some of them will.

Mr. Ellwood: I am listening carefully to the hon. Lady, who is making a powerful speech. Of course the whole House would condemn bullying, but having served in the armed forces, as have many other hon. and gallant Members, I know that it is a different environment from the normal nine-to-five job. It is tough and we cannot expect our soldiers, sailors and airmen and women to go into combat unless they have gone through thorough, vigorous training. We cannot be nice to everyone on this side and expect them to stand up to the bullets on the other side.

Sarah McCarthy-Fry: I have no argument with the hon. Gentleman about the need for robust training and the need to make sure that our troops are aware of what they will face when they go into operation. But when one hears stories, as I heard from someone, of a young recruit having a machete held to his head, that is not robust training. That is bullying and that, to me, is not acceptable. In a recent debate on Armed Forces Bill, there was a great deal discussion of the possibility of establishing an independent commissioner as part of a grievance redress procedure. Indeed, the Blake review of the tragic deaths at Deepcut recommended the introduction of such a post. Not all senior officers in the services accept the need for an independent commissioner, as they believe that the internal grievance redress procedures are adequate, but junior ranks to whom I spoke—incidentally, they told me that there is still a culture of bullying in some parts of the services, although it has improved—did not have confidence that internal procedures would be fair. We will not have the professional, committed, agile armed forces we need to discharge either our responsibilities and duties in defence of our citizens or our international obligations if we do not tackle the issue. The Government agreed to defer consideration of an independent commissioner pending the Blake report. Now that they have had time to look at the recommendations, I hope there will be movement on the issue as the Armed Forces Bill continues its passage through the other place.

Mr. Ingram: My hon. Friend is making a thoughtful and wide-ranging speech. I have responded to the Blake report and I clearly stated that the complaints commissioner—that is the title of the post—will be independent. In addition, there will be civilian representation on complaints panels. As she said, the Armed Forces Bill which has progressed to the House of Lords, would allow us to achieve that, and the mechanisms can be defined and debated in the other place. We have taken on board the main issues that she raised, and we have made progress. I believe that Nicholas Blake QC, the author of the report, is happy with the action we have taken.

Sarah McCarthy-Fry: I am grateful to the Minister. It is important that independent civilians on such a panel have experience of military matters because, as the hon. Member for Bournemouth, East (Mr. Ellwood) said, the military context is different.

Our professional, committed, agile fighting forces do not consist just of regular forces. To provide the flexibility required by modern warfare we increasingly rely on reservists—either former regular servicemen or volunteer reserves. In Umm Qasr, I met volunteer marine reservists who were helping to co-ordinate the Gulf protection strategy. They greatly welcomed the opportunity to play a responsible role in operations, as their everyday lives were vastly different. One reservist was a lifeguard, one a credit controller and another a quality inspector in a biscuit factory—a world away from the job they were doing in Iraq. A recent report by the National Audit Office shows that the desire to serve on operations is an increasingly important reason for joining the volunteer reserves. Surveys show people who take part in an operational deployment are more likely to want to be deployed again.

The marine reservists whom I met would certainly welcome another deployment. They were looking forward to serving in Afghanistan, but when I asked how their families felt, it was a different story. In theory, all reservists are subject to a compulsory call-up but, in practice, the MOD asks individuals if they wish to serve, and that informs call-up procedures. The NAO report, however, notes that reservists do not all admit to their families or employers that they have volunteered for an operation, which can cause problems.

We must be much more open about such problems and involve families at a much earlier stage in a volunteer reservist's career, so that when the call-up comes they understand what is involved and what support is available. We should ensure that the support available to the families of regular forces is available to reserve forces. We must work with employers so that they recognise the valuable work that reservists do. That is not just an altruistic point of view—the training and experience that reservists acquire on an operation is invaluable to their employers when they return. Many members of 103 Battalion of the Territorial Army, which is based in my constituency, served in Operation Telic. The battalion is a Royal Electrical and Mechanical Engineers unit whose job is to repair vehicles and return them to action as quickly as possible. Like all TA units, it has experienced problems with recruitment, but it was allocated additional funding last year, which enabled it to adopt new methods to reach out into the community and sign up new recruits. However, on a recent visit to 103 Battalion, I learned of a particular problem to which I should like to draw the Minister's attention—the matter of qualifications. Young men in 103 Battalion get excellent training in vehicle maintenance, but it is not recognised by an NVQ, so when they try to get a job using those skills, they are not considered to be qualified. Surely it is possible to make that training NVQ accredited to allow those young people to get the recognition that they deserve. Such practical steps can help to build links between the local community and the armed services and to encourage more people to volunteer for the Territorial Army. I want to see greater integration between regular forces and reserve forces, because we need both in today's modern armed services.

As I have said, I want all our servicemen and women to be treated with respect, and I want the armed services to be a career of choice, not a career of last resort. I believe that our armed forces are the best in the world and our biggest asset, and an integral part of our defence policy must always be to treat them as such.

3.45 pm

Mr. James Arbuthnot (North-East Hampshire) (Con): It is a pleasure to follow another Hampshire Member, the hon. Member for Portsmouth, North (Sarah McCarthy-Fry), because defence is hugely important to the county. It was a pleasure to hear her speak in support of the armed forces.

I love these debates. Somehow, they always take place on Thursday afternoons, when the defence geeks turn out. We often say the same sort of things, but it gives us the opportunity to complain. I am no different, and I shall make my complaints.

We must remember the context in which we make our complaints. The background is that the men and women of our armed services do the most extraordinary things on behalf of this country. I met some of them in Iraq a couple of weeks ago, and they were some of the finest men and women one could possibly hope to meet, risking everything on our behalves and on behalf of the ideals in which this country believes. We are lucky to be served by people such as those who are working in Iraq, Afghanistan and elsewhere.

In order not to take up too much of the House's time, I shall concentrate on three issues—the strategic nuclear deterrent, Afghanistan, and Iraq. I do not feel in the least annoyed that the Chancellor has discussed a matter on which the Defence Committee will issue a report next week. The report considers the strategic context and timetable for taking decisions about the strategic nuclear deterrent, and it is the first of a number of reports that the Committee intends to produce in this Parliament. Its purpose is to inform and encourage public debate on that important issue, so I have no doubt that members of the Committee were delighted when the Chancellor joined the debate last night.

Daniel Kawczynski: My right hon. Friend has been in the House far longer than me, but I cannot recall a Chancellor of the Exchequer of any political party making such fundamental pronouncements on defence. I am surprised by how far the Chancellor has gone, because surely it is for the Prime Minister or the Secretary of State for Defence to lead on such issues, rather than the Chancellor?

Mr. Arbuthnot: My hon. Friend has not read what the Chancellor said, because the Minister and my hon. Friend the Member for New Forest, East (Dr. Lewis) have rightly pointed out that the Chancellor repeated the Labour manifesto. However, it is mildly irritating that the Chancellor's people say one thing in private, while he says something else in public, and the problem is that we have grown used to such behaviour from the Labour Government.

I welcome the fact that in last night's remarks the Chancellor appeared to be a genuine convert to the interests of defence. He discussed

"the same strength of national purpose we will demonstrate in protecting our security in this Parliament and the long-term—strong in defence, in fighting terrorism, upholding NATO, supporting our armed forces at home and abroad, and retaining our independent nuclear deterrent."

[Mr. Arbuthnot]

I was delighted to hear that he is intent on supporting our armed forces at home and abroad. If that implies that the money for any replacement of the nuclear deterrent will come out of new money, not current Ministry of Defence programmes, we will be making some progress with the Chancellor of the Exchequer.

My Committee has produced a report on the deployment to Afghanistan, and we will undertake a second inquiry fairly soon. That deployment has two elements that are separate, but co-ordinated: the movement of the allied rapid reaction corps from Rheindahlen to take over the international security assistance force operation in Kabul; and the 16th Brigade doing a slightly different job in Helmand. In our report, we concluded that we fully supported the deployment to Afghanistan and considered it essential in the interests not only of the economic and social stability of Afghanistan but of the region and the world as a whole. The attack on the twin towers demonstrated the consequences of allowing states to fail, and we felt that it was right to take the action that we did. In that, I fully echo the remarks made by my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind).

Various issues arise out of the deployment. It is essential to the credibility of NATO that the mission should succeed. We are worried about the national caveats that many members of NATO placed on the use of their troops. When we visit Afghanistan as a Committee, as we will shortly, we will need to satisfy ourselves that the rules of engagement, which the Minister tells us are more robust than any that have operated before, are a cohesive feature of NATO's operations. I am afraid that I do not agree with my right hon. and learned Friend the Member for Kensington and Chelsea that one can say to countries, "If you don't want to play by our rules of engagement, then don't come." The method of collecting troops together to go to Afghanistan was difficult and time-consuming enough, and too many countries might simply say, "All right then, we won't come." We need a broad international coalition in a country such as Afghanistan, given the difficult things that we are doing there.

Will the Minister tell us whether the operational command and control between ISAF and Operation Enduring Freedom has been fully worked out yet? That is not entirely clear from the Government's response to our report. I am grateful to the Government for providing that response within two months, to the very day, of the report's publication.

Our report refers to our worries about air assets and vehicles. We stated that we were concerned that the Harriers would leave Kandahar in June, and we were delighted to hear that the Government have decided now, perhaps because of what we said, perhaps through pressure from NATO, to extend the deployment of Harriers in Kandahar until at least March next year. I hope that, by that time, the runway in Kandahar will be upgraded and can take some of the F16 planes, which can then be brought in from other countries.

We were also pleased when the Ministry of Defence announced in April that, as a result of requests from commanders in the field, more than 60 Pinzgauer armoured wheeled vehicles were being ordered for deployment in Afghanistan. I was therefore a little surprised when the Minister, in responding to a question from my hon. Friend the Member for Congleton (Ann Winterton) about what vehicles would be available, did not confirm that good news. I hope that he will confirm that the acquisition and deployment will happen.

We were unsurprisingly worried about overstretch. The number of troops in Afghanistan is low and the tasks that we ask them to perform are difficult. We need to be clear about their remit. We made the point that there is a fundamental tension between the aim of destroying the narcotics trade, on which a huge proportion of the Helmand province relies in order to live, and introducing security and stability to the area. The Government response to our report states there is no such tension. I simply cannot understand the logic of the Government's position. The tension exists. That is not to say that the twin roles are wrong. They are right, because one cannot introduce long-term security in a drugs state. We have to get rid of narcotics from Afghanistan and introduce stability and security. However, there is tension between the two roles, which British troops, having worked in Northern Ireland and Iraq, will be well trained and equipped to tackle.

I said that I was in Iraq a couple of weeks ago with the Defence Committee. We found greater ground for hope than the media in this country would have us believe. We were encouraged by the formation of the final building blocks, which were put in place while we were in Baghdad, of the Government of Iraq. We were pleased that the Minister for the Interior and the Minister for Defence were appointed. That will produce some hope for Iraq. We were encouraged by the fact that the Muthanna province was close to being ready to be handed over. We were encouraged by the extent of the training of the tenth division of the Iraqi security forces. We were told that, in spite of the attacks on people who tried to join the Iraqi security forces, the Iraqi army is fundamentally full. It is being trained effectively by British troops, among others.

No one would suggest that the whole picture is encouraging, however. There are serious worries in Basra and elsewhere. We were not convinced that the local government in Basra was working in the interests of local people or the security of Iraq, or that there was any proper control over the killings between the various power-seeking Shi'a groups. However, I do not believe that there is an insurgency in Basra. The insurgency is happening in the north and west of Iraq. In Basra, there is a power struggle between Shi'a groups who see it as a rich area that they can exploit for their own interests, and they are using the most violent and awful means to do so. So there are real worries about Iraq.

We felt, when we talked to our troops in Iraq, that their morale was high. They are doing the most incredible work in the harshest possible conditions. I remember travelling through the city of Basra in an un-airconditioned Warrior armoured personnel carrier, and, when we reached a place of comparative safety, the mortar cover being taken off. When 50° C air came flooding in, we thought, "Thank God, that's cool!" The working conditions in those vehicles are extremely difficult, and the troops working in Basra are carrying 40 or 50 lb of body armour, kit and ammunition, which is very difficult for them.

It is not just that there is no fat in the operation. Our troops are not exactly penny pinching, but they have to juggle all the time with the available personnel, and with equipment that might be unavailable or going out of service. The number of helicopters there is tiny, and the number of vehicles is too small. To return to what the Chancellor has said, and to the support that he has given to the defence of this country, I hope, now that he has said those things, that he means them. I also hope that he will put our money where his mouth is.

4.1 pm

Mr. James Gray (North Wiltshire) (Con): It is a bold Back Bencher who follows two right hon. colleagues of such great distinction in these areas as my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) and my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot). They know what they are talking about. I shall therefore seek not to try to equal their distinction, but to talk about rather different matters.

I wholly agreed with my right hon. and learned Friend the Member for Kensington and Chelsea when he said that this debate should not be about Afghanistan, Iraq or the renewal of Trident. Those subjects are sufficiently large to warrant an entire day's debate or more—perhaps several days debate over the years to come. To presume that those topics can be covered in this relatively short debate this afternoon would be a mistake.

I therefore intend to keep off the subjects of Iraq and Afghanistan, apart from mentioning in passing that my own strongly held opposition to what we did in Iraq in 2003 is one of the perfectly sensible reasons why I have ceased to be a Front-Bench spokesman on defence. I could not have continued to perform that role, given that I did not entirely approve of what my party was doing at the time. I also have some reservations about whether we shall be able to look back, in 10 or 20 years time, and say that what we have done in Afghanistan has been a success. I very much hope that it will be—it is a job that very much needs to be done—but whether we can be confident that that is the case is a matter of some debate. However, Iraq and Afghanistan are matters that we can debate at length on other occasions. Similarly, the whole question of the renewal of Trident is a huge matter for debate in the years to come. It is a matter for the nation, not just for party politics.

I felt slightly queasy about the Chancellor of the Exchequer's intervention in the debate yesterday, not least because, if anyone takes the opportunity to Google the words "Gordon Brown" to check up on what the right hon. Gentleman has said on defence, they will find that, over the past 10 years or thereabouts, he has said nothing at all on the matter. So far as I am aware, he has never visited a defence establishment. He took no interest in defence until last night, when he reiterated what had been said in the Labour party manifesto, but made it appear that he was making a spectacular announcement on the £25 billion of defence spending on renewing Trident. I suspect that that has far more to do with his tactical position in the Labour party than with a strategic approach to the defence of the world.

I want to spend my time today commenting on something that I was greatly encouraged to learn that the Government are doing. The strategic defence review was, in its time, radical and far-thinking. Given the 17-year time span, most people thought that it represented a worthwhile approach, although we regretted the failure to release the foreign affairs baseline on which the SDR was said to have been based. A strategic defence review cannot be very good if the foreign policy baseline is not known. In any event, that relatively radical and forward-looking document was severely outdated following one event on 11 September 2001, which made all previous thinking about defence irrelevant. Defence thinking as a whole had to start again from scratch.

I do not think that the subsequent so-called new chapter of the SDR—or indeed the defence White Paper, which one of our defence chiefs described as being more about slogans than about policies—added much to the debate. I was pleased to hear from the Minister today that a new strategic context White Paper would be produced later this year. I hope that it will represent a fundamental piece of thinking, founded solidly on a foreign policy baseline. It is no good talking about defence in the abstract; we must talk about it purely in the context of foreign policy and, nowadays, the context of security at home. We must involve the Home Office—and the Department for International Development, in passing—in that consideration. We need to know what our defence forces are required to do before deciding how to enable them to do it.

There is a degree of confusion about that. Are our servicemen required to defend the homeland against an aggressive outside attacker? I suppose that that is theoretically the case, but it is probably very unlikely. It is hard to imagine any third party attacking the nation, although of course it is right for us to have the capability to put up a defence should that become necessary.

Is it our job to deter a potential aggressor? I suppose that the question arises of what we do if and when it becomes obvious that Iran is going to make use of its enriched uranium for military rather than any other purposes. If that becomes obvious, to what degree does international law allow us, alongside the Americans, to take an aggressive stance of one sort or another against Iran? At what stage do we believe that pre-emption becomes a reasonable cause for the use of force?

During the run-up to the Iraq war in 2003, it was said that we must stop the Iraqis using their weapons against our soldiers in Cyprus. That was one of the excuses in the dodgy dossier. What was ignored for the moment was that Foreign Office travel advice for tourists was that it was perfectly acceptable to travel to Cyprus throughout the Iraq crisis, at the same time as the MOD was telling us that we had to invade Iraq to prevent that from happening.

Surely our armed services have a role to play in home defence. Perhaps the Territorial Army or the reserve forces could be involved. Surely we should be playing a significantly greater role in defending our nation on shore from asymmetric terrorist attack. Is there a bigger role for the TA than the role conferred on it in the new chapter of the SDR? Might that bigger role be sorting out huge emergencies? At present, it appears that we could do a pretty good job if a serious emergency occurred in London—probably—but what if there were simultaneous attacks on three of our cities? Would our forces be up to dealing with that? Might there not be a role for the TA?

[Mr. James Gray]

Alternatively, is our role to take part—along with NATO and the United Nations, and possibly even the European Union, although I doubt it—in some form of coalition, going around the world and suppressing tyrants? That is often cited as the reason for what we did against Saddam Hussein in Iraq—and I am very glad that we did it; he is a bad man and I am glad that he has gone. But will our role in future be to enter willingly into coalitions, perhaps alongside the neocon element in the United States, galloping around the world sorting out bad men?

I remember Richard Perle saying in a notable speech that he believed that the US was a sort of sheriff, galloping around the world at the head of a posse sorting out the bad guys. One of the closest advisers to the US President, he made it clear that anyone not in the posse was one of the bad guys, and that he believed that we had to perform a type of neo-imperialist policing duty around the world. Although there may be some such role to play, we did not play it in Cambodia or Darfur, and international law provides scant justification for that approach.

The Pentagon has justified what is happening in Iraq, Afghanistan and elsewhere by saying that a war is being fought against terrorism, but our defence policy is different. We say that we do not want to engage in warfare against terrorists, and that we want to prevent asymmetric attacks being levelled against us. That difference between the UK and US approaches is very important. In that context, there is one significant gap in what this country otherwise does rather well, and that is that we are not entirely clear about why we do some things. In particular, there are discontinuities in the responsibilities undertaken by the Foreign Office, the Ministry of Defence and the Home Office. For example, is the Home Office or the MOD responsible for homeland defence, or does DFID have a role in that? I believe that we should consider introducing a sensible military stratagem planning mechanism, as has happened elsewhere around the world. Another option might be to establish a Government Department that deals with military planning, which would consider such matters in very fundamental terms.

Moreover, we need a fundamental discussion of the intelligence services. Should we retain the present structure of three separate services, or is it time for them to be amalgamated? My noble Friend Lord Hamilton asked that very question in the other place only this week. Again, is it right to retain our three services? Lieutenant-Colonel Tim Collins has said that he believes that we should abolish the RAF. I hasten to say that I do not agree with that at all, given that there is a substantial RAF base in my constituency, but I believe that we should look at the fundamentals of our defence policy. What are our people being asked to do, and why? What sort of mechanisms is needed to ensure that they are able to carry out what is asked of them? We need the sort of grand strategic policy for the UK that we have not had since 1956.

As many speakers have said, our armed forces are very professional, but they suffer from their own can-do approach. Almost regardless of what politicians ask them to do, they will salute, turn to the right and march off and do it. It is possible that they grumble about it, in the dark corners of their messes, but they never do so in public. They do what they are asked to do, and they are incredibly professional. However, how long can we rely on that can-do approach? I do not much like the word "overstretch", but there are real signs that our armed forces are being asked to do more and more with less and less. Despite the Chancellor of the Exchequer's comforting words last night about the comprehensive spending review that is coming up shortly, there has been briefing going around to the effect that the Army could be cut to 80,000 men. That is smaller than the international definition of what constitutes an Army, and a British Army of that size would be the smallest since Waterloo.

I accept that all that may be the result of counter-briefing. The Chancellor may well make it clear during the comprehensive spending review that the 80,000 figure is nothing to worry about, that the reality is not nearly so bad and that the true figure will be a fantastic 85,000. That would be a classic example of the sort of thing that the right hon. Gentleman does.

We do not need an Army with 100,000 personnel—we need one that is significantly larger than that. Our Navy and Air Force also need to be larger, so that they and the Army can perform all the tasks that this Government, and all Governments in the foreseeable future, will require of them. In addition, personnel need to be better paid. What incentive is there to be an Army corporal, in charge of 10 people in situations of extreme danger, when the pay is only £14,000 or £15,000 a year? Police constables get much more. We must look at pay and conditions in the armed forces, as well as at the equipment—both personal and on the larger scale—that is provided. We must also consider every aspect of how our armed forces personnel are sent into war. We need a fundamental review of why we are doing things, how we can encourage our people to do them and how to be certain that whatever we do in the future is done well. One thing is for sure: the European Union is not worth the paper it is written on with regard to defence. The notion that we can have some sort of European Union defence force in the future is laughable. The only countries worth talking about in the defence world today, and the only people who can truly project power for good around the world, are the United States and the United Kingdom acting together in NATO. Without those two nations and NATO, I shudder to think about the future of our great globe.

It is right to have a fundamental look at what we are asking our armed services to do and Opposition Members will co-operate with the Government in doing so. Having done precisely that and published the results, they should look fundamentally at how best to achieve them. They should look into manpower and equipment, how our armed forces are structured and the rules of engagement. They should look at human rights and health and safety—I was astonished to hear someone say that they were glad that an exercise had been stopped because someone had twisted their ankle—the International Criminal Court and how people are asked to act on the battlefield. All those things are fundamental to doing a first-class job, which our people have always done, and to continue in a fully professional way for years to come. If we do not do so,

we will not be able to play the role that we havetraditionally played—the role of doing significant good in securing the safe future of our globe.

4.16 pm

Mr. Andrew Robathan (Blaby) (Con): It is a pleasure to follow my hon. Friend the Member for North Wiltshire (Mr. Gray), not least because, having been in the Territorial Army, he speaks with authority. I think I am right in saying that he is the only person to have done three stints in the armed forces parliamentary scheme and to have reached the dizzy heights of a brigadier, at least.

I would like to place our debate in context by asking what the Government think of their armed forces. I can see what new Labour thinks simply by looking in front of me. Apart from the Minister who is winding up the debate, the silent Whip and the silent Parliamentary Private Secretary, there are acres of empty green Benches. Not a single Back Bencher is in his place for a debate on defence policy in Government time. It is embarrassing—*[Interruption]*—so embarrassing that the Minister is about to intervene.

Mr. Watson: I do not know whether the hon. Gentleman has attended throughout the afternoon, but we have already heard two contributions from the Government side. When I look around the Chamber, I see just four more Conservative Members than we have had this afternoon.

Mr. Robathan: As the Minister has kindly pointed out, our smaller party has six Back Benchers in their places, which is six more than the Minister has on his side—and there is, of course, the token Liberal.

So what do the Government think of our armed forces? I shall give three examples. First, in 2003, the Deputy Prime Minister—still hanging in there with his Office—in front of a number of witnesses, including some of our Doorkeepers, said, "All soldiers are boneheads." That is what he thinks of our armed forces. Secondly, there is the disgraceful way in which the Government refused to take any action to assist soldiers and others on operations to register to vote before the last general election. I raised the matter time and again, as did my hon. Friend the Member for Chichester (Mr. Tyrie), but the Government took no real action. One can only surmise why not.

The third indicator of the new Labour Government's view of the armed forces is seen in a business news leader article, entitled "Huge cuts threat to defence industry" in the *Evening Standard* on 12 June this year. Written by Robert Fox, who is generally pretty well informed, it says:

> "Chancellor Gordon Brown...wants £1 billion taken from defence and given to...homeland security....A recently retired chief of staff commented: 'They'll have to tear up Labour's whole defence strategy and start all over again.'...defence chiefs have already been told that 'at least one major procurement programme has to go'"—

probably the aircraft carriers. I have no idea whether that is true, but I do know, as hon. Members have already pointed out, that in this Chancellor's time here, he has shown precious little interest in and very little support for defence. I speak today against that background.

The major point that I should like to make is about the politicisation and the responsibilities of senior officers in the armed forces, and then I shall touch on the situation in Afghanistan. First, on senior officers, last November I was quoted in *The Daily Telegraph* as saying that the Chief of the General Staff, General Sir Mike Jackson, lacked the courage to stand up for his soldiers. I first discovered that that had been quoted—I had had a conversation with the journalist—when I got a telephone call and was asked to ring General Jackson, who had rung the then leader of the Conservative party. I asked him why he had phoned the then leader of the Conservative party instead of me, and he did not really answer. He hectored me down the telephone for 30 minutes in a somewhat bullying way.

It is not my business to have an argument with the Chief of the General Staff, so I am glad to say that a mutual friend organised a meeting. We had a meeting for an hour and three quarters. It was a convivial meeting and we discussed things in a reasonable way. There was not much meeting of minds, but I accept—I promised him at the time that I would—that I have no knowledge that he lacks courage. It was quite wrong of me to have said that he lacks courage, and I withdraw that unreservedly and apologise to him. I said that I would do that at the first opportunity, and this is the first opportunity that I have had. However, I did tell him that I would not withdraw the bit about standing up for his soldiers, and that is part of what I intend to discuss today.

Incidentally, I have no personal problem with General Jackson, so I do not wish this to counted as a personal attack on him in any way. He is a public servant who has given good service to this country over a number of years. However, I want to look at what has happened to the armed forces over the past three years—I shall stick to the past three years.

We had an immensely successful Iraq war in March 2003, or whenever it was. We can all be proud of our soldiers, sailors and airmen for the work that they did then. Since then we have got immersed, as other hon. Members have said, in a very difficult situation in Iraq. We have now deployed to Afghanistan. We have had four battalions of infantry cut from the line of battle. Notwithstanding what was said by the hon. Member for Portsmouth, North (Sarah McCarthy-Fry), the TA is haemorrhaging soldiers. Once they have been to Iraq, where they have an interesting experience, most of them do not much want to go again. The reorganisation of the infantry battalions is taking place, too. Although the arms plot was imperfect, I do not believe that that reorganisation will lead to a better system for the infantry.

Demands are now growing for a federation for armed forces personnel. We have to ask why those demands are growing. Why are grass-roots members of the armed forces demanding a federation? Soldiers are public servants. Politicians make the orders and soldiers must obey politicians—that goes for field marshals, generals and the like—but senior officers who demand loyalty from those below them are expected in return to give loyalty to those whom they command. That was certainly what I was taught, and hon. Members who have done any form of military service will know that.

[Mr. Robathan]

Loyalty goes two ways, and the chiefs of staff who represent the armed forces in discussions with the Government should not be seen as the Prime Minister's representatives; rather, they should be seen as representing the armed forces to the Government. I understand that the chiefs of staff have access to the Prime Minister whenever they want it, but I have not heard of that access being used during the draconian defence cuts going on in all three services. What senior officer has resigned recently? None that I have seen, and there is a growing feeling—it may not be fair—that some senior officers are apparently more interested in their careers, in knighthoods and in future cosy appointments than in the good of the armed forces and the personnel whom they command. I should like to turn to an example of that: the courts martial that have been taking place in respect of Iraq.

Tight discipline is essential in the armed forces, especially in war, as anyone who has been in battle knows, but discipline is being undermined by a growing human rights culture—fostered, I am afraid, by the Government—that is encouraging barrack-room lawyers. Anyone who is guilty of a crime in the armed forces must be prosecuted, but we have a very difficult and continuing war in Iraq. We expect our soldiers to make split-second life-and-death decisions, while someone is trying to kill them. That is not the same as being on parade outside Buckingham palace or, indeed, policing a riot in Trafalgar square.

I will use one case of court martial as an example, because it is completely out of the courts now—that of Trooper Williams. As hon. Members may remember, in July 2003 Trooper Williams was part of a patrol that stopped a handcart that was being pushed along, filled with mortar bombs. Understandably, the Iraqis pushing the hand-cart scattered. Trooper Williams and a corporal chased one Iraqi into a courtyard and then into a house, where he fought with the corporal accompanying Trooper Williams. Trooper Williams believed—and who are we to gainsay him, as we were not there?—that the Iraqi was trying to grab the pistol from the corporal, so he shot him, and he died.

Rightly, the case was taken up by the commanding officer of the regiment to which Trooper Williams was attached. He was arrested and investigated and brought before that commanding officer, who, having taken legal advice, dismissed the case, as was his right. He made a judgment that Trooper Williams was not guilty.

What happened next? Brigadier Vowles and Major-General Howell—both of whom, as I understand it, are primarily lawyers, rather than soldiers by first profession—queried the decision. A memo dated March 2004, from the then Adjutant-General—I believe it was Sir Alistair Irwin—was sent to the Chief of the General Staff. It states:

"With the current legal, political and ginger group interest in the deaths of Iraqi civilians...there is a significant possibility that this case, our investigation and subsequent failure to offer for prosecution could become a *cause célèbre* for pressure groups and a significant threat to the maintenance of the military justice system. If the Attorney General became aware of it in the meantime, it is possible that would himself order a review of the case."

So this prosecution was all about ginger groups and the possibility that the case could become a cause célèbre for pressure groups. I ask the senior officers involved: does that constitute standing up for Trooper Williams?

Following that, Trooper Williams was charged with murder under the civilian system and was to be taken to the Old Bailey. He was 18 years old when the incident took place, and for a year and a half he was under threat of trial at the Old Bailey. I suggest that that is a pretty serious matter for anybody.

On 7 April last year, at the Old Bailey, the Crown offered no evidence. I have been told by a senior officer that Williams should be grateful to the Army because, now that he has been tried at the Old Bailey, he cannot be tried again. I wonder what he thinks about that.

What was the role of the Attorney-General, Lord Goldsmith, in all this? The trial judge, Mrs. Justice Hallett, believed that this was possibly a novel intervention by Her Majesty's Attorney-General. One of her judgments says:

"No-one in the Army has apparently thought to advise Trooper Williams that although his commanding officer had found in his favour he might still face a civilian prosecution. That is apparently because this is the first time"—

the first time—

"to the knowledge of those appearing before me and called before me, that her Majesty's Attorney General has sought to exercise the powers accorded to him."

In a written answer to my noble Friend Lord Astor of 10 November 2005, the Attorney-General, speaking about the five members of the 2nd Royal Tank Regiment whose case was dismissed last year, said:

"I considered the matter and...I decided that the case should be referred to the CPS because...while there is no suggestion that the court martial would not deal with it impartially, justice would be seen to be done by ventilating the issues in the civilian courts".—[*Official Report, House of Lords*, 10 November 2005; Vol. 675, c. 111W.]

Are this Government and their senior officers standing up for soldiers, or ventilating issues in civilian courts?

I do not expect anything better from a commercial lawyer who happens to be a Minister of the Crown because of his friendship with the Prime Minister, but these people have no idea of the pressures on soldiers, who have to take life-and-death decisions in such situations. Their senior officers should stand up for them, and they should expect better from them. This Government have politicised senior officers in a way that has not happened before. Let me give two examples. I have in my hand an edition of *The House Magazine*—one cannot get much more political than the in-house magazine of this place—that contains a big interview with the Chief of the General Staff. He also did the Andrew Marr programme, which is the BBC's major political programme on a Sunday morning.

Too often, senior officers are seen as apologists for Government policy, rather than as those who are obliged to carry out Government policy. If they disagree with me they are very welcome to say so, but I hope that they will consider my words, and whether there is some truth in what I am saying.

Mr. Watson: The hon. Gentleman is the Conservative party's deputy Chief Whip. For clarification, is he speaking for his party when he says that the senior officers of our military are apologists for the Government?

Mr. Robathan: Too often, they are seen as apologists.

Mr. Watson: Is that the hon. Gentleman's view or is it his party's?

Mr. Robathan: The Minister has his glasses on and will notice that I am speaking from the Back Benches, not from the Front Bench.

What I have said is not my opinion alone, but the opinion of a great number of soldiers of junior, and not so junior, rank to whom I have spoken. Nor is it just retired soldiers who think so, but a large number of serving soldiers and officers. I ask that senior officers consider whether there is anything right in my words. If I am wrong, they will dismiss me and ignore me, I am sure, as the Minister surely will.

Let me turn to Afghanistan. A good debate was instigated yesterday by my hon. Friend the Member for Gravesham (Mr. Holloway). I counsel caution. The situation is difficult, and although I supported the action to oppose the Taliban in 2001, and since—we cannot just run away—we should none the less consider the history of the Afghan wars. Yesterday, my hon. Friend said:

> "In 1880 the Royal Regiment was virtually wiped out in the disastrous battle that it fought along the banks of the Helmand river at Maiwand. A British officer wrote, rather pessimistically, at the time that
>
> 'making war and planning a campaign on the Helmand from the cool shades...is an experiment which will not, I hope, be repeated'.
>
> Well, the experiment is being repeated and the Taliban tell people in their night letters that their grandfathers are scratching at the soil in their graves to get out and kill the grandsons of the British troops they massacred."—[*Official Report, Westminster Hall*, 21 June 2006; Vol. 447, c. 434WH.]

In the 1930s, in his autobiography "Bugles and a Tiger", John Masters describes British soldiers still being flayed alive within the lifetime of some Members still serving in this House. I do not want to dwell on that, but shall perhaps quote Kipling:

> "When you're wounded and left on Afghanistan's plains
>
> And the women come out to cut up what remains,
>
> Jest roll to your rifle and blow out your brains
>
> And go to your gawd like a soldier."

There is no easy solution to Afghanistan, but I suggest we look at more recent campaigns, such as Dhofar, in which small numbers of soldiers supporting local troops did fantastic work. I view the campaign with great foreboding, and urge caution. I thought the points made by the shadow Secretary of State about how we need more helicopters and support if we are to expect our soldiers to work there were quite excellent.

Our soldiers, sailors and airmen deserve our support, and they deserve reasoned decisions from the Government. They expect a Government to respect them and look after their interests in a way that I do not believe this one does. They also expect their senior officers to show loyalty to their subordinates. I hope that they will, notwithstanding the examples that I have given.

Finally, I am sure everyone knows that Julius Caesar said that soldiers are not as other men, and when they think they are, they cease to be our guardians. Our soldiers, sailors and airmen are our guardians, and we should support them to the best of our ability.

4.33 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): It is a great, if daunting, pleasure to follow my hon. Friend the Member for Blaby (Mr. Robathan) who has a great deal more knowledge on this issue than I have. I have rarely heard such an impassioned speech in the House of Commons. If only more people in the Labour Government had had such direct experience of the armed forces, we might not have so many foreign military interventions.

I shall hone in on Muthana, the Iraqi desert region on the borders of Saudi Arabia and Kuwait from which it has been announced that British troops will pull out. That is very good news and I applaud the Government for having managed to secure that withdrawal.

There are many service personnel in Iraq from my constituency. I have been in the Chamber all afternoon in order to have the opportunity to pay a personal tribute to and to applaud service personnel from Shrewsbury and Shropshire who are serving their country in Iraq.

Recently, James Holt, a journalist on our local newspaper, the *Shrewsbury Chronicle*, was sent to Iraq and has been sending back photographs and stories about our servicemen and their experiences. Those reports in our local paper have really brought home to me and my constituents the fact that real people from our community are out there fighting for their country—our neighbours, brothers and sisters. I am always in awe at the sacrifices that they make.

I cannot call for a withdrawal from Iraq at this stage; it is not my party's policy and I am a loyal Back Bencher. However, I want to say two things about which I feel passionately—I hope they do not get me into too much trouble with the Whips. Last week, Mr. Ken Tyrell led a large delegation of people from Shrewsbury to see me to discuss the war in Iraq. They passionately wanted to know when our troops would be withdrawn. They feel desperately sad when they tune into Prime Minister's questions week after week to hear the Prime Minister and the Leader of the Opposition expressing condolences to the families of British servicemen who have been killed. That is a very emotive issue for my constituents. They applaud the Government for withdrawing our troops from Muthana and hope that soon we will be able to leave further provinces in the capable hands of the Iraqis.

My second point will stay with me for as long as I am a Member of Parliament. It is the most emotional thing I have ever come across, certainly from a political perspective. In January and February 2003, in the run-up to the war in Iraq, I received more than 200 letters from Shrewsbury women—but not one man—to tell me that they were worried that our country was going against the wishes of the United Nations, the Secretary-General of the UN, Hans Blix and every other opinion. They said:

> "We are worried and concerned that our country is going to war in these circumstances."

Those 200 Shrewsbury women, and my wife, convinced me that I should be against the war in Iraq. Week after week, I wrote in my local newspaper that the war was wrong. At the time, I was merely a parliamentary candidate, so it was much easier to express those views,

[Daniel Kawczynski]

but now that I am an MP it will be interesting to see what happens in the future when I have to follow the party Whip. However, our experience in Iraq makes me cautious about our engaging in future wars in Iran and other countries.

Mr. Mark Harper (Forest of Dean) (Con): Perhaps I can help my hon. Friend. Regardless of his views before the Iraq war, does not he accept that, as he became a Member of Parliament afterwards, and given the situation that we face in Iraq, we need to make sure we leave only when the situation is stabilised and that we leave a stable country behind when the job is done? Despite the fact that he may have been against the war at the beginning, I am sure that he wants our troops to leave with honour a stable country with a functioning liberal democracy.

Daniel Kawczynski: I thank my hon. Friend for that intervention and I entirely agree. That is why I am not calling for the withdrawal of our troops. As I said to Mr. Tyrell and my other constituents, it would be wrong for us to pull out prematurely; our international reputation would suffer even more if we did so.

I am concerned about the lack of assistance in these situations from other permanent members of the Security Council. China and Russia are two huge military powers with extraordinary military spending and military capability, but they are mute on international problems and situations such as Sierra Leone, Iraq and Afghanistan. If we are successfully to police the world, those important members of the Security Council have to become more involved, as do other NATO countries and other European Union countries that have not fulfilled their roles properly in sending enough peacekeepers to Iraq. We simply have too few troops ourselves to police the whole world in conjunction with the Americans.

At some stage, we may have to reorganise the permanent members of the Security Council of the United Nations. They were drawn up immediately after the second world war. We now face a very different world. Perhaps countries such as Germany, although I have mixed views on Germany—*[Interruption.]* My grandfather was Polish. Perhaps countries such as Germany, which are increasingly economically and militarily powerful, should be included as permanent members to get them to participate in these issues.

Trident should be replaced and we should have a modern version of a nuclear defence capability. I am amazed by statements by certain Labour Members calling for us to scrap the replacement of our Trident system. In this dangerous world, a United Kingdom without Trident, or a replacement for Trident, would be held to ransom by countries such as Iran. Nuclear weapons have kept the peace in Europe for more than 60 years and we must retain a nuclear arms capability. I am pleased that Gordon Brown has supported replacement—

Mr. Robathan: The Chancellor of the Exchequer.

Daniel Kawczynski: I am sorry; the Chancellor of the Exchequer. I am bemused, however, to discover that the Chancellor sees it as his role to lead the debate on the issue.

As I mentioned in an earlier intervention, it is important to have parliamentary scrutiny of the replacement of our nuclear capability. My vote will certainly be influenced by the options. If one option is simply to buy something from the Americans, to me that is nowhere near as attractive as having a nuclear capability primarily designed and primarily manufactured in our own country. When we have the debate, I hope that the Minister and the Government will give us the opportunity to decide between two or three options, rather than merely to vote yes or no to a new modern version of Trident.

Very little has been said about veterans, but, for me, veterans are of great importance. I draw the Minister's attention to Polish veterans, in particular. One in six airmen in the battle of Britain was Polish. I am extremely proud of the role that my ancestors played in that. I know that people from many countries—countries that were occupied by the Germans—came and sought sanctuary in Britain in 1940 and we have to respect all of them. However, I argue—I put this point to the Minister as forcefully as I can—that the Poles have a unique and special role when it comes to foreign veterans in this country. I hope that, on future Remembrance days, those people will be acknowledged as unique, and quite apart from the French, Czechs, Dutch and others, because of the huge number who came and the courage and valour that they showed in the battle of Britain.

Mr. Robathan: I was brought up just outside London near Northolt airfield. My hon. Friend will know that there is a unique and prominent war memorial there to the Polish airmen who fought with the RAF for Britain and Poland in the last world war. I acknowledge it every time that I go by.

Daniel Kawczynski: I know the Polish nation and spoke to Polish Ministers a few weeks ago. The Polish people very much appreciate the monument that was built at Northolt to remember what they did in the second world war.

We must use our armed forces far closer to home. We have heard today about the interventions around the world in which our dedicated British armed forces are involved, but I delicately and gently suggest to the Minister that we have to use the expertise of the military to deal with some of the critical problems that we experience as an island nation in Europe. We need to try to deal with the things that matter to people.

I make no apology for raising this matter. I speak following one of the most difficult weeks that I have had as a Member of Parliament because one of my constituents—a young Shrewsbury girl—was raped by a failed asylum seeker from Africa. I am the chairman of the all-party group on Mauritania. I am appalled by the lack of financial assistance and expert training that we are giving to Mauritania and other west African countries to help them to deal with the thousands of illegal immigrants who pour from west Africa, via the port of Nouakchott in Mauritania, to the Canary Islands and ultimately the United Kingdom. Many people die on the perilous journey to the Canary Islands. There is an appalling and tragic situation right on our doorstep, but despite all the questions that I have tabled, all that has happened so far is that the European Union has sent a couple of dinky tug boats to help. Surely the Government should be doing more

about such a grave matter and using the expertise of our armed forces to help the Mauritanians to train their navy to police their waters more efficiently and thus stop the terrible human tragedy of immigration from west Africa to Europe, which causes great suffering. I make that point strongly to the Minister.

The Territorial Army is in crisis. Many personnel are leaving due to the huge pressures that are imposed on them. My right hon. and learned Friend the Member for Devizes (Mr. Ancram) recently stated that recruitment to the TA is in crisis, and I totally agree with him. Other hon. Members have commented on the parlous state of the TA. During a debate on defence a few months ago, the then Minister rejected our concerns about the TA and assured us that numbers in the TA were rising, but that is not the case. Anyone who examines the figures will see that there is a tremendous outflow of members, so we need to do something about that.

Mr. Ellwood: I am sorry to interrupt my hon. Friend's flow, because he is making a powerful speech. I went to a briefing at the Ministry of Defence about the TA and its numbers. Does he agree that it is upsetting to hear that members of the university officer training corps are now being included as part of the overall numbers for our TA, which is distorting the figures that show our true strength?

Daniel Kawczynski: I agree with my hon. Friend. That practice shows how desperate the situation is. The Government will spin it in any way they can to make the situation look better, but I have spoken to loyal members of the TA in my constituency, who have been extremely forthright—more forthright than I would have imagined—about their concerns.

Lastly, there are huge dangers in European defence co-operation across the board. The European Union wants a common defence force that would act almost as one across the entire European Union. We are the strongest military nation in the EU and we should cherry-pick our closest collaborators and partners. The Europe of 25 nation states has widely varying levels of capability. If I may say so, rather controversially, we can rely on seven countries in the European Union far more than on others to support us in combat. One of those—I do not apologise for mentioning it—is Poland. We should cherry-pick our partners and not have a common European defence force.

4.51 pm

Mr. Lee Scott (Ilford, North) (Con): I open my remarks by paying tribute to the men and women of our armed forces. Their determination, courage and sheer professionalism ensure that the quality of Britain's armed forces is second to none in the world. It should be remembered that large numbers of the personnel deployed are members of the Territorial Army. Their involvement is vital to the scale of the commitment of British forces overseas. Our military continue to do a tremendous job, serving their country both here in the United Kingdom and in many deployments overseas.

I am sure the House will join me in acknowledging the debt we owe to all our service personnel who have lost their lives in the most recent conflicts. We owe them a debt of gratitude, and our thoughts and prayers must go to their families and friends.

It is vital to remember the harsh fact that the UK spends just 2.2 per cent. of its gross domestic product on defence. That is the lowest figure committed to our armed forces since 1930. In addition, we must remember the high cost of modern high-tech weapons systems. A modern naval destroyer may be a formidable combat asset, but no amount of high-tech wizardry can get the vessel deployed to two separate locations at the same time.

Our spend of 2.2 per cent. of GDP on defence may be low by Britain's historic benchmark, but it is higher than that of our European partners. For example, Germany spends 1.4 per cent. of its GDP on defence, Spain 1.3 per cent. and Austria only 0.7 per cent. on defence, although it must be remembered that those nations have very limited overseas deployments. The United States of America, however, spends more than 4 per cent. of its GDP to fund its military.

We all recollect the reports of equipment shortages suffered by our troops in Iraq in 2003. Those were caused by the decision to hold off any preparation until late November 2002, four months before the start of the conflict. Ammunition, body armour and radios were among the equipment in short supply. During the war, members of 7 Parachute Regiment, Royal Horse Artillery were forced to use captured AK47s because their own SA80 rifles jammed. That was a direct result of insufficient supplies of oil to keep them functioning.

The American soldiers and marines in Iraq have access to RG-31 Nyala mine-protected vehicles which enable the crew to survive the blast of an improvised explosive device. Canadian troops deployed in Afghanistan also use RG-31s. British soldiers and Royal Marines need to make do with lightly protected Land Rovers. That is not acceptable. Shortages of vital spare parts mean that tanks, armoured personnel carriers and other vehicles are being cannibalised to keep other vehicles operational. Similar practices are used to keep aircraft operational and ships seaworthy.

Military equipment wears out, it is damaged, or it becomes obsolete, so it must be replaced. In Portsmouth, for example, there are 19 redundant warships. In too many cases, their replacements—we have heard that equipment will be replaced—have not been built or, in the case of aircraft carriers, have not even been designed. Too often in recent years, new equipment has been delivered late or over budget. In a speech at the 2001 Labour party conference, the Prime Minister promised a "strong defence capability". The reality, however, is that the Government have delivered cuts in service personnel, aircraft, tanks and ships. There are fewer trained personnel in the British Army, the Royal Navy and the Royal Air Force than in 1997, despite a significant increase in defence commitments.

According to Lord Guthrie, the former Chief of the Defence Staff, in *The Sunday Telegraph* on 12 September 2004, the Army is "dangerously small". Cuts have been made to the Territorial Army, which is at its lowest strength ever, as my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) said. Current operations rely on the men and women of the TA, but the frequency and length of deployments discourage people from signing up to the TA, the Royal Naval Reserve and the Royal Auxiliary Air Force. Government cuts in manpower and extra commitments mean that our armed forces are

[Mr. Lee Scott]

dangerously overstretched. In April this year, the Select Committee on Defence report on the MOD's annual accounts identified the overstretch in our armed forces as a cause of concern. The rules for minimum gaps between tours are breached in the Army, Navy and Air Force, and critical shortfalls in manpower have had a severe impact on specialist units.

Our military forces are being asked to do more than at any time since the second world war, as major operations have taken place almost every year since 1997. There have been new peacekeeping deployments, including one to Kosovo, and lengthy, ongoing operations in Iraq and Afghanistan have increased our commitments. In addition, the armed forces have had to assist in civil operations, tackling the foot and mouth outbreak in 2001 and providing services during the firemen's strike of 2002-03. It is unfair and self-defeating to keep taking personnel away from their families, and to provide unreasonably short breaks between operational tours, as that imposes an intolerable strain on family relationships and results in a far higher failure to retain experienced recruits.

Finally, I should like to touch on some personal issues. In the first Gulf conflict, I was in Israel when Saddam Hussein launched his Scud missile attacks on Tel Aviv and other Israeli towns. The hon. Member for Leyton and Wanstead (Harry Cohen) was concerned that Saddam Hussein would not receive a fair trial. Did Saddam Hussein give a fair trial to the tens of thousands of people he massacred or to the people he gassed? He could not care less about any of his citizens. He is receiving a fairer trial than he gave anyone in his country. Iraq is a better place without Saddam Hussein, who was no great philanthropist.

I was not a Member of Parliament when the decision to go to war in Iraq was made. We must weigh up the situation. The loss of civilian life is terrible—I do not believe that anyone in any part of the House would say otherwise—but democracy allows the people to decide their own future. It is pointless to pretend that there will not be troubles along the way. Our involvement could have been better thought out, but that does not mean that it was wrong to remove a vile dictator who could not care less about his own people.

I do not pretend that my constituency is a military one, but many people have contacted me about Afghanistan and the vile trade in drugs that end up on the streets of my constituency. Charitable organisations try to stop our youngsters getting on to drugs, and if youngsters are unfortunate enough to get on to drugs, they help them with rehabilitation. The situation can only be helped by Afghanistan not exporting drugs to Europe, America and elsewhere.

Too often, we hear people condemn our troops for their actions. As has been said, however, we must recognise the tough job that our troops are doing. We are not talking about policing the streets of my constituency, although given the antisocial behaviour that sometimes takes place, perhaps that is what we need. Our troops are in an area in which they are being attacked daily. People are blowing themselves up to kill innocent civilians, and many of the deaths involve innocent civilians being killed by insurgents, who also attack our troops. I, for one, think that our troops are doing a wonderful job and that we should be proud of everything that they do rather than condemning them.

Mr. Ellwood: My hon. Friend is making a passionate speech and pointing out some of the concerns, which many of us share, about Afghanistan. We have not covered the responsibility of Afghanistan's neighbours to challenge the trade in narcotics. My hon. Friend has mentioned China, but does he agree that Pakistan has a role to play in preventing narcotics from being moved into the United Kingdom?

Mr. Scott: My hon. Friend has made a valuable point, and he is correct. I watched this Chamber before I was a Member of Parliament, and I have watched it since I became a Member of Parliament. I have seen politicians of all parties score political points at the expense of our wonderful troops, who protect us and defend our lives. No one wants to see civilians, whether they are in Afghanistan or Iraq, being killed, but what is done is done, and we are duty bound to make sure that Iraq and, indeed, Afghanistan are better places when we leave than when we went in. I think that we will achieve that goal, and I pray that we will. Have wrongs been committed? It is alleged that they have, and if they have, they must be looked into and rectified, but that does not make everything wrong.

In a previous life, I worked for an international charity with which I visited Ramallah. When I went into houses there, the people wanted a roof over their heads, food on the table and a peaceful existence—it is never the majority who cause the problem; it is always the minority. We can all make a difference, whether or not we agreed with the war in Iraq, and whether or not we think that we should be in Afghanistan. The people expect us to make a difference, and if we let them down, perhaps we are betraying what we are here for.

In my year in Parliament, I have not made that many speeches in this House, because I believe that unless one has something relevant to say, one should not say anything—perhaps I am unique in thinking that. However, this matter is important, which is why I am proud to speak in this debate.

In conclusion, our troops are doing a marvellous job. I hope that they are home soon for them and their families, and I hope that there are no more announcements expressing condolences to the families of troops who have lost their lives doing our work. I am proud of our troops—I am sure that everyone else is, too—and I send them my good wishes and wish them a speedy return home.

5.4 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to be called towards the end of this debate and to follow my hon. Friend the Member for Ilford, North (Mr. Scott), who spoke thoughtfully and passionately about our debt of gratitude to our armed forces. I am sure that we all share those thoughts.

I join my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) in saying that we have had an interesting, thoughtful and provocative debate, but I am afraid that it has been far too wide ranging. We have managed to cover subjects as diverse as Army barracks, the joint strike fighter,

operations in Iraq and the nuclear deterrent, not to mention all the other issues that are so important to us as individual Members or to the nation as a whole. We cannot go into all those areas in sufficient depth in the course of one afternoon's debate. I hope that the Minister and the usual channels will bear in mind that we need properly to analyse the decisions made by Government and scrutinised by Parliament.

Mr. Ingram: The hon. Gentleman and I have exchanged comments on this before. I take on board his general sentiments, but remind him that this is the third in a series of defence debates, with another one still to come. We try to separate out the various subject headings so that we can concentrate on one at a time. Personnel will be the next subject, while equipment was the previous one. Policy is a very wide-ranging subject. If we do not specify certain topics, Members will mention them anyway, because they talk about the things that they want to talk about.

Mr. Ellwood: I am grateful to the Minister for that helpful comment. I have a huge amount of respect for him, as he knows, but he must be aware of my views given my intervention on him at the start of the debate. The proposed subject of today's business is defence policy and the fifth report from the Defence Committee on the UK deployment to Afghanistan. Afghanistan is not solely a military topic, so representatives from the Department for International Development and the Foreign and Commonwealth Office should be here as well.

Mr. Ingram: The hon. Gentleman makes useful contributions, but I think that he has misunderstood the title of the debate, which is about defence policy. The Defence Committee has tabled its report on Afghanistan—it could have tabled any of its reports—so that becomes a subject for discussion, but the debate is about defence policy overall.

Mr. Ellwood: Either way, I think that the Minister understands my point. If we are to do justice to the important subject of Afghanistan, I should like to see not just him on the Front Bench, but his colleagues from DFID and the FCO.

One of the major topics that we have discussed this week is our nuclear deterrent capability. That came about because of the comments that the Chancellor made in his Mansion House speech last night. I found those comments very unhelpful. He sent a confusing message as to what the Government mean by long-term strategy, and a patronising message to the House of Commons about how and when debates on such subjects should occur. A decision has to be made on this important subject, and I am pleased that my hon. Friends on the Front Bench have said that we will demand a vote on it. The nation expects us to debate and to vote on it. It is sad that the Government are putting out messages here and there to satisfy—or agonise—Labour Back Benchers, instead of promoting the debate on this country's nuclear deterrent.

We have already heard confusing messages on the subject. As the Minister will be aware, we design and make our own nuclear deterrent. The bombs are British; the American component is the delivery vehicle—the D5 missile. Without that, we obviously do not have the ability to deliver. Without the nuclear submarines, we do not have the capacity to move the missiles. All those issues are up for debate because they have a shelf life and therefore need to be discussed in the next year or so. Perhaps the Under-Secretary will give us some idea in his winding-up speech of the official timetable, bearing in mind the Chancellor's comments last night.

The Minister said that the debate was wide ranging and I want to consider missiles and missile capability. We talk about the subject with passion, whether or not it involves our constituents. We speak about the Royal Air Force, the Navy and the Army, but the advent of new missile technology is changing the conduct of warfare. For example, the radar systems that we now use mean that an aircraft-borne rather than a ship-based radar is required to keep our battleships safe. That is a fundamental change from the time of the Falklands war.

The Storm Shadow missile can be fired from 350 km away. If a missile can be fired from such a position, that changes warfare. It perhaps calls into question the existence of the artillery. I realise that, with that sentence, I have upset a massive chunk of the British Army, but it is a major question that we need to answer. What is the role of the artillery, given that an AS90, which is the standard artillery weapon, can fire only 15 miles, yet requires a battery of troops to provide the facility? Storm Shadow—indeed, any of the weapons systems that now exist—has changed the operational nature of what we do.

We have not held a debate about where we are going in the next five to 10 years because of changes in technology. That is the sort of debate for which I am asking the Minister.

Mr. Ingram: The hon. Gentleman should examine the debates on the consideration that we have given to future Army structure. That consideration is about restructuring the Army away from heavy into medium and light. Much re-roling is happening to deal with some of the issues that he mentioned and, importantly, to return to the Army some 3,000 posts in the specialist pinch points. Those key enablers will strengthen the Army's capacity. That takes time, but we are investing in it.

Mr. Ellwood: I am grateful for that intervention, which provides some clarity. I hope that the debate will not be confined to the Army, but extend to the military as a whole.

A comment was made about disbanding the RAF. I hope that that does not happen but we must bear in mind that aircraft have been divided into two huge sections. A small or medium-sized helicopter is under the umbrella of the Army, whereas a large-scale helicopter or a fixed-wing plane is under that of the RAF. However, a commander wants to have the full array of assets under his command. He does not want to go through another operational level or a separate cell to call on those assets. We need to consider such command structures.

I want to consider the Typhoon—the Eurofighter. The first tranche is due now—I believe that there are

[Mr. Ellwood]

55 aircraft, but I stand to be corrected if that is not the case. However, they were procured during the cold war and they are air-to-air combat aircraft. I do not know with how many nations we shall have dogfights. Again, the technology has moved on, as has the enemy. We need to be ready for any scenario—for any development or future threat—but to devise an aircraft that has only air-to-air capability limits our ability to defend our nation.

The Typhoon has great missile capability: ASRAAM and AMRAAM are medium-range and short-range missiles but, again, they are air-to-air. We need them, especially to deal with threats such as 9/11, but we also need the capability to support our troops in Iraq and Afghanistan, where there is a ground threat. We therefore need to be able to take out ground targets.

The armoury of the missiles in our portfolio is not compatible with all our aircraft. Storm Shadow, Maverick, Brimstone and Paveway are our ground attack missiles, but none of them can be used on the Eurofighter. I wrote to the Secretary of State to ask what air-to-ground missile system the Eurofighter would employ. The reply was:

"Integration of air to ground missile systems onto RAF Typhoon, including the Storm Shadow cruise missile and the Brimstone air-launched anti-armour weapon, is being considered as part of the Typhoon Future Capability Programme."—[*Official Report*, 17 May 2006; Vol. 446, c. 954W.]

That is not good enough. We simply cannot spend millions of pounds on 230 aircraft that are unable to share the array of missiles that we need because the technology and the way in which we conduct warfare have changed. Our Jaguars are disappearing, our Harriers are being sold off and our Tornadoes are coming to the end of their shelf life, but there is no sign of the joint strike fighter coming on line. Our ground attack capability is therefore questionable, yet that is the very capability that we need in Afghanistan and Iraq.

Afghanistan has been the focus of many hon. Members' contributions today. I had the honour to visit Afghanistan last week, and it was quite an eye-opening experience. The openness of the country was the first thing that struck me. Of course, there is a handful of major cities, but beyond them much of the mountain and desert terrain is inhospitable. Every so often, there is a river basin—such as that of the Helmand river—that is heavily concentrated with villages and towns. Such places are widely spread apart. A tiny village in Helmand province, for example, is extremely remote from what is happening in Kandahar or Kabul. That means that the people there do not hear the advice, the directions or the words of support that are coming from the Afghan Government. They are very much looking after themselves. These villages consist of tribal communities, and their loyalties are to the families and to the tribes of which they are part, rather than to the country of Afghanistan as a whole. Indeed, the word "country" should perhaps be used advisedly in that location. It is clear that, in that atmosphere, the Taliban and al-Qaeda are able to dominate and to work almost without feeling a threat from the NATO or ISAF forces.

While I was in Afghanistan, I had the opportunity to visit the ISAF headquarters and see the co-ordination between the Department for International Development and other international organisations. I am pleased to say that our operations are working very closely together. There is no doubt about that. However, we are now spending about £45 million a year from the DFID budget and about £50 million from the military budget. Where is the accountability? Where is the co-ordination? I called for more than just one Minister to come to the debate today to explain what is happening in that regard.

I also had the opportunity to meet General Jones, the NATO commander, and Sir David Richards, the general in charge of ISAF. Both expressed concern that mission creep was taking place in Afghanistan. On page 25 of its report, the Defence Committee states:

"We remain uncertain of the exact role which UK forces will be asked to play in support of the counter-narcotics strategy and call on MoD to provide clarification."

That call has been echoed by other hon. Members today, and I hope that the Minister will be able to clarify where the line is to be drawn and what our involvement with that strategy will be. Will he explain how the division of labour is to be determined and who will take responsibility for these matters? If we do not solve these problems now, the move from stage 3, which involves taking over three quarters of NATO's responsibilities, will be threatened when we move into the final stage to take over all responsibility for co-ordination in Afghanistan.

Caveats have been mentioned, in which the Governments of countries providing NATO troops say that their troops cannot go into combat, for example. Too many countries are doing that and, as my hon. Friend the Member for North Wiltshire (Mr. Gray) said, many countries are limiting themselves simply to providing troops in non-combat roles. That is not good enough if we want Afghanistan to work as a nation.

I was impressed by what ISAF is doing. Unfortunately, the footprint that it is creating is extremely limited. It cannot cover the entire country. We have spent a lot of time focusing on Helmand, but it is only one of 30 provinces. The neighbouring province of Nimroz does not contain one international soldier. Where does a member of the Taliban go if things start to get hot in one province? Obviously, he moves next door to the other. Unless there is a larger commitment on the part of other NATO countries, we shall not be able to fulfil our mission.

The mission is likely to come under more question—not because of what we are doing with NATO but because of what is being done under the umbrella of security that we are creating in the reconstruction and development programmes. As I told the Minister during our debate in Westminster Hall yesterday or the day before, there is clearly no co-ordination between the myriad international organisations—the United Nations, the European Union, the non-governmental organisations, and all the counter-narcotics agencies that have gone into Afghanistan. Their hearts are in the right place, but unfortunately the money is being spent as those agencies compete with their overlapping projects, and the lack of co-ordination means that a great deal of money is wasted. Although more than $400 million has been spent on challenging the narcotics trade, last year saw the biggest bumper crop ever: 400,000 tonnes of poppies were produced. That

shows that our international effort is failing, and unless we do something about it our mission in Afghanistan will be brought into question.

Our debate has been far reaching and useful, but there are many questions that I should like the Minister to answer. We have not really talked about the Sea Harriers, and the gap that will be created in air cover. We have not talked about the F-35 and the limitations imposed by the United States Government—or, to be fair, a corner of Capitol Hill—on the repair and upgrade of that project, which threatens our purchase of the joint strike fighter in the long term. We have not really touched on what will happen to the aircraft carriers, although there seems to be delay after delay with the announcements. We have not discussed the future rapid effect system. We have not even discussed the A400M, which was once called the future large aircraft, but now that it is so far in the future that we are not going to see it, that name has been dropped. We have certainly not discussed the NATO deterrent to the extent that the nation would wish.

The Minister mentioned policy and I was pleased to hear about some of it, but we could do with an entire debate on the overlap of the EU mission, from a military perspective, with what is happening with NATO. A clash will come, if it has not come already. We need a debate on the procurement of equipment in general. There are also concerns about the future, on a wider and more serious note—

Mr. Deputy Speaker(Sir Alan Haselhurst): Order.

5.22 pm

Dr. Julian Lewis (New Forest, East) (Con): I begin with a question that is not entirely rhetorical. Which Labour politician has described the Trident programme as

"unacceptably expensive, economically wasteful and militarily unsound."—*[Official Report, 19 June 1984; Vol. 62, c. 188.]*

Which Labour politician supported

"a Britain not aligned to any major power"

—and therefore presumably no longer a member of NATO? Was it the hon. Member for Leyton and Wanstead (Harry Cohen), who believes in such things, and has for many years? Was it the hon. Member for Islington, North (Jeremy Corbyn), or perhaps the hon. Member for Sunderland, South (Mr. Mullin)? I have to say that it was none of those. It was, in fact, the Chancellor of the Exchequer.

Admittedly that was some years ago, at a time when we faced an extremely visible nuclear threat from the then Soviet Union. I am delighted to note that although the imminence of the threat has declined, appreciation of the issues—at least as far as the Chancellor is concerned—has clearly increased.

It is not every day of the week that defence features on the front pages of the newspapers. One would like to think that such an achievement would cause joy and rejoicing, and the ringing of bells in the Ministry of Defence.

Mr. Robathan: A sinner repents!

Dr. Lewis: A sinner has indeed repented. The only question is: what is the nature of the repentance? The headlines make that quite clear. The *Daily Mail* says "Brown pledges £25 billion to new Trident". The *Financial Times* says "Brown in promise to replace Trident". *The Daily Telegraph* headline is "Brown in favour of updating Trident", while the headlines in *The Times* are "Brown ready to call the shots by replacing Trident missiles", and "Britain to buy new nuclear deterrent". The headline list would be incomplete without the trusty old *Daily Mirror*'s "Nukey Brown" and "Gordon: I will back £25bn A-bomb".

The irrepressible Minister for the Armed Forces has claimed that the Chancellor said nothing new but was merely repeating what was in the Labour general election manifesto. My hon. Friend the shadow Secretary of State was prepared to give him the benefit of the doubt, but nevertheless I detected a straw in the wind in the words that the Chancellor used last night. He talked about retaining our nuclear deterrent, but he also used the words

"in this Parliament, and the long term also".

It is hard to see how the phrase "the long term also" could apply if he was talking only about retaining the present deterrent.

However, we do not have to rely on that exegesis, as *The Guardian*—which knows about these things—reports:

"Treasury sources made it clear that although Mr. Brown talked about retaining the nuclear deterrent rather than replacing it, the chancellor was giving his personal backing to a new generation of missiles."

That is a clear answer to the question that my colleagues and I have asked Ministers on many occasions: are they talking only about retaining the existing deterrent, or about a decision to replace it?

If the Minister's interpretation of the Chancellor's comments is correct, why has the Chancellor not been rushing to the media today to say, "Chaps, sorry, you've got it all wrong. All those headlines are wrong, and I was merely saying what we've said all along—that we're not going to scrap the weapons that we already have. I have no thought in my mind about replacement."

The Prime Minister's spokesman has been doing his best to clarify matters—not in respect of replacement, but on whether there will be a vote on the issue. Much to the satisfaction of people like the hon. Member for Leyton and Wanstead (Harry Cohen)—

Harry Cohen *indicated assent.*

Dr. Lewis: I see that the hon. Gentleman is nodding enthusiastically, because the Opposition have ensured—even if we have to use one of our days—that hon. Members of all parties will have an opportunity to vote on the matter, whether the Government want that or not.

The Lobby briefing document states that, on Trident, the spokesman

"was asked whether any vote in the House of Commons would be a 'straight yes/no vote' or would there be a series of options. The spokesman said, 'What the Prime Minister said yesterday, echoing what he has said before, is that there will be a proper discussion.' 'But would there be a vote?' he was asked again. 'There will be a proper discussion,' he replied."

Defence Ministers have said today that no decision has been taken, either in detail or in principle, but I believe that they are trying to plug the hole in the dam

[Dr. Julian Lewis]

that the Chancellor has opened up. There is no real excuse for a delay in making a decision in principle. My hon. Friend the shadow Secretary of State outlined with his customary elegance and eloquence exactly why there is a need for a nuclear deterrent in the 21st century. It hinges on one simple concept: the unpredictability of any outbreak of war in the future—and I think that I detect the Minister nodding in some form of agreement with that proposition.

However, we are talking about having a nuclear deterrent between 2020 and 2050. Given that the real justification for that is that we cannot anticipate what threats might materialise from countries armed with weapons of mass destruction, why delay deciding the question of principle? The principle will be unaffected in a year, six months or three months from now. If we are going to decide then that we need to keep a nuclear deterrent because of the unpredictability of future threats, we might as well as do so now. It is interesting that the Chancellor has decided on it now, even though the Secretary of State for Defence and his colleagues who are at least here today are still trying to pretend that he has not.

If I had to summarise the themes that have primarily emerged in the debate, I would say that they are three: Trident and the principles behind it; Afghanistan and the tactics involved in dealing with that issue; and Iraq and what is best described as the political will to win. I have already addressed the first of those issues, and I want to say a word or two about Afghanistan.

My hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) mentioned in passing the practice of reading out at Prime Minister's Question Time condolences for individual members of the armed forces who have lost their lives. That is honourably motivated, but it is worth remembering that it would have been quite impracticable in most of the wars that we have fought in the past, because there were many more casualties in those wars than are being incurred among British service personnel in the campaigns today.

In a strange way, therefore, the country has perhaps lost sight of the fact that when we engage in armed conflict, there are very heavy prices indeed to be paid. One of the reasons why the country has lost sight of that is that the longest war that we successfully fought and concluded in recent times was the 50 years of the cold war, and it ended without a shot being fired. All those countries that had been held under dictatorship and suppression were able to come out into the sunlight and pick up the reins of democratic practice. That was an exception to the rule of history, and we delude ourselves if we think that we can engage in conflicts, such as those in Afghanistan and Iraq, and expect that they will be as simple as that involved in substituting a democracy for a dictatorship.

We must look back to the successful counter-insurgency campaign—I have made this point from the Dispatch Box before—that was waged over 12 years in Malaya. That is how long it took. Whether that campaign, which has been widely taken as the model of winning hearts and minds, could be fought to a successful outcome today, with legalistic supervision and 24-hour media coverage, is open to question. As well as winning hearts and minds, the tactics involved were to send armed patrols out to find the enemy and eliminate them ruthlessly, while isolating them from the population at large.

I am relieved that the new Secretary of State for Defence seems to have consigned to the wastepaper bin the absolutely nonsensical description and distinction that his predecessor, whom I much admire—I make no secret of that, but I did not admire him for doing this—tried to draw between counter-terrorism and counter-insurgency. In any such campaign, if we wait for terrorists or insurgents to come to our armed forces before we react, we will lose. The only way in which such a campaign can succeed is to follow the aggressive strategy against the insurgents that is now being followed, and in which British forces are clearly engaged, whereby they are seeking out the enemy. As a commanding officer, Brigadier Nick Pope, has just said:

"We have put the terrorists on the back foot and seized the initiative."

That is what must be done, and I welcome the fact that the politicians are catching up with the military—in so far as they are doing so.

I will come to Iraq in my final remarks, but I now wish to turn briefly to the contributions that hon. Members have made from the Back Benches. There were 10 of them—three from Government Back Benchers and seven from Opposition Back Benchers. All of the latter contributions were, for some reason, from Conservative Members, rather than from Members of the self-styled "real" Opposition: the Liberal Democrats.

The hon. Member for Leyton and Wanstead, to whom I have already referred a couple of times, made a consistent speech in which he talked thoughtfully about the dangers of failed states. He also made a remark that should give all of us pause for thought when, in speaking about the situation in Somalia, he said that one must not react intrinsically against any new Muslim administration without being absolutely certain that they intend to ally themselves with militant Islamism that is hostile to freedom. Such a group might be a potential enemy of that sort, but we must be very careful before we decide that; otherwise, we are playing the game of the terrorists and creating allies for them.

The hon. Member for Stoke-on-Trent, South (Mr. Flello) is a living example of the value of the armed forces parliamentary scheme. I am delighted to say that I am on my fourth incarnation in that scheme. I pay tribute to the patience and hospitality of the commandant at the Royal College of Defence Studies, Sir Ian Garnett, and his colleagues, in welcoming me and several other Members on to this year's course. It is greatly to the credit of the hon. Gentleman that so soon in his parliamentary career, he decided to undertake the major commitment of doing the AFPS course. His contribution made clear the great benefit that he has derived from it.

My right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) touched once again on his concerns about the decision to invade Iraq, but he was absolutely resolute on the vital importance of not reducing our military

commitment in Afghanistan. He said that once we decide to go somewhere we must stay, and that sending signals about withdrawals and timetables would be the worst possible thing that could be done for the welfare and safety of our forces.

The hon. Member for Portsmouth, North (Sarah McCarthy-Fry) made a very strong speech. She made a robust defence of the armed forces in Iraq and touched on the role of the media—an issue to which, if I have time, I shall return at the end. My right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot), who is Chairman of the Defence Committee, said that the Chancellor had repeated the Labour manifesto commitment on defence. He also raised the important issue of whether the Chancellor proposes to put his money where his mouth is, if he does indeed intend that the nuclear deterrent should be replaced, by funding it separately.

My hon. Friend the Member for North Wiltshire (Mr. Gray) asked a series of penetrating questions; I am glad that I do not have time to attempt to answer them all. My hon. Friend the Member for Blaby (Mr. Robathan)—I was sorry not to be present when he made his speech—stressed, typically robustly, the need for senior officers to stand up for their troops.

My hon. Friends the Members for Shrewsbury and Atcham (Daniel Kawczynski) and for Ilford, North (Mr. Scott) illustrated something that is very true about life in this Chamber: when Members put aside their prepared speeches and speak from the heart about a topic that really excites and inspires them, they can hold the House in the palm of their hand. My hon. Friend the Member for Bournemouth, East (Mr. Ellwood) is a persistent campaigner on defence issues and—be it votes on Trident, roles for Typhoon or narcotics in Afghanistan—today was no exception.

My final point relates to the situation in Iraq, where a process of competing political will is being undertaken. I return, as I said I would, to the reference that the hon. Member for Portsmouth, North made to the media. Over the 50 years of the cold war, we saw that political will was as important as actual military capability. The attempts that are being made in Iraq to break the political will of coalition forces are indeed being fuelled by selective media reports. There is an answer. The Government need a media strategy to ensure that propaganda from those who sympathise with the insurgents and the terrorists is matched by hard facts from the coalition forces, ably disseminated. I am not yet convinced that the Government have fully got their act together. I shall be interested to hear whether the Minister can reassure me.

5.40 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): We have had a wide-ranging debate on defence policy. I point out to the hon. Member for New Forest, East (Dr. Lewis) that we have indeed had a proper discussion, although I note that we shall not conclude it with a vote.

My right hon. Friend the Minister for the Armed Forces introduced the debate by talking about aspects of our broader defence and security policy, including the defence industrial strategy, arms control and the role of international institutions. He set out future challenges and how we see our policy evolving to deal with them.

Many Members made great contributions to the debate and first out of the trap was the hon. Member for Colchester (Bob Russell), who asked us to confirm which nations are currently posted in Helmand province. Denmark and Estonia are currently there.

The hon. Gentleman also asked about service accommodation in Colchester, but since he is not here, I will not give the House a detailed response. I am sure that he will catch me at some appropriate point so that I can fill him in on the detail.

My good and hon. Friend the Member for Leyton and Wanstead (Harry Cohen) distinguished himself, as ever, by standing out against the crowd. Nothing has really changed, in that he and I probably disagree on absolutely everything he said, except when he quoted President Karzai saying that we need to support the institutions of civic society in Afghanistan. President Karzai has also said we need to deal with narcotics and terrorism, which are the biggest threats to those civic institutions, a theme echoed in the considered contribution of the right hon. Member for North-East Hampshire (Mr. Arbuthnot).

My hon. Friend the Member for Stoke-on-Trent, South (Mr. Flello) has distinguished himself by making a big impact in the House in just 12 months. He talked about the armed forces parliamentary scheme. Like others, his experience on the scheme has clearly given him an idea of the front-line issues that our forces face. Tribute was paid to Sir Neil Thorne and we would all agree he does an excellent job in administering both the armed forces and the police schemes. When I completed the police scheme, I gained some understanding of the pressures gone through by people on the front line in the forces and the police. So much of what they do involves split-second decisions, and we can understand that mistakes are made. The schemes assist all Members, particularly those with civilian backgrounds, on the common problems faced by our three services.

My hon. Friend also talked about improvements in our service people's kit. I was pleasantly surprised to visit Chilwell last week, where we prepare our reservists for mobilisation. The difference over even the last five years in the kit with which they are issued is remarkable. It would be a great fashion item in West Bromwich high street—the services need to keep an eye on where the stuff goes—because it is so well designed now, not just to be practical but to be quite fashionable.

The right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) made his usual wise contribution. Much of what he said about what we have to do in Afghanistan was endorsed by many Members. He made a point about the Ministry of Defence having no friends, but I am not quite sure that was the case in the debate, although the hon. Member for Blaby (Mr. Robathan) probably has no friends left at the MOD—

Mr. Robathan: Not true.

Mr. Watson: I shall come to the hon. Gentleman in a minute. He certainly lost a few friends after part of his contribution.

Daniel Kawczynski: I am not known for making personal comments in the Chamber, but does the hon. Gentleman agree that the defence forces cannot have many friends among the Liberal Democrats as only one Lib Dem has been present during the debate?

Mr. Watson: I am sure that the hon. Gentleman's comments have been heard.

The contributions of the right hon. and learned Member for Kensington and Chelsea must always be observed. He has many protégées, one of whom is standing for election in Blaenau Gwent today. I know he would want me to remind him of her views on Trident. She has expressed great concern about the future of Trident and about the wisdom of our current campaign in Iraq. I guess those points have to be made on a Thursday.

The hon. Member for Aldershot (Mr. Howarth) asked about the introduction of Lynx helicopters. I can tell him that 40 will be introduced for the Army in 2014 and 30 for the Navy in 2015.

Mr. Gerald Howarth: I am grateful to the Minister for giving the House that information. Can he confirm the following point—if he cannot do so immediately, I am sure that his right hon. Friend the Minister of State will be able to assist him? Before the delivery of the new helicopters, will the current fleet of Royal Navy Lynxes be upgraded in the meantime, because they are seriously overworked? *[Interruption.]*

Mr. Watson: I think that I heard the word "knackered". We need to deal with the situation as best we can.

My hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry) talked movingly about her recent visit to Iraq and stood up for the Navy in Portsmouth. I am sure that all serving personnel in Portsmouth will have been gratified by her words. Members of the Navy can turn their hand to anything. They are not only deployed on current operations but deal with hurricane relief and do important counter-narcotics work in the Caribbean, which I am told is a particularly attractive posting.

My hon. Friend also stood up for her mechanics. A key challenge of my defence brief is to make sure that our serving personnel, who have great skills and are trained to do remarkable things, almost day in, day out, can transfer those skills to civilian life. Sometimes, however, we cannot commoditise those skills into the certificates needed for particular jobs. She raised a good point about the mechanics and I invite her to talk to me about it to see if we can apply some clarity to the situation.

Our service personnel are extremely employable. I was amazed to read that 95 per cent. of them find jobs within six months of leaving the services. Our challenge is to make sure that the remaining 5 per cent. have as much support as possible.

The hon. Member for North Devon (Nick Harvey) put a large number of questions, so I hope he will allow me to canter through just some of them. He talked about harmony and pinch points. Over the last year, the number of regular armed forces deployed on operations has fallen to about 18 per cent., but there are pinch points and we are trying to deal with them. We are trying to target recruitment in particular areas, and we are looking at financial retention and re-engagementincentives, flexibility in the rank employed for some posts and how we mobilise reservists, as well as some contractualisation.

The right hon. Member for North-East Hampshire made a characteristically wise and assured contribution. He raised many wise points. I look forward to his report on strategic nuclear defence next Friday. If it has already gone to the printers, I wonder whether there will be any addendums. I was delighted that he is delighted with the Chancellor's commitment reported in the press today. I shall be joining the Chancellor at a veterans event this evening and I will make forcefully the right hon. Gentleman's point about the need for adequate resources to cover the demands. I am sure that, given the Chancellor's recent pronouncements, he will want to listen to the Chairman of the Defence Committee with great interest. The right hon. Gentleman asked about the Vector vehicle. It is not planned to be available until next March, but it is planned to be deployed with 12 Mechanised Brigade.

The hon. Member for North Wiltshire (Mr. Gray) fired off 30 or 40 points that the MOD should be considering over the next few years. It was a powerful contribution. He raised some serious questions that the UK will have to address in future years. In particular, there were his ideas for a department of military planning, the question of whether we are best served by three intelligence services and, perhaps most controversially in the Department, the question of whether we need three services. He commented that someone had suggested that we should abolish the RAF. There are no plans to do that—

Mr. Gray *indicated dissent.*

Mr. Watson: I know that the hon. Gentleman did not say that we should abolish the RAF. He said that someone else had said it. There is a point about how we deal with some of the service issues on a tri-service basis. One of the key challenges that we will have to take on in the next few years is to how we train our personnel. The defence training review will look at how we can provide basic training and specialist training on a tri-service basis.

The hon. Member for Blaby (Mr. Robathan) made an uncharacteristically unfair contribution, although a characteristically robust one. I expect nothing less of a revered Whip. The position that he holds in the Whips Office suggests that perhaps he should engage a little less with such allegations. The comment that he made about the Deputy Prime Minister when the Deputy Prime Minister was not in the Chamber was simply disgraceful, particularly given that he had to apologise to General Jackson for a previous allegation that he made.

Mr. Robathan: What I said earlier was not an allegation; it was a statement of fact and I can back it up with witnesses. If the Deputy Prime Minister wishes to say—as he has—that all soldiers are boneheads, that is a substantial accusation that he should answer. That should not result in an accusation against me for stating a fact.

Mr. Watson: The hon. Gentleman has made that allegation twice and the Deputy Prime Minister is not here to defend himself—*[Interruption.]* He is not here to defend himself. Given that the hon. Gentleman is an Opposition deputy Chief Whip, I thought that the comments that he made on the Chiefs of the Defence Staff were frankly outrageous. I am sure that they do not reflect the view of Opposition Front-Bench Members.

The hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) spoke up for his constituents in his usual way. He spoke honestly and movingly about their views. He made a particular point about our Polish veterans and I was pleased that he did, because I come from Kidderminster, which is not too far away from his constituency and has a strong Polish community. Many members of that community served in the war and have a distinguished record. I am glad that he has given me the opportunity to get my thanks to them on the record. I am going to come out with a world first and praise a Liberal councillor, Mike Oborski, who has been a powerful advocate for Polish veterans over many decades. I glad that we can recognise the work that he does in Kidderminster and in England.

Daniel Kawczynski: He must be the only gentleman of Polish origin who is a Liberal Democrat.

Mr. Watson: He is not actually a Liberal Democrat. He is a Liberal—just to reassure those on the Liberal Democrat Front Bench—who was formerly a Liberal Democrat.

The hon. Gentleman talked about the Territorial Army and said that it was in crisis. I do not want to spend too much time focusing on the TA. There is a debate in two weeks' time on personnel issues and perhaps we can explore the matter in more detail then. The TA has undergone great change in recent years. The Duke of Westminster, whom I did not know before I was appointed to my post, is a really inspiring leader for the organisation. He is literally thinking some unthinkable thoughts about how we can take on some of the challenges that the TA faces in the years to come.

The speech made by the hon. Member for Ilford, North (Mr. Scott) reminded me of England's first game in the World cup, albeit in reverse, in that the second half was inspirational. He made powerful points and held the attention of the House, especially when he spoke about Saddam Hussein and the way in which he treated his people and the people of Israel. The hon. Gentleman made the point that if Iraq is a better place when we leave than it was when we went in, our job will have been done. I think that we can all agree on that.

The hon. Member for Bournemouth, East (Mr. Ellwood) made a wide-ranging contribution and I shall try to capture all his comments if I can. I take his point about the need for the Typhoon aircraft to have an air-to-ground capability. The redesign is taking place, although we have to work with our partners to get that done as quickly as possible.

Like several hon. Members, the hon. Gentleman talked about the need to win the propaganda war in Afghanistan. I absolutely agree with him. We need to ensure that our outreach programmes in Helmand province are right and that they have an Afghan front-facing approach.

Mr. Ellwood: I was not so much talking about the propaganda war—perhaps another hon. Member mentioned that—but trying to point out that there is no co-ordination on infrastructure, rebuilding and development. There is a call for an administrator to govern all that and oversee the money that comes in.

Mr. Watson: We need to build up ties with the leadership of the provincial government there, so I understand the hon. Gentleman's point.

The hon. Gentleman also asked about how the counter-narcotics operation will be conducted. Several hon. Members touched on the need to get that operation right, because if we get it wrong, the area will become more insecure than secure. If the operation is going to be right, it will need an Afghan lead. We must be careful about the way in which we implement the strategy, as many hon. Members said.

Harry Cohen: When I quoted Stop the War as saying that a death occurs every hour in Basra, the Minister intervened to ask where it got its figures—he was casting aspersions on Stop the War with that comment. I have looked it up. The information came from an article in *The Independent* of 17 May by Patrick Cockburn, who was in Arbil, which said:

> "Majid al-Sari, an adviser to the Iraqi Ministry of Defence, describing the situation in Basra to the daily al-Zaman, said that on average one person was being assassinated every hour."

Will my hon. Friend apologise to Stop the War?

Mr. Watson: When I intervened on my hon. Friend, I simply knew that he would leave the Chamber and spend night and day trying to find the source of the quote. However, he will know that it is almost impossible that I am going to apologise to Stop the War, given the campaign that it is running to undermine our British forces abroad. Its behaviour undermines confidence in our services, so I will not take up his offer to apologise on this occasion.

In closing the debate, I want to make two points, although I will have to cut them down. First, we need to ensure that our people, who do a magnificent job, are properly looked after. Secondly, we need to ensure that they have the equipment that they need to do the difficult and dangerous things that we ask of them. Our success depends above all else on our personnel. I am sure that hon. Members will wish to join me in once again paying tribute to the courage and professionalism of the men and women of our armed forces—both regulars and reserves. Those extraordinary people are doing extraordinary things in the most challenging circumstances. They are making a unique and valuable contribution to help to bring peace and security to Afghanistan, Iraq, the Balkans, Northern Ireland and elsewhere in the world. I know that our debate will have reassured them that we have their best interests at heart and are all working to ensure that they have the finest support from the British Parliament.

Lord Commissioner of Her Majesty's Treasury (Mr. Alan Campbell): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

PETITIONS

Health Services (Oxfordshire)

6 pm

Tony Baldry (Banbury) (Con): I am grateful to have the opportunity to present a petition signed by some 15,000 of my constituents, and also to present a petition on behalf of my right hon. Friend and neighbour the Member for Witney (Mr. Cameron), concerning health services in Oxfordshire.

The Petition of residents of Oxfordshire

Declares that the Petitioners are extremely concerned about the scale of debt in the Oxfordshire NHS. The existing Thames Valley Strategic Health Authority receives one fifth less than the national average of NHS spending and if Oxfordshire was simply funded halfway towards the national average there would be no debt. This means the NHS in Oxfordshire has one fifth less to spend on acute hospitals beds, drugs provision and staff.

Further declares that of all Trusts in England, it is Oxfordshire which receives the lowest funding for treatment per patient. Government Ministers, including the Prime Minister and the Secretary of State for Health, will be benefiting by funding above the national average to the tune of sums by which Oxfordshire PCTs will be underfunded.

Further declares that the blatant discrimination in the funding system for the NHS is not fair, cannot be justified, and means that in Oxfordshire NHS jobs are under threat, community care is under threat, mental health care is under threat and operations and beds are under threat.

The Petitioners therefore request that the House of Commons calls upon the Government to urgently review the funding system for the NHS in England and Wales, to introduce fairer funding for the whole NHS, to stop staff, patients and families in Oxfordshire and other parts of the country being penalised.

And the Petitioners remain, etc.

To lie upon the Table.

6.2 pm

Mr. Tim Boswell (Daventry) (Con): I have the honour of presenting a petition on behalf of my constituents resident in south-west Northamptonshire, also in relation to funding and related matters connected with the Horton general hospital in Banbury, in the constituency of my hon. Friend the Member for Banbury (Tony Baldry). That hospital is of major interest to a large number of my constituents. Indeed, Miss Horton, its founder, was a resident in my constituency.

The petition is in very similar terms to the one presented to the House by my hon. Friend. I shall therefore repeat only its conclusion, which is in these terms:

The Petitioners therefore request that the House of Commons calls upon the Government to urgently review the funding system for the NHS in England and Wales, to introduce fairer funding for the whole NHS, to stop staff, patients and families in Oxfordshire and other parts of the country being penalised.

And the Petitioners remain, etc.

To lie upon the Table.

6.3 pm

Mr. Edward Vaizey (Wantage) (Con): I have the honour of presenting a petition signed by many thousands of my constituents in Wantage. The petition is couched in very similar terms to those of my hon. Friends the Members for Banbury (Tony Baldry) and for Daventry (Mr. Boswell). I therefore propose to read out only the conclusion of the petition, which states:

The Petitioners therefore request that the House of Commons calls upon the Government to urgently review the funding system for the NHS in England and Wales, to introduce fairer funding for the whole NHS, to stop staff, patients and families in Oxfordshire and other parts of the country being penalised.

And the Petitioners remain, etc.

To lie upon the Table.

Occasional Sales

Motion made, and Question proposed, That this House do now adjourn.—*[Steve McCabe.]*

6.4 pm

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): I am grateful to have the opportunity to hold a short debate on the subject of occasional sales. At the beginning of the Session, I was fortunate enough to be drawn in the private Members' ballot and although, like all who are successful in the ballot, I received a large number of approaches suggesting many worthy measures, I agreed to introduce a Bill to strengthen the law to help trading standards officers and the police tackle the problem of pirate and counterfeit goods being sold at occasional sales, which in the majority of cases are perhaps better described as car boot sales. Unfortunately, because I was relatively low in the ballot—I was 14th—and because of the controversial nature of the some of the Bills that precede mine, I have not had an opportunity to debate the Bill, and I accept that it is unlikely that I shall be able to do so. I should therefore like to use this opportunity to set out the case for such a measure and, more importantly, to obtain a response on behalf of the Government from the Minister for Trade.

I was keen to introduce the Bill for two reasons. First, as Chairman of the Select Committee on Culture, Media and Sport, I am extremely conscious of the importance of the creative industries to the United Kingdom. They contribute an estimated 8 per cent. of our national income, but because they depend on the protection of intellectual property, rather than on a physical product, they are particularly susceptible to piracy and counterfeiting. The protection of intellectual property is the biggest and most important challenge that they face, and I welcome the fact that that has been recognised by the Government through the creation of the creative industries forum and the setting-up of the Gowers review of copyright.

Secondly, I represent an Essex constituency, and I suspect that I do not have to tell you, Mr. Deputy Speaker, that Essex hosts a large number of car boot sales. I do not wish to criticise or impede in any way the operation of car boot sales which, as a Conservative, I regard as an extremely good demonstration of the free market in operation, because they bring together buyers and sellers to mutual advantage. They are a source of pleasure and enjoyment, too, for many of my constituents, for whom a visit to a car boot sale is an essential part of the weekend. However, they are subject to abuse by a small number of operators, who take advantage of them to engage in illegal sales of counterfeit and pirate goods, including branded products such as watches, jewellery, handbags, trainers and polo shirts. The most common products on sale are CDs and DVDs, which can be produced extremely cheaply and are easy to transport and, indeed, to hide.

We are not talking about a small number of dodgy dealers who flog a few DVDs from the back of a van but about a vast industry run by international organised criminal gangs whose profits are huge and whose activities threaten the survival of our creative industries. It is estimated that the total cost to industry is more than £11 billion a year, and there is an additional cost to the Government of about £2 billion in lost VAT. Last year, an estimated 77 million pirate CDs were sold in the UK, representing a criminal gain at street prices of £278 million.

The trail often begins on the other side of the world, in countries such as Russia, Pakistan and particularly China. I recently visited Beijing with the Select Committee to discuss the problem of piracy. A report in the *People's Daily* three years ago suggested that China's legal production lines could produce 600 million discs, but there was a total of 5 billion disc sales in the country. The China Audio and Video Association recognises the problem of piracy in Hong Kong and Macau, and it is doing everything that it can to stop imports from those countries into China. Disappointingly, however, it does not appear to recognise that there is huge pirate DVD manufacturing capability in mainland China. Many of those DVDs are sold in China, but many more flood into western nations, where they are distributed by organised gangs. Evidence that the Triads, the Russian mafia and the IRA are all involved in the trade was highlighted in a recent threat assessment by the National Criminal Intelligence Service and the Northern Ireland Organised Crime Task Force.

Although the trail may begin a long way away, it ends with pirate DVDs and CDs being sold in pubs, on street corners and, in particular, at car boot sales. It has been estimated that more than a quarter of pirate goods are sold through car boot sales. I have first-hand experience of the problem as a result of having visited several car boat sales and bank holiday markets in and around my constituency, and I want to thank Essex trading standards and, in particular, its operations manager, Mr. Trevor Simpson, for their help in researching it.

Last year, I accompanied Mr. Simpson's officers in an undercover visit to a car boot sale in Boreham, where we identified two stalls selling pirate CDs and DVDs. Among the DVDs on sale were films such as "War of the Worlds" and "Batman Begins", which had just gone on general release in cinemas in the high street and which were certainly not legally available on DVD. Beyond that, there were also films which had not yet been released in the UK but which were somehow on sale as pirate copies. I was later told by the cinema industry that there were an estimated 2.25 million illegal copies of "War of the Worlds" circulating in the UK within a few days of the film going on general release.

A few weeks after my visit in September last year, I returned to the Boreham car boot sale with trading standards officers and the police in what they kindly labelled Operation Parliament. Although we expected to find two stalls selling illegal goods, we found four, and, as a result, around 750 DVDs were seized along with more than 200 CDs, 150 watches, 80 handbags and 33 pairs of trainers. The most worrying point was that as the officers were putting the goods into bags, members of the public criticised them and said that they should leave the sellers alone because they were not doing any harm. That illustrates the huge challenge in educating the public on why piracy is damaging and why they should not buy counterfeit goods.

Although trading standards officers are doing their best to tackle the problem, the powers available to them are limited, which is why I agreed to introduce the Occasional Sales Bill to strengthen their ability to

[Mr. John Whittingdale]

counter that menace. The Bill is not intended to curtail legitimate sales, which comprise the vast majority of activity at car boot sales. However, there are examples of irresponsible organisers, and there is anecdotal evidence that some organisers are taking substantial payments from those selling illegal goods. In one case, an organiser even sounded a loud horn that echoed around the entirety of the sale at the first sight of the police and trading standards.

The Bill is designed to tackle rogue organisers. It is based on existing legislation that covers Kent and the Medway towns, and it contains three simple measures. First, it places a duty on organisers of occasional sales to give notice of an intention to hold a sale to trading standards at least 21 days ahead of the sale taking place, which will give the authorities a chance to reach a considered view on whether they want to attend and to plan accordingly. Secondly, organisers will be required to keep a record of the names and addresses of sellers, together with a general description of the goods and their car registration number, which will be available to the authorities on demand. Thirdly, where there is repeated evidence of illegal sales taking place, the organiser can be required to take action to prevent them and can be held liable if they fail to do so.

As I have said, those provisions are already in place in Kent, and they have proved very effective in reducing the amount of pirate goods sold at car boot sales. Indeed, one of the consequences of that legislation is that it has transferred the problem to the other side of the Thames to my county, Essex. My Bill is supported by organisations such as the British Video Association, the British Phonographic Institute, the British brands group and many other trade bodies. It is also backed by Front Benchers of both Opposition parties and by Government Members, such as the hon. Members for Rhondda (Chris Bryant) and for Rossendale and Darwen (Janet Anderson).

I recognise that it is unlikely that the Bill will become law. However, I was encouraged by the answer that I obtained from the Minister last week, in which he said that the Government is seeking further evidence from the police, local authorities and others on whether the regulatory aspects of the Kent legislation have a wider application. I would be grateful if the Minister were to say whether the Government are willing to consider introducing legislation in that area.

I also want to draw the Minister's attention to one very promising development. In April, I participated in the launch by Essex trading standards of a voluntary code of practice for markets and boot fairs. It requires organisers to agree to a number of measures, including providing trading standards with details of events to be held and the contact with whom to liaise. They must also endeavour to prevent the sale of any illegal goods by excluding anybody suspected of doing so and reporting them to the authorities, display notices warning the public against pirate goods, and provide a guide to all sellers who are attending.

This afternoon, I spoke to Trevor Simpson at Essex trading standards, and he told me that so far 26 out of 31 organisers in Essex have signed the code of practice and only one has refused to do so. As a result, there has been a noticeable decline in illegal sales. Organisers are co-operating with recent examples in Clacton, Weeley and North Weald, where market organisers have banned some sellers whom they know to have been selling pirate goods. There is no doubt that most organisers are responsible and wish to work with the authorities. Indeed, one recently pointed out the difficulties that he had in spotting fake goods and asked for the brand owners to help him to do so. I hope that even if there is not legislative time to bring in the measures in my Bill, the Government will encourage all local authorities to establish codes of practice such as the one in Essex and to persuade all organisers to sign up to them.

There are new challenges facing the creative industries, with the explosion of high-tech piracy through illegal file sharing and home burning of CDs, to give two examples. However, physical piracy remains a serious threat to these industries, which are increasingly important to the economic future of the UK. I hope that the Minister will recognise that and set out the Government's plans to tackle it.

6.16 pm

The Minister for Trade (Mr. Ian McCartney): I thank the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) for introducing this debate. In his role as Chairman of the Select Committee on Culture, Media and Sport and vice-chairman of the all-party group on intellectual property, he has done valuable work in raising awareness of intellectual property issues, particularly intellectual property crime. Everything that he said was not only well researched but well founded. I hope that during this short debate I am able to reassure him that we are travelling in the same direction. We understand the effects on one of our major and growing industries in the global economy and the importance of our working to provide the appropriate tools to deal with organised crime at whatever level it seeks to intervene in the marketplace.

Like the hon. Gentleman, I pay tribute to Essex trading standards for introducing a voluntary code of practice in April. I am advised that it is working well at the moment. We will monitor its effectiveness and encourage other trading standards officers to use such codes. I hope that this debate helps to raise awareness and understanding and gives the subject wider coverage.

Today's world is moving from an industrial age to a new age where creativity and innovation are the primary fuel of our economy. As a result, we are increasingly dependent on the development and distribution of creative, technical and intellectual products. The UK is undeniably a world leader in innovation, and it is clear that intellectual property is propelling our economy as never before. The intellectual property system must remain relevant and address the challenges of the knowledge-based economy of the 21st century. That is why my right hon. Friend the Chancellor of the Exchequer announced in December that the Government had commissioned Andrew Gowers to undertake an independent review of the intellectual property framework. The Gowers review is due to report later this year. I will ensure that the hon. Gentleman receives a copy.

Our creative industries, which include publishing, software, design, advertising, electronic games and fashion,

as well as music, films, television and radio and the performing arts, accounted for 8 per cent. of gross value added in 2003. The creative industries grew by an average of 6 per cent. per annum between 1997 and 2003. In the summer quarter of 2004, creative employment totalled 1.8 million jobs. Creative employment is a major element in our economy. The recent BBC announcement of the proposed move of some of their production departments to Salford, in my own region of north-west England, is a powerful way of stimulating the national and regional media industry.

Innovation is vital to the economy and our future. We therefore need to ensure the existence of a safe and robust environment, which not only helps our creators to thrive, but protects their inventiveness. A key part of that environment is a strong and fair intellectual property system with effective enforcement provisions.

Major progress is often accompanied by major challenges and, like any valuable product, intellectual property has become much sought after by those who are less honest. During recent years, the scope and scale of intellectual property crime, counterfeiting and piracy has grown at rates that were previously unknown. For example, it is widely estimated that 7 per cent. of all world trade is now in counterfeit goods—a total annual value of more than £250 billion. There is no doubt that that phenomenal growth is due to several key factors. Ironically, globalisation and new opportunities in technology have contributed strongly. However, a lack of general understanding and stretched enforcement resources have also played a part.

While crimes such as drug dealing and trafficking are viewed with great concern, the perception of the seriousness of intellectual property crime has been much lower. The hon. Gentleman said that when he described the public reaction to the crime that he witnessed. United Kingdom enforcers have been unfamiliar with the laws and, consequently, enforcement priorities have been absorbed elsewhere. As a result, that "high profit, low risk" factor has meant that intellectual property crime has become an attractive criminal enterprise. That is an important point. It is an enterprise—a business—with a board of managers and driven on the ground by thousand of key workers, from their perspective. We must deal with it effectively.

Our trading standards authorities have traditionally been at the front line of intellectual property crime enforcement in the UK. Working in the local authority system, trading standards officers play a key strategic role in providing UK local government services. However, enforcement against counterfeiting and piracy is only part of a trading standards officer's work. Fair trading activities involving labelling food, licensing, weights and measures and safety are only a few of the other activities that are carried out regularly.

Depending on the authority, between 60 and 120 pieces of primary and secondary legislation are overseen by trading standards departments. It is widely recognised that the UK has one of the most robust intellectual property legislative structures in the world. However, the Government are acutely aware that legislation needs to change with shifting demands. That is why we have introduced changes to our intellectual property legislation to combat the growing threat of intellectual property crime.

Furthermore, the Government have already supported a number of legislative changes in recent years, such as stronger penalties for copyright crime in the Copyright, etc. and Trade Marks (Offences and Enforcement) Act 2002. We updated copyright law to reflect the digital age by introducing the Copyright and Related Rights Regulations 2003, which implement the European Community copyright directive. Those regulations introduced new offences relevant to the most damaging online distribution of copyright material. In making those changes, we have sought both to promote better public protection and improve enforcement against counterfeiting and piracy. We are well aware of the threat that intellectual property crime poses and that it is a worldwide problem, as the hon. Gentleman said. In response, the Government have taken action in a number of key areas, which I shall set out.

First, in July 2004, with the full support of the Prime Minister, the Department of Trade and Industry, in partnership with the Department for Culture, Media and Sport, established the creative industries forum on intellectual property. Several work streams have emerged from that group. Raising consumer awareness and enforcement are two on-going issues. Secondly, we have implemented the Patent Office's national intellectual property crime strategy. A multi-agency intellectual property crime group was set up involving the Government, the police, trading standards, Her Majesty's Revenue and Customs, the National Criminal Intelligence Service, which has now been subsumed by the Serious Organised Crime Agency—that came into being on 1 April this year—and key industry sectors.

The objective of the intellectual property crime group was to deliver better targeted enforcement action. Our achievements so far include: the creation of a new creative industries focus group under the intellectual property crime group to ensure that concerns can be fed directly into the intellectual property crime strategy; a new intellectual property crime intelligence database; better training for enforcers—trading standards officers already receive practical training with the help and support of the Patent Office; greater collaboration between national and international Government agencies; annually updated assessments of intellectual property crime; and progress reports overseen by Ministers, which will ensure accountability and continuing delivery on the matter.

Thirdly, I am pleased to say that, in June last year, we published our consumer strategy, "A Fair Deal for All". One of our commitments is that, from 1 April this year, all asset recovery agencies including the trading standards service in England and Wales will be able to get back 50 per cent. of what they recover under the Proceeds of Crime Act 2002. This will take time to dig in, but it represents a major advance not only in relation to the proceeds of crime, but to the damage that it will do to the heart of the capacity of criminal businesses to continue trading. It will also allow assets rightfully to be returned to the community and provide support for the activities of the enforcement agencies.

[Mr. Ian McCartney]

The assets recovered could include monies related to the confiscation of pirated goods, and the scheme will be administered by the Home Office.

In addition, we highlighted the importance of intellectual property as part of our EU presidency programme by supporting the creative economy conference in London in October 2005. As part of our presidency of the G8, we agreed a specific tasking statement with our G8 colleagues on action to reduce intellectual property crime by improving enforcement. That statement is available from the Foreign and Commonwealth Office website, but I will send a copy to the hon. Gentleman. I would welcome his comments on what more we could do in this regard.

Tackling counterfeiting and piracy is vital and I agree that an essential part of the solution will involve building respect for creators' rights. Failure to respect creators' rights is ultimately self-defeating for consumers. The Government recognise that there have been inconsistencies in the response to intellectual property crime across the country in the past. That was often due to competing priorities and the lack of a cohesive approach between all the enforcement agencies.

The national intellectual property crime strategy seeks to provide a co-ordinated approach to combating counterfeiting and piracy. We are piloting 11 regional teams whose priority will be to tackle the most urgent issues for their locality. They will be cracking down on the real criminals, and £3 million, which will be available over the next two years, will get the teams up and running and provide for the network of regional intelligence teams essential for the focus on intelligence-led enforcement. If the hon. Gentleman or his Committee wish to meet members of those teams, once they are operational, I will arrange that for him.

The aim is to encourage a more joined-up enforcement network and to spread best practice among the trading standards services around the country. The Government are committed to improving Britain's consumer regime. To do that, we need to foster an environment that empowers and protects consumers while supporting open, competitive and innovative markets. I think that that is how the hon. Gentleman described car boot fairs. He might like to know that my wife goes to boot fairs regularly. She raises money for my election campaigns through them. I can assure him, however, that it is all "legit".

We are also committed to reducing crime. In short, we want to remove the market for counterfeit and pirated goods and to make it harder, riskier and less appealing for thieves to steal other people's creativity and deprive them of their due livelihoods. There is undoubtedly a need for better co-ordination and shared intelligence between local authorities, rights owners, enforcement agencies and the Government to help to fight the growing threat of counterfeiting and piracy. However, we feel that that can best be achieved through a structured intelligence-led approach and a co-ordinated response from within the national intellectual property crime group. Again, if the hon. Gentleman's Committee wishes to discuss this matter with the Home Office or with the new criminal intelligence agency, such a request would be met with an enthusiastic response.

The first enforcement operation carried out by the national intellectual property crime group occurred over four weekends last December. Wembley market was raided and more than £1.5 million worth of illicit goods were seized. However, that was not the only significant outcome of the operation. Further intelligence about the method of supply of counterfeit goods was uncovered from seized trader documents. Other intelligence was also uncovered and passed on to the relevant Government agencies. As a result of this operation, it is estimated that 34 people will be prosecuted, and at least two cases will be the subject of Proceeds of Crime Act 2002 investigations. There was support for this operation from the legitimate stall holders at Wembley market, who had been struggling to compete with the illegal traders. The operation demonstrates—as have the operations in Essex that the hon. Gentleman mentioned—that shared intelligence and co-operation between enforcers gives excellent results using the existing legislation.

In conclusion, proposals to improve and provide consistent and workable enforcement regulations across the country are always welcome. However, all new recommendations on legislative change must be carefully considered, and not all of them can be introduced quickly. The hon. Gentleman mentioned the Kent County Council Act 2001 and the Medway Council Act 2001, and the Home Office consultation. A report was laid before the House in December 2004. The Under-Secretary of State for the Home Department, my hon. Friend the Member for Bradford, South (Mr. Sutcliffe) has confirmed, in a written answer to the hon. Gentleman on 19 June, that he will consult on this issue. I will write to my ministerial colleague at the Home Office and ask him to write to the hon. Gentleman about when the consultation will take place and to ensure his involvement in it.

I say that for two reasons. First, I think it pretty unlikely that the hon. Gentleman will be able to get his occasional sales Bill up and running and secure a proper debate on it. Secondly, the issues that he has raised are serious, and we must grapple with them. I hope that the consultation will give the hon. Gentleman an opportunity to put his case.

As for whether I, as consumer Minister, will consider further legislation, I shall view the matter in the light of the result of my hon. Friend's consultation. I shall be happy to meet the hon. Gentleman at a later date if that will help. We have a common cause. We may sit in different parts of the House, but one thing is certain: we believe in legitimate business and the growth of the United Kingdom's creative industry. We are also anti-criminal and anti-crime, and opposed to the ripping off of our intellectual property. We are opposed to the ripping off of our constituents by organised crime.

I hope that my response has been sufficient to give my hon. Friend an indication of my willingness to work with him to produce some effective results. I thank him again for raising the issue.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes to Seven o'clock.

Westminster Hall

Tuesday 6 June 2006

[MR. CHRISTOPHER CHOPE *in the Chair*]

Junior Football Clubs

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Heppell.]*

9.30 am

Anne Moffat (East Lothian) (Lab): I am pleased to welcome so many interested colleagues to the debate. The fact that it is taking place on the eve of the World cup is pure coincidence. For the record I shall support any British team in the championship. [HON MEMBERS: "Shame!"] It is a no-win situation, but I shall genuinely support England. The timing of the debate is fortuitous, given that there would be no major world-class events such as the World cup if communities throughout the world did not nurture, encourage, coach and promote football in schools and communities, from the minute that a child can kick a ball. The future of all sport lies at the grass roots. Years ago, our greatest players played football morning, noon and night; they lived, breathed and ate the game. To play for their school team was every player's dream; those who were good enough or were spotted by a scout could rise up the ranks, but often just getting a game was all important.

I am secretary of the all-party group on Scottish football. When Walter Smith came to speak to us recently, he said that the problem facing us nowadays in encouraging youngsters to play the game and gain the attendant health benefits comes from Nintendo, PlayStation, computers and new technology, in which children seem much more interested, whereas previously, whenever it was light, they had the ball at their feet and were out playing. We need to encourage youngsters to play healthy sports.

There lies my concern. There are 164 junior football clubs registered in Scotland, but most are or will shortly be facing a financial crisis, which could lead to the clubs folding. That has arisen as a consequence of a tax burden being placed on the clubs by the Inland Revenue—one that they have never before had to deal with. From the mid-1960s until the 2003-04 season there was an exemption for such clubs, thanks largely to Tam Dalyell, who fought for it.

Mr. Jim Devine (Livingston) (Lab): Tam Dalyell, as my hon. Friend knows, was one of my predecessors. When, in about 1966, he introduced that change, there were junior clubs in Bathgate, Broxburn, Fauldhouse, Pumpherston, West Calder, Blackburn, Winchburgh, Armadale, Linlithgow and Stoneyburn, and it is to his credit that in this very season Bathgate Thistle Juniors got to the Scottish junior cup final, and Broxburn won the east of Scotland league. It was Tam's initiative that kept those clubs going very successfully.

Anne Moffat: That was a very helpful contribution. Tam Dalyell was a leading light in the protection of junior football. I hope that we can follow his good work and get concessions from the Paymaster General.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): I congratulate my hon. Friend on securing this important debate. Before she moves on from talking about Scotland's national coach, Walter Smith, I remind her that at that same meeting he made it clear that although professional football in Scotland should be allowed to stand on its own two feet, the junior and amateur games need help from Government sources. He suggested that investment was needed in the lower-level football leagues, if we were to have a successful national side, as England has.

Anne Moffat: That is a key point. This debate is about the fact that resources are being taken from clubs, when what is needed is far more investment. I agree with my hon. Friend and Walter Smith.

The Inland Revenue operated a concession that allowed junior football clubs to submit retrospectively informal returns detailing payments to players and coaching staff, giving their national insurance numbers. Clubs understood that any tax due to the Inland Revenue was then the responsibility of the players themselves. However, from the 2003-04 season, junior football clubs have had dealings with the Inland Revenue over the introduction of direct taxation for all payments to players and coaching staff. The Inland Revenue has determined that junior clubs are employers and, as such, are responsible for operating a pay-as-you-earn scheme. That is the crux of the matter. No one disputes that players should pay tax on what they earn, but we should not make clubs enforce the pay-as-you-earn scheme.

Since that time, to make matters even worse, the Inland Revenue has written to some junior clubs in Scotland seeking back-dated revenue, in some cases up to several thousand pounds. With the best will in the world, I would have to say that the measures have tackitty bits written all over them. The junior football clubs rely heavily on local fundraising initiatives such as running totes or selling scratchcards simply to stay afloat. Unlike senior football clubs, the small junior clubs do not generate significant income from home games—for example, in my constituency, Musselburgh Athletic averages about 80 spectators to a home game. None the less, that is a big part of the community. Everyone loves the team. It is no great shakes—it is not your Ibrox, your Hampden or even your Parkhead—but it is an important part of the community. When 80 people go to watch a game and there are 22 players at the park, those people are not doing some of the other things that youngsters do. They are not engaging in antisocial behaviour or hanging around on street corners. It is clubs like those that are being hit for money and, without wishing to sound melodramatic, that will put them under serious threat.

At a recent meeting in my constituency, which has four registered junior teams—Dunbar United, Tranent Juniors, Musselburgh Athletic, which I have mentioned, and Haddington Athletic—people were up in arms about what they saw as the decimation of junior football clubs by the heavy-boot tactics of the Inland Revenue. To illustrate how ludicrous the situation is, Tranent Juniors is struggling even to find pitches to play on. It is trying to find out whether it can use school pitches, even though it is a successful junior football team, which could be the future of Scottish

[Anne Moffat]

football—and we certainly need a future for Scottish football. Representatives of teams in my constituency, as well as neighbouring Midlothian—my hon. Friend the Member for Midlothian (Mr. Hamilton), who could not be here today, would want to express the same concerns as I have—fear that the demands being made on their clubs will cause them to fold.

The clubs are run by local individuals who volunteer to give up their time and effort to provide a valuable resource to their communities. My fear is that many of those unpaid volunteers, who are now expected to sort out their players' tax affairs and become financial experts and form-filling anoraks with a nearly degree-level understanding of PAYE, will walk away. Who could blame them? They are ordinary folk, some of whom are retired, who give of themselves, not for thanks and accolades, but certainly not for worry and the sleepless nights that the new burdens will place on them.

Mr. Devine: I met representatives of Pumpherston junior football club, which is run much as my hon. Friend has described. The club secretary made exactly that point: if he must now administer the taxation system he will walk away. If that happens, the club will fold.

Anne Moffat: That is another helpful intervention. My hon. Friend is correct. I do not exaggerate when I say that in my meeting with representatives of some of the small junior clubs I heard scary stories such as they, as trustees of the clubs, being liable if the money could not be paid. Their wives—it is normally men who do the volunteer jobs in question—ask, "What is going to happen? They are not going to come and take things from our house. Are we going to be liable?" I hope to goodness that the position is not so serious, but those are the rumblings of concern that are being heard. Why should such people burden themselves in that way when all that they are doing is voluntary work to keep football going in their communities, out of a love for the game?

Clubs are even being penalised for incorrectly or incompletely filling out returns. How many of us have had people come to our surgeries complaining about not being able to fill in forms? How many of us have had problems doing so? It is not the easiest thing in the world. Those people are volunteers and are not trained in administering such schemes. Yet their clubs are penalised if they do it incompletely or incorrectly.

Everyone understands that people who earn enough should pay tax, and I do not dispute that, as I said earlier. However, I do dispute that we should be trying to class as employers non-profit-making clubs and those who represent them—the officials, committee members or whatever we might call them. As recently as last week, the Scottish Junior Football Association expressed concerns and said that it could determine from its annual returns that it was losing a significant number of treasurers and secretaries from its clubs. Another of its concerns is that clubs will be expected, as employers, to pay players the national minimum wage. If clubs are forced down that route, they will incur wage bills averaging £1,000 a week as a result of players training two nights a week and playing one game on a Saturday. That is what will happen if we go down that ridiculous route.

As we all know, players in junior clubs are not in it to earn money. That might be true at some of the big clubs, of which there are a few in Scotland, where the bigger, better players get more money. In the main, however, we are talking about people who earn only the amount that it costs them to get to the ground. In my constituency, for example, Dunbar United pays travelling expenses of £3 per session and a win bonus of £6 per game. That is the level that we are talking about—it is hardly the thousands of pounds paid out by the big teams such as Chelsea and Rangers. *[Interruption.]* I nearly said, "and Celtic." Like the volunteers who run the clubs, the players give up time with their families to train a few nights a week and they give up their Saturday afternoons. They play for the love of the game and because they enjoy the opportunity to stay fit and active. All that they expect, unless they can command the big bucks, is that they should not be out of pocket as a result of travelling to and from training and games.

If clubs are liable for PAYE and national insurance contributions and are potentially required to pay the national minimum wage, many of them will close. The clubs provide a valued community resource and generate pride in the communities that they represent. At a time when we are encouraging healthy lifestyles and tackling antisocial behaviour, and when this country will host the Olympic games and Glasgow will, I hope, host the Commonwealth games, it is ludicrous that we should be trying to cripple the very heart of our football potential.

I have had messages of support from the Professional Footballers Association, which is as appalled as I am about the threat to our junior football teams. I have been contacted by Tony Higgins, Jackie McNamara and Fraser Wishart, as well by Tom Johnston from the Scottish Junior Football Association.

Dr. Ian Gibson (Norwich, North) (Lab): Has my hon. Friend investigated the equivalents in England? I have always wondered how academies in some of the clubs fiddle things, because they give payments to some of the parents of the young people who play for them, but are not subjected to the same tax vigilance as clubs in Scotland. Is there an equivalent to junior football in England?

The Paymaster General (Dawn Primarolo) *indicated assent.*

Dr. Gibson: I see the Paymaster General agreeing, so perhaps she will tell us.

Anne Moffat: I thank my hon. Friend for that unhelpful contribution. Of course I agree that we should clamp down where we can determine that there is fiddling, that backhanders are being given and that players are being paid over-the-top sums. These scams go on in all walks of life—they certainly go on in junior football and, as my hon. Friend said, in England—and we should clamp down on them because they do not help the future of Scottish junior football clubs. However, we should not launch a carpet attack on all clubs.

Dawn Primarolo: I can certainly help my hon. Friend on the point about England, Wales and Northern Ireland. We are talking about amateur and semi-professional clubs, not youth clubs or juniors. In

England, Northern Ireland and Wales, clubs operate PAYE when they start paying their players profits and substantial amounts. They have never had the concession that applies in Scotland.

Anne Moffat: I thank my right hon. Friend for that helpful comment.

Mr. Devine: Our right hon. Friend has made a helpful contribution, because she has identified the difference between semi-professional and amateur status. The junior game in Scotland is amateur and always has been.

Dawn Primarolo *rose—*

Anne Moffat: I give way to my right hon. Friend.

Dawn Primarolo: The Scottish Junior Football Association website says:

"'Junior football' in Scotland does not refer to youth matches. There are no age restrictions in junior football and the term probably originated as a reference to the grade of the clubs, rather than the players."

The top clubs were called "senior", so the next grade down was called "junior", and the article goes on to explain that clubs can be amateur and semi-professional.

Anne Moffat: That is quite misleading. I have not read the article on the website, but representatives from the association say that we are talking about amateurs.

Jim Sheridan: There seems to be some confusion. Junior football in Scotland is not senior football. Senior football is professional and people get paid, but many of the players in junior football —I would say more than 50 per cent. of them—do not get paid at all. However, it is not the payment that is causing the problem; it is the tax burden and the administration involved.

Anne Moffat: I thank my hon. Friend for that, because I want to return to a point that I have perhaps not made as effectively as I should have. If players earn enough, they should pay tax—nobody is arguing about that. However, we do not want to charge volunteers—ordinary members of the community who enjoy the game and run the clubs—with the onerous tax of implementing a pay-as-you-earn-scheme when they do not have the expertise to do that. If enough money is being earned, people should be hit, and rightly so, but there is a vast difference between junior football in England, Wales and Northern Ireland and in Scotland. In Scotland, it is non-profit-making and amateur.

Jim Sheridan: When the Paymaster General winds up, perhaps it would be helpful if she explained clearly how the system works in England, Wales and Northern Ireland. How is it administered? Who pays for it? Who is responsible for it? What are the penalties—excuse the pun—if a club does not carry out its responsibilities?

Anne Moffat: I thank my hon. Friend, who is the chair of the all-party group on Scottish football. He has stood shoulder to shoulder with me in this debate, and I appreciate that.

I thank all hon. Members for their interventions, but I want to finish with some words of warning. Where will this process end? Will the same measures be introduced in rugby in Scotland, in athletics, in cricket, in hockey or in netball? We are talking about non-profit-making clubs, and what is good for the goose, as they say, is good for the gander.

9.47 am

Mr. David Anderson (Blaydon) (Lab): It is a great privilege to follow my hon. Friend the Member for East Lothian (Anne Moffat), who is a good and long-standing friend.

If Martians decide to invade this world in the near future, they will wonder where we all are. Most of us will be sitting watching television, and a lucky few will be over in Germany, being looked after by McDonald's, although I will not be one of them, thank God. Things have not always been this way, and mass coverage on television and the influence of big money and Russian billionaires have obviously raised the profile of football.

The other day, I was thinking about what things were like when I was younger. The last time the World cup was held in Germany was during England's sabbatical from the competition, and the British Isles representative was the country of my hon. Friend the Member for East Lothian and most of the hon. Members here today. There were some real stars in that squad, such as Jim Stewart, Donald Ford and Tommy Allan. Who can forget them? Who can remember them? Of course, there was also Kenny Dalglish, Danny McGrain and Jim Holton—six foot two, eyes of blue. There was Billy Bremner, the man we all love to hate, and Jimmy Johnstone, the man we all love to love. Sadly, as well as being great footballers, the last three have one thing common—they are no longer with us, which is sad for us.

In 1974, I was not the man you see before you now, Mr. Chope. I was 20—that was my age, not my weight—and I was playing local football, as were hundreds of thousands of other people, just as they are now. Then, as now, the world of football seen on our screens was not the real world of football. Then, that was merely pub and club football and some school football. Today's world is different and the situation is different.

Mr. Devine: Will my hon. Friend give way?

Mr. Anderson: Certainly, but do not mention my weight.

Mr. Devine: I am grateful to my hon. Friend. He mentions the 1974 Scottish team. Is he aware that players such as Dalglish, McGrain and Johnstone all came through the junior ranks?

Mr. Anderson: I was not aware of that, but I am not surprised, because that is the culture in Scotland, and where I come from: that is how we attracted people. Football in the British isles is suffering today because of the demise of that and because big money is bringing in players from abroad and not encouraging junior footballers to come through. That is a big mistake for us all.

In my part of the world, we have junior football—it is junior in the sense of age groups—and it is booming.

[Mr. David Anderson]

In Blaydon, we have a football team that attracts 270 players—boys and girls. People there are even in the process of setting up a disabled team, which is something that we would never even have thought about 30 years ago. The team operates out of a portakabin, and while the children are training and playing football, their grandmothers take it over and it becomes a social centre for them. People who do not know each other and would never have met but for their children's interest in football get together. It is part of the community, and that is what it is all about. It becomes a social event.

We have campaigns going from that football club. We are running a big campaign to try to get the Health Department to pay for people who need to wear glasses when they take part in sport. We should surely encourage that. A local amateur football team in our area, Whickham FC, recently won the Durham senior challenge cup—their first win for 25 years, since they won the FA vase. They were the first second division team to win the cup, and they beat first division opponents to do it. They are an integral part of the community, and good news for the community.

Another team, Birtley Town juniors, have just been awarded a charter standard by the FA and quite a lot of money from both the FA and the local council, because they want the team to develop and go forward. They realise the integral part that football plays in our communities, much more than in the past when we had a more cohesive society. That is particularly true in the area where I come from, where there were miners' welfares and people grew up, played, lived and worked together. A lot of that has been changed, but the football clubs have been maintained and are a key part of our society. We should do everything possible to keep them going. The development in football in the past few years is good news for the whole community.

We have to ask where the joined-up thinking is in the proposal, given that we want to encourage people to engage in sport. We know that 30 years ago people went to play football and then got drunk. That was part and parcel of the situation: it was a man's thing. Football is no longer like that: it is a community event that involves people in a very different way.

My hon. Friend the Member for East Lothian said that if children are involved in sport they probably will not be involved in antisocial behaviour, or if they are, it will be for a much more limited time. That is a crucial part of why the police in our area are involved in encouraging sport. Something else that happens now, which would never have happened when I was a young man, is that boys and girls play football together. We now have people from different racial groups coming together, and there is interaction with people with disabilities. We talk and talk in this House about encouraging people to involve themselves in diversity. This is real diversity: it is real people getting together, doing real things together and realising that they are living on the same planet.

When I played football, the engagement that we had with the local council was to ask how much rent we had to pay for a football field, and that was the end of it. Now there is real involvement with the development of community leisure facilities, environmental discussions and development as a whole. There is a plan to take over school fields in the area where I live, which has been strongly resisted by local people because it is all about building houses. The school fields should be maintained, used and developed for sporting facilities. The football clubs are right in there arguing that case and using links with organisations such as Sport England to ensure that their voices are listened to. To promote interest in sport, we should be talking about tax breaks, not tax burdens. We should be looking for incentives, not disincentives, and we should be finding support, not putting obstacles in the way. I understand the reality that PAYE must be paid, but I urge it on the Minister that if there is any way of relieving the burden on these clubs, it can only be for the good of the community.

9.54 am

Mr. Jim McGovern (Dundee, West) (Lab): I fear that with such a specific topic up for debate today, you may hear the same speech, or variations on it, several times, Mr. Chope. I apologise in advance if that is the case.

I start by congratulating my hon. Friend the Member for East Lothian (Anne Moffat) on securing this debate. I know that she takes an active local interest in this issue. She should be praised for the hard work she has done locally, and the fine way in which she laid out the arguments to start the debate.

As a comparatively newly elected MP, I imagine that I come fairly late to the issue. My colleagues from around Scotland, notably my hon. Friend the Member for Central Ayrshire (Mr. Donohoe), who unfortunately is not here today, have been campaigning on this issue since the Revenue announced its intention to change the rules for Scottish junior football about four years ago.

Despite this being a relatively long-standing issue, the debate is especially important and comes at an appropriate time. Junior football clubs across Scotland have just hung up their boots for the summer. The close season provides the opportunity for many of the unpaid volunteers who do such good work in those clubs to find the time and expertise to operate a PAYE system while trying to find ways to keep their clubs running with the extra burden that has been placed on them. The debate comes only a couple of months after tranche 2 of the Revenue's programme to get PAYE established throughout Scottish junior football.

My constituency has five junior football clubs, all of which are part of a proud tradition within Dundee. Despite being the new kids on the block, Downfield FC are celebrating their centenary this year. Dundee Violet were formed in 1883, and are therefore the oldest club, closely followed by what must be the most successful club in the region, Lochee United, who managed to win 17 honours between 1977 and 1987. That feat has not been repeated in recent years, but it will not be easily forgotten. Indeed, last year Lochee managed to resurrect some of that fighting spirit and reached the final of the Scottish cup. My favourite team in Dundee, West—Lochee Harp—were formed in 1904, and Dundee North End make up Dundee, West's complement.

In Perthshire, there are teams such as Jeanfield Swifts, Bankfoot, Kinnoull. Up in Angus, there are clubs such as Forfar Albion, Forfar West End, Brechin Vics, Arbroath Vics. Coming back down into Dundee,

East, Carnoustie have been one of the most successful clubs in recent years, and were Scottish cup finalists a couple of years ago. Coming back into Dundee, there are Broughty Athletic and East Craigie. Unfortunately, my favourite team from Dundee, East—St. Joseph's—went defunct a few years ago because of financial considerations. Moving across the Tay bridge into Fife and the constituency of the leader of the Liberal Democrats, the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), teams include Tayport, who have been probably the most successful team in Scotland in recent years at junior level. I think they have won the Scottish cup three times in the past five seasons. Moving through Fife into the Chancellor's constituency, there are clubs such as Lochgelly Albert, Lochore Welfare and Kelty Hearts.

Throughout the Tayside and Fife area, junior football clubs are at the heart of every community.

Mr. Devine: My hon. Friend makes a good point. The Chancellor was heavily involved in saving the Raith Rovers senior team, which he strongly supports, organising financial assistance and suchlike. It would be a bit silly and contradictory for him to save the senior team but let the junior teams go under.

Mr. McGovern: I thank my hon. Friend for that intervention. He makes a valid point. It would indeed be sad if the junior teams in the Chancellor's constituency were to go to the wall because of tax considerations.

I could go on with my geographical tour of Scotland, but suffice it to say that across the Forth bridge there are more junior clubs in the constituencies of my right hon. and hon. Friends the Secretary of State for Trade and Industry, the Deputy Leader of the House, the Home Secretary, the Secretary of State for Scotland and for Transport, and the Secretary of State for Defence. Junior football clubs are at the heart of the community throughout Scotland, and play a vital part in those communities.

The clubs in Dundee, West boast crowds of somewhere between 50 and 100 for their home games, but beyond that they play a vital role in the communities in which they are based. Many of those clubs run youth teams. In Dundee, I can certainly attest to the contribution that they make to the fabric of the communities in which they are based. They have been there for over 100 years, and have overcome many adversities, but the new tax regime slowly being implemented seems to be posing one of the biggest threats yet. It would be a real shame if that threat finally became insurmountable for some of them.

There are many competing views as to why the Revenue started its actions back in 2002. Some believe that a hotshot taxman was reading the newspapers and noticed big sponsorships that had been achieved by a couple of teams, and figured that they deserved attention. Other people suspect that the Revenue was getting upset about the failure of some clubs to send in their informal tax returns and that it was therefore about time to revisit the whole system.

Dr. Gibson: My hon. Friend touches on an interesting correlation between the success of Scots politicians in the English Parliament in reaching high places and the preponderance of junior clubs in their areas. Does he think that if the junior clubs were to disappear there would be fewer Scots in high places in the English Government?

Mr. McGovern: I could not possibly comment on that. This is the British Parliament and every MP is allowed to vote on every issue regardless of their constituency.

As I suggested, this issue stems from the decision of one player on a fairly large retainer from a bigger club who claimed that he did not have to sort out his tax receipts as his club should do it for him. Whatever the reason, it seems that big assumptions have been made on the experience of a very limited set of teams, which has led to a regrettable situation.

The new PAYE system, which many clubs are expected to introduce, replaces the informal returns system negotiated for junior football in the 1960s by Tam Dalyell, the former Member of Parliament for Linlithgow. That system allowed clubs simply to submit an informal return to the Inland Revenue each year, on which would be a full list of all the moneys that had been paid to players over the past year, allowing the Revenue to ensure that the players' tax returns were correct and thus ensure that it collected all the tax that was due to it. It should be emphasised that the aim of the informal agreement was not for the clubs to avoid tax altogether, but to ease the burden on the junior football clubs and to place it on the individual players and the Revenue. I like to think that that was partially in recognition of the unique role that junior football plays in Scotland and the desire in the 1960s to help to maintain it.

Phase one of the PAYE introduction tended to affect clubs that had social clubs attached to them and were more or less of a size that they could handle a PAYE system without its destroying the club. After all, some of the social clubs already employed staff and therefore applied PAYE to them. It caused some problems, although not as many as have been caused by the second tranche of the reforms.

I want to discuss three key areas. First, I should like to emphasise my belief that junior football clubs are not "employers" as any reasonable person would understand the term, and should not be treated as such. Secondly, where the tax regulations have been introduced, it has been done in a manner that has promoted rather than reduced confusion, and they have often been perceived as incredibly unfair. Thirdly, I should like to address the effect that the new tax regime is having on the volunteers, who are crucial to the running of the clubs.

The first problem is simply the mistaken belief that the clubs are employers. Under the strict letter of the law—I am talking about the Income and Corporation Taxes Act 1988—it is entirely possible that junior football clubs that pay their staff "emoluments", which to most of us means bonuses, should operate a PAYE system in the payment of them. I can therefore see why, under the strict letter of the law, the Revenue has decided to take the position it is taking. However, it has a long history of working out special exemptions for certain areas in order to make an inflexible tax system just a little more flexible—in fact, that is exactly how

[Mr. McGovern]

the original arrangement came about. These exemptions and arrangements are designed to promote fairness in the tax system and to ensure that the burden of taxation and PAYE does not fall disproportionately on some people.

The clubs do not operate as normal employers would and therefore should not be treated as employers by the tax system. I cannot think of another "employer" in which the entire board running the company—if we are to call clubs that now—get paid nothing at all and give up all their time for free. That does not sound like an employer to me. In fact, the more we examine the clubs and how they operate, the more they sound like exactly what they are: a collection of people who care about their local community and their local football team enough to give up many hours to support the clubs and their community. We are talking about a bunch of dedicated people who do not gain financially from their enterprise and who are not necessarily cut out to be finance directors or managing directors.

Recently, I received an email from a secretary at one of the junior football clubs in the constituency of my hon. Friend the Member for Midlothian (Mr. Hamilton)—unfortunately, he cannot be here today—who summed things up well:

"Most of the guys who involve themselves in junior football clubs do it for the love of their local team. They are not rocket scientists but what they lack in brains they more than make up for with enthusiasm and the ability to gather funds locally."

In addition to that, we need to be honest when we consider the sort of wages that are paid to the players at junior football clubs. I spoke to different clubs, and I was constantly struck by the low level of the payments that were causing all this trouble. Admittedly some players were given signing-on fees ranging from £250 to £1,000, but that aside, the so-called "wages" were small sums such as £5 or £10 for training sessions and away games. Again, it does not sound as if we are talking about the sort of employer that the Revenue would usually go after; in fact, it does not sound to me like an employer at all.

Mr. Devine: As my hon. Friend will know from his background as a trade union official, employers will sometimes be involved in cases where people are made compulsorily redundant or are unfairly dismissed. Has he known of a case of a junior football player going to a tribunal for unfair dismissal?

Mr. McGovern: I thank my hon. Friend for that intervention. I am unaware of any player going to a tribunal but I am sure that a few would regard themselves as being unfairly dismissed; in football terms, that is called a "free transfer". [Hon. Members: "On your bike"] Yes.

The decision to classify the teams as employers has other knock-on effects that are proving even more worrying for the game: For example, some clubs are being told that as they are now classified as employers they might have to start paying the minimum wage to their players. That, of course, stretches the law to whole new limits of absurdity. For example, I spoke to one club that was drawn in a Scottish junior cup game at the other end of the country. Such a journey could be from Ayrshire to Inverness and might take nearly five hours by bus. Another four hours at the stadium for the match and another five hours getting back home might be involved. If the club paid every player the minimum wage, the players would need to be paid more than £75, as opposed to the £5 or £10 that most players get for an away game.

If that were to happen, in the words of Tom Johnston, secretary of the Scottish Junior Football Association:

"We might as well shut up shop tomorrow, junior football would be finished."

I know that that is not the Government's aim and I hope that they will be able to use good judgment to prevent such unintended consequences.

Jim Sheridan: My hon. Friend talks about the cost and the tax. Does that include the potential cost of national insurance?

Mr. McGovern: I understand that it would: it would include the national minimum wage, PAYE and national insurance contributions. I think that that is why Tom Johnston says that it would drive an awful lot of clubs to the wall. I do not believe that the clubs are "employers" in the common-sense definition of the word and therefore I simply do not believe that they should be treated as such.

The second issue that I want to raise is the implementation of the new rules. I did some calling round and sent out speculative emails to clubs about the problems that they had been facing in dealing with the new tax rules. The clubs had been given a vast array of recommendations, many of which did not correspond with what had been told to other clubs or even to other players at the same club. Some clubs had been told that they could provide each individual player with a £500 tax allowance, because the players provided their own boots and shin pads and washed their own shirts at home. However, even within one of the clubs where that happened some players had their application for that dispensation rejected by the Revenue, which left the club and the players rather confused.

Anne Moffat: Would my hon. Friend be surprised to hear something from the meeting that I had between Midlothian and East Lothian clubs: when they were looking for these tax exemptions, the issue of shin pads came up and the tax inspector said that they could not possibly have an allowance reduction on shin pads because they could be used for a purpose other than shoving them down a player's socks?

Mr. McGovern: I thank my hon. Friend for that intervention, which shows why the players and the clubs are confused. I am certainly confused and intrigued about what other purpose a shin guard might have; perhaps someone would enlighten me later.

Some clubs had been told that they could allow a tax-free expense allowance of £5 for each training session and £5 more for away games. Others were told that that was totally inadmissible and that the only allowance they were allowed was 40p per mile for travelling to away games, while others still were told that they could also give a tax allowance of 40p per

mile for travelling to training, although I think that decision was subsequently overruled.

If we are to have new rules for the clubs and expect unpaid volunteers with no tax experience to implement them, surely there should have been rules put in place and laid down in an easy-to-use document that all clubs could follow. That has singularly failed to happen. On top of that, the exceptions that are being allowed are not being laid down equally between all clubs, which leads to even more confusion and also some hard feeling between the clubs. That is surely not meant to happen.

Another area of concern is the way the tax man has dealt with these cases. Instead of starting the new regime from scratch at the beginning of April this year for example, in some cases the Revenue is making clubs pay tax in retrospect for the past two years. There are examples of clubs having to pay bills of more than £7,000 that they never had any idea they would have to pay. For the smaller clubs, that will make a massive difference, yet despite that, the protests seem to be met with a large amount of indifference by the Revenue.

The third area is the effect on the junior football clubs. Figures from the SJFA show that the average turnover of volunteers is usually about 3 per cent. a year. This year, the rate has been 15 per cent. The figure tallies with the anecdotal evidence I have received from the various clubs I have spoken to. It may not be simply because of the tax regime and the new demands placed on the members of the club committees. There might be other reasons, but I think that we are sensible enough to know that the new tax regime has had a major effect.

Dr. Gibson: I recall that in my days playing junior football we had to hitchhike to the Kello Rovers matches in Ayrshire and Dumfriesshire. What happens about insurance for injuries that may occur during those games? Is there a Government edict on players covering their own insurance or do clubs have to take it out for them? Players may also have other jobs.

Mr. McGovern: I cannot give a definitive answer and I am not sure whether there is legislation to cover that. My understanding is that clubs take out insurance for every player so that they are compensated for loss of earnings from their full-time job if they are badly injured. As my hon. Friend said, the players are usually amateurs and have other occupations.

Jim Sheridan: I believe that clubs take out insurance for players if they can afford to do so, but most of them cannot afford it, so their players live in danger of their main livelihood being affected.

Mr. McGovern: My hon. Friend's intervention drives home the financial constraints facing these clubs. The new tax burden is just one more exacerbating factor.

The volunteers and committee men—they are overwhelmingly men—are the lifeblood of the game and without them the clubs would simply cease to exist and the vital link that they provide for the community would go—and all for the sake of easing the bureaucracy for the Inland Revenue.

I am sure that there must be a way through the problem, albeit that it might take a little imagination from the Inland Revenue. Perhaps the Revenue could design a system so that any club with player expenses below a certain level could be allowed to use the old system and those with expenses above that level could be put on PAYE. That would provide clarity and allow the Revenue to get those clubs that they are obviously trying to target to sort out their own taxes. If the limit were set high enough it would provide protection for junior football and a long-term solution to stop what the Revenue obviously sees as junior clubs shirking their responsibilities. There would almost certainly be problems with that approach, but I am sure that my right hon. Friend the Minister and her many officials could put their minds together and come up with something suitable.

In 1997, our newly elected Labour Government published a pre-Budget report that emphasised the need for a tax system that is not only fair to current and future generations, but is seen to be fair. I am sure that we all stand by that. It is obvious from the evidence that treating junior football clubs as employers is technically legal, but will never be seen to be fair. It is not fair to the communities in which the clubs operate, it is not fair to the people who give their time free of charge to provide a service to the community and it is not fair to the many people who enjoy junior football in Scotland. I urge the Minister to reflect on that when she responds.

10.13 am

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): I shall be brief because most of the points that I wanted to make have been covered and I do not intend to make a geographical trip around Scotland because most people know what the problem is.

I do not want to give the impression that the Government have been unhelpful. There has been a lot of correspondence on this matter and I believe that the Minister is willing to try to find a way forward. We will do anything we can to help her.

I want to put it on the record that we are not whingeing Scots wanting to be treated differently. If this were a whingeing Scottish argument, Scottish nationalist Members would be here, but they have not turned up.

My local club, Renfrew Juniors, has had a very successful season and just missed promotion. Like many other junior clubs, it is under pressure from housing developers who want to build houses on its football pitch and take facilities away from the local community.

I want to paint a picture of the weekly life of committee members of a junior football club. They are usually men, while the women usually have to wash the football strips, socks and so on, and make the tea and sandwiches. Unfortunate as that may be, it is the reality of life.

The week begins with assessment of the injuries from the previous weekend and dealing with the insurance company, if the club can afford insurance and someone has been seriously injured. Committee members are involved not just in the summer months of July and August, but in November, December and January when they have to cut the grass, ensure that the park is suitable for play and repair pitch marks and so on for the weekend. They must contact sponsors to try to obtain money to keep the ground in a suitable condition

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for play. They must also go to the park on Saturday mornings to ensure that the game can go ahead. All those activities are part of a committee member's life. It may be ridiculous, but are we going down the road of taxing washing machines that are used to wash football strips?

Renfrew Junior football club's stadium is made available to other clubs in the community, particularly during the week, and people with particular skills, such as plumbers and joiners, are often excused from training in return for repairing the roof or fixing the pipes. I urge the Minister to consider our comments seriously.

Mr. Devine: My hon. Friend touched on a committee member's week and referred to finances. People go around pubs and clubs collecting totes on Friday nights and making draws on Sundays. They are involved all week. At a recent surgery in Fauldhouse, a local committee member told me that I had to spend £50 to sponsor the ball if I did not want the risk of him going around the community saying that the local MP was miserable. Fundraising is important and happens almost daily.

Jim Sheridan: I thank my hon. Friend for that valuable contribution. Life as a committee member means raising money, contacting sponsors, getting programmes printed, and making sure that players can get to games on time and that transport is available. Volunteers' personal finances are involved because they make telephone calls to arrange referees, contact players and so on. Those imponderables are not taken into account and committee members often have huge telephone bills because their clubs cannot afford to repay them. That happens for the reasons that have been explained.

The Minister kindly offered to have a meeting with interested parties later this month. If we cannot reach a satisfactory conclusion today, I would welcome the opportunity to meet her with other interested parties to see whether we can reach some commonality and solve the problem.

I emphasise that we are not looking for something that does not operate elsewhere in the United Kingdom. If players are earning money above the threshold they should pay tax and if junior football clubs are making profits they should pay tax. The problem is that junior clubs do not have fancy accountants and expensive lawyers. They depend on people's own experience, and therein lies the problem. The administration cost of the scheme will be a burden on the clubs. That is the crux of the problem, and it could force clubs to go to the wall.

10.19 am

Mr. John Leech (Manchester, Withington) (LD): I shall be as brief as possible to give the Minister ample time to respond to the issues raised by Labour Members.

I congratulate the hon. Member for East Lothian (Anne Moffat) on securing the debate. I also congratulate the hon. Member for Dundee, West (Mr. McGovern) on tabling early-day motion 2178, which highlights the concern that local clubs could go out of business because of the new guidelines, which put too much of a burden on volunteers who cannot cope with an extra work load.

I am sure that I am not alone is being able to cite several examples of local clubs, whether football clubs, social clubs or cricket clubs, that are run by small groups of volunteers who give hours of their time just to keep the club afloat. Those people cannot now be expected to look after players' tax affairs as well.

There is a real danger that people will end their involvement with local clubs, forcing many to close, simply because when one or two walk away, there is no one left who is prepared to run them. The more serious problem with the changes is the Government's decision to chase the tax back to 2003. I understand that, as a result, some clubs face bills of thousands of pounds in back taxes.

Two people run a club that I know about. One of them runs the bar, does the maintenance work, fills in the grant applications, acts as security when local yobs who are hanging about cause damage, cuts the grass and even referees the matches. In his spare time, he has a full-time job, too. I am sure that, given the prospect of having to fill in forms about his players' tax affairs, he is likely to think that it is time to call it a day. The club is run on a shoestring and it simply cannot afford to pay an accountant to sort out its taxes. I also suspect that if the club were faced with a demand for back taxes covering the past three years, it would probably be unable to pay.

The hon. Member for East Lothian made a number of valid points, especially in relation to the benefits that such junior clubs bring to young people by keeping them off the streets, giving them something good to do, making a difference to their lives and keeping them fit and healthy. She also made a valid point about the payments that are made to such players. I shall be interested to hear from the Minister the effect that the rule changes might have on the money that must be paid to players. Will they eventually have to be paid the minimum wage? No doubt that would mean a massive increase in costs to clubs.

The hon. Member for Blaydon (Mr. Anderson) produced the morning's best soundbite when he said that we should have tax breaks, not tax burdens. That is a valid point.

Dawn Primarolo: There is a tax break, and it was introduced three years ago.

Mr. Leech: I thank the Minister for that clarification, but I still think it is a good soundbite.

The hon. Member for Dundee, West conducted us on an excellent geographical tour of practically every constituency in Scotland, except those in the highlands and islands and that of Orkney and Shetland. I hope for his sake that he did not miss out any clubs, because that could be damaging for him locally.

We need a common-sense approach. It is crazy that Revenue and Customs is expected to chase tax payments, in some cases on as little as £10 wages. Surely taxpayers' money would be better spent ensuring that top earners, including a number of premiership footballers, pay the right amount of tax. If the Government are determined to continue with their

policy, it would make far more sense for them to consider the turnover of sports clubs and set a limit over which clubs would be expected to sort out their players' tax affairs. A club's turnover provides an indication of its size and scale, and therefore whether it can afford to employ an accountant, or whether it must use somebody who is capable of undertaking that work from within the club.

I also seek the Minister's clarification on the cost of recovering such a relatively small amount of money. Has there been an assessment of what tax revenue the changes will raise? Will the amount raised cover the cost of chasing it? Will she also provide some information about the relative success of the pilot scheme that I have read about? What effect has it had on the viability of the clubs involved? Have any gone out of business, or are any under threat of going out of business in the near future.

The Government should also consider the viability of backdating the change to 2003. Local clubs are struggling to pay the bills that they expect to receive, never mind those that are suddenly dumped on them. If the Government are not prepared to review their decision, clubs should be given more opportunity to phase in the changes. They should not be chased for back payments.

It is clear from the concerns that local clubs have raised that the changes will have a serious impact on the viability of a number of them. Any additional revenue could be cancelled out by lost revenue as other clubs go out of business. The Government need to rethink their strategy, and I look forward to hearing what the Minister has to say.

10.25 am

Mr. Paul Goodman (Wycombe) (Con): Mr. Chope, it is a pleasure to see you in the Chair. I shall also be brief, because much of the ground has already been covered. I shall begin by congratulating the hon. Member for East Lothian (Anne Moffat) on securing the debate. She has been involved with early-day motion 2178, as has her hon. Friend the Member for Dundee, West (Mr. McGovern).

I am far from an expert on the world of junior football clubs in Scotland, and I suspect that the opportunities for me to enlarge my knowledge will be limited, but from what the hon. Lady and hon. Gentlemen said, one point came over loud and clear to me and, I am sure, to the House: the great social and cultural importance to the whole community of the clubs whose financial livelihoods seem to her and her colleagues to be under threat from the change that has been made. Football is not just a common language. The hon. Lady mentioned the World cup, and I was very amused by the banter between some Government Back Benchers who seem more inclined to support Rangers, and others who might be more inclined to support Celtic. Even though my knowledge of football in Scotland is limited, it is extensive enough to clock that. More seriously, football is not just a common language, but a neutral space—an odd way of putting it, but accurate—in which, as the hon. Member for Blaydon (Mr. Anderson) said, people from different backgrounds and cultures who might not mix in other circumstances can come together. That is why, as he said, the police are so often interested in building up community football, and why a threat to the financial future of such clubs is so serious.

If I understand the situation correctly, players in junior clubs were minding their own tax affairs and the clubs were muddling along happily, building up a community, building up football and playing a role in their communities—and then the change occurred. Like other hon. Members, I am not clear on why the Inland Revenue made the change, whether a local department made it, or the degree to which the decision had national backing. I would be grateful to the Paymaster General if she cleared that up; I am sure that she will.

The change will have a knock-on effect, because clubs will, in effect, become employers. Government Back Benchers brought up many examples of what that might mean in practice. I think that it was the hon. Member for East Lothian who said that clubs might have to pay the minimum wage. It is the first time that I have ever heard a Labour Back Bencher express any reservations about paying the minimum wage, but in those circumstances I can understand why she is concerned. Other examples followed, including whether shin pads will be taxed. One enters such territory if one changes the nature of taxation.

As Labour Members said—I did not get the details, but I understand the general picture—the people who make such clubs work are not professionals but essentially amateurs. They love what they do, and they support the club because it is a community endeavour. Now, they will have to deal with extremely complicated tax arrangements that will stretch their expertise. That will clearly be a problem for the clubs.

As well as asking the Paymaster General to give us a few more details of how the change arose, I should like her to comment on the element of retrospection and back payment, which, on the face of it, seems a bit questionable. I would also be grateful if she explained the wider implications—if there are any—of the change for other clubs and societies, including those involved in sport. She may have to finish off this point at the meeting that she will attend with her colleagues, but what can she do to find a way forward that will allow the clubs a bit of space, so that they can find a balance that allows them to pay the tax that they should pay without imperilling their financial future? We look forward to hearing what the right hon. Lady has to say.

10.30 am

The Paymaster General (Dawn Primarolo): I, too, congratulate my hon. Friend the Member for East Lothian (Anne Moffat) on securing the debate. A lot of important issues have been raised and I welcome the opportunity to discuss them.

Reinforced by other speakers, my hon. Friend spoke about nurturing talent and helping young people, although I think that we are all clear that "junior clubs" refers to the leagues in which they are involved, not to the age of the players. I absolutely agree with her on the importance in local communities of clubs, whether football clubs or any other kind. I understand only too clearly from my own constituency experience how important those amateur arrangements are, so I have been genuinely perplexed—both by correspondence that I have received and, at times, by

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the debate today—about the precise nature of the problem that is being identified. However, I shall try to deal with the points made.

At the outset, I want to make it clear that Her Majesty's Revenue and Customs is not proposing any change to the long-standing informal arrangements operated by smaller community clubs. I am not sure that I can put it any more clearly than that. I was asked what goes on in England, Wales and Northern Ireland. We are seeking the same treatment in Scotland as in England, Wales and Northern Ireland. Whether I happen to represent an English constituency is irrelevant; I know that my hon. Friend the Member for East Lothian and other hon. Friends feel as strongly as I do that what is important is nurturing talent anywhere in the United Kingdom.

When football clubs of whatever status in England, Wales and Northern Ireland make payments that represent profit to players over 16, they are obliged to operate pay-as-you-earn. As is the case for any employer, when HMRC discovers that a club should be operating PAYE, it requires it to do so. That is what we are discussing today. We are talking about a minority of clubs where quite significant sums of money can be involved.

Jim Sheridan: Will my right hon. Friend give way?

Dawn Primarolo: I shall just finish my point. Such clubs will be asked to operate PAYE.

I was about to come to the point made by my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan). He said quite clearly that hon. Members contributing to the debate were not asking for anything different from what operates in England, Wales and Northern Ireland. The hon. Member for Manchester, Withington (Mr. Leech) talked about using the common-sense approach. I agree with him and I hope to explain to him what I understand that approach to be. We could then pursue that question if it is not settled here today.

Jim Sheridan: Will the Paymaster General define in layman's terms what she means by profit? Is £1, or £1,000, or £50 profit?

Dawn Primarolo: That is at the heart of some of the questions asked. Frankly, the point made by the hon. Member for Manchester, Withington, about pursuing a club for £10 is just daft—it would not happen—so let us try to lay out clearly what is going on.

Mr. McGovern: My right hon. Friend refers to clubs as employers who have responsibility for PAYE. Can she define who in the clubs would be responsible for administering PAYE? Would it be the unpaid community volunteers?

Dawn Primarolo: I will come to that, but let us just keep the matter in perspective. As I understand it, there are 164 of the clubs in question. Forty-five of them are larger—I shall come later to how they got to be larger and to the sort of sums that we are talking about. They have been asked—and they have agreed—to operate PAYE from 2005-06. That is the position with regard to the clubs. As all my hon. Friends have acknowledged, tax and national insurance law requires employers to operate PAYE and class 1 national insurance. Those requirements apply to all employers, no matter how large or small, whether they are running a business, a club, a voluntary organisation, or even just employing a nanny in their own home.

In the case of the Scottish junior football clubs, a special arrangement, to which my hon. Friends have referred, involving an informal return was introduced. That arrangement will not be disturbed; it is not as if it is being taken away from all 164 clubs. That arrangement was introduced because, at the time, except in exceptional cases, clubs paid only small amounts to cover expenses that would not have been taxable. So although technically the clubs were employers and should properly have come within the scope of the PAYE rules, the informal return, which still exists for the vast majority of clubs, was a pragmatic simplification that saved both the club and the Revenue from having to operate the system fully.

Those arrangements simply required the club to provide a list of players and details of payments made to each of them, and if the payment included any profit element—I shall come to the expenses issue later—that was included in the tax code relating to the players' main employment. That informal arrangement lasted a long time. It was reviewed for two reasons—this will answer the point made by the hon. Member for Wycombe (Mr. Goodman). The first reason was that the financial circumstances, in terms of the amounts being paid, had changed for some clubs. They were no longer paying only non-taxable reimbursements of expenses—for example, those relating to kit. By the way, kit does include shin pads; I have no idea where the ridiculous suggestion that shin pads could be used for something else came from. I heard clearly what was said about that, so I am saying clearly now that it is an expense. Many clubs are paying substantially greater sums in real terms than they were in the 1960s, and there can now be a real profit element involved. That causes issues at the boundary as they move away from the amateur reimbursement of expenses.

The second reason for reviewing the arrangement was that under the old system—I suppose the question is why it has taken so long to get to this point, but never mind—the informal arrangement meant that things would be picked up through the tax system with the employer, but the introduction of self-assessment in 1997 cut across that, because it was no longer possible to identify third-party information. It therefore became difficult to determine a person's tax liability. I can see you smiling Mr. Chope. You are no doubt very familiar with this problem from your constituency experience. *[Interruption.]* Did someone ask me to give way?

Jim Sheridan: I was making reference to my right hon. Friend's comments about you smiling, Mr. Chope. You are familiar with all these tax complexities. Unfortunately, that is not true of most of the people who will be burdened by the administration.

On a separate point, my right hon. Friend said earlier that out of 164 clubs, 45 fall into the category of making a profit. Will she make available a list of the 45 so that we can make an assessment of it?

Dawn Primarolo: I will certainly try to do that. I was smiling at Mr. Chope because I was thinking of his

Public Accounts Committee experience. As a Minister, I am used to the probing questions that it rightly asks.

Regarding the list of clubs, I have asked for that information. I would prefer to have it myself, but it is covered by taxpayer confidentiality. If we can find some way of getting those clubs to agree to the disclosure of their names by HMRC, I will be more than happy to pass it on.

There is no question of backdating the system to 2004. The clubs have agreed to operate the system—I shall give some examples of the things that cause difficulty—and as far as we are concerned, the remainder of the 164 clubs are covered by the informal arrangements. Of that remainder, 11 have not submitted an informal return for a number of years—that is where the point about 2004 comes in—or their returns do not make sense. A further discussion will take place with those clubs, which I hope will resolve the matter.

Let us consider the sort of things we are talking about. Some clubs have been asked and have agreed to operate PAYE under exactly the same arrangements for clubs in England, Wales and Northern Ireland. It may be that they have received substantial sponsorship. It varies from the fixed amount, but it could be anything from £3,000 to £200 for advertising at the ground. These amounts, together with gate receipts—which can be up to £1,000 per game for some clubs—and other forms of supported income, help to finance payments to players and coaches. We are trying to ensure that the informal arrangement works in the way agreed and that the rules are applied.

There is no intention to add burdens to what we all agree are perfectly reasonable arrangements. The review referred to commonly made payments, such as signing fees for players that can vary from £150 to £2,000 per player, averaging at £800. Those are not insubstantial amounts. One club paid a player £100 per week. During the review, when the treasurer of one club was asked what happened to the balance of £400 in gate receipts in a particular week after all other disbursements—payments, expenses, running costs and so on—had been made, he said that the club simply paid it to the players by dividing it equally. That falls outside the informal arrangement, which is what the HMRC is trying to deal with.

I absolutely agree with all the pleas that my hon. Friend are making. Where the informal arrangements are working, that is fine: the majority are, and should be, left undisturbed by the recent changes. We should find ways of ensuring a sensible outcome for clubs that have moved beyond the circumstances with which the informal arrangements were designed to deal. Such clubs have agreed to operate PAYE.

Mr. Devine: My right hon. Friend seems to be contradicting herself. Perhaps she can help me because at the beginning of her contribution she said that there has been no change, but she then said that she wants to bring Scotland into line with England, Wales and Northern Ireland. Can clubs still operate the informal arrangement? Can I go back to the junior football clubs in my constituency and say, "The Minister is telling me very clearly that nothing has changed and you can continue to operate the informal arrangement. You can tell the tax department where to get off"?

Dawn Primarolo: Yes, as long as that club is not paying a profit element, which was never part of the informal arrangement. As long as clubs are not doing that, they still fall squarely within the informal arrangement. It is a question of the profit element and the payments over and above the norm. I am not referring to reimbursement of expenses or other such matters, but the sharing of the profit element from the club. My point about England, Wales and Northern Ireland is that that is how the rules operate in those countries.

Dr. Gibson: My right hon. Friend made the point clearly and effectively about the distribution of profit among the players. Has she any evidence of how often players do not get paid because the club is in some dire trouble? Players may have to take a cut in wages, or receive no wages at all. I bet that that happens quite frequently.

Dawn Primarolo: I do not have the evidence to hand, but in circumstances where clubs are squarely within the arrangements for amateur clubs—this is also the case in England, Wales and Northern Ireland—there is no PAYE requirement. We are talking about the sharing of payments over and above a certain point and how that should be declared. I want to make it absolutely clear to my hon. Friends that we have not suddenly decided that all 164 amateur clubs, the value of which has been clearly outlined today, have to apply PAYE rules. They are not being asked to do that; that is not happening.

Mr. McGovern: My right hon. Friend mentions 45 clubs that have agreed to operate PAYE. Would she explain what prompted that? Did those clubs simply come forward and volunteer to adopt PAYE or were they chased up by the Inland Revenue? How did the change happen?

My right hon. Friend may be coming on to answer the question I asked earlier, but if a club is regarded as an employer, who is responsible for returning the PAYE forms?

Dawn Primarolo: I shall double check how the change came to pass. I hope that I am giving my hon. Friend the correct information, but I believe that in some areas the informal returns, which are considered periodically on a compliance basis, raised questions about whether clubs had moved beyond the exact requirement in the informal arrangements. That goes on all the time in the tax system and makes sure that the system operates as it should. I am taking part in the Committee on the Finance Bill, which attempts to do that every year.

It is my understanding that the treasurer and secretary are responsible for the informal return. It would depend on the structure of the club, I suppose, but I presume that they would be required to do it. My problem in answering my hon. Friend's question is that I do not know in how many different ways I can say that the vast majority of such clubs will still fall within the informal return arrangements and that that is where they will stay.

There has been considerable discussion with the Scottish Junior Football Association since 2002 about the problems and the need to clarify the arrangements. The new provision was not simply dreamed up. Questions arose about what was happening in some clubs, which were

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then raised with the clubs. Discussions took place and 45 clubs have agreed to operate PAYE if it is necessary for the payments that are to do with making a payment—a wage, or a share of the profits—other than the reimbursement of expenses.

Anne Moffat: My experience is that the clubs in my constituency have had PAYE imposed on them by the Inland Revenue, not that they have happily agreed to do it. Would my right hon. Friend look favourably on the clubs that are saying that that is the case?

Dawn Primarolo: I would certainly look favourably on clubs that take the view that they have been unreasonably asked to operate PAYE, but if they are making payments that are, in effect, a wage or a share of profits and that take them beyond the informal relationship, they have put themselves under the law that every employer in this country has to apply if they make payments in a particular way. I cannot say on the Floor of the House that we will let some employers not operate the system. That would be a disaster in the exploitation of people.

We have entirely reasonably said that we need an informal arrangement when clubs are amateur and are not making such payments. They should not have any contact with the tax authorities, but should simply complete a return to confirm that they still fall under the informal arrangement and to supply the information that is requested.

Jim Sheridan: I thank the Paymaster General for giving way yet again. In her many discussions with the SJFA, has she or any of her officials offered it any resources in assistance? Could the SJFA engage an accountant to deal with all the clubs that would have to pay? Would there be a tax exemption if someone were engaged to do that?

Dawn Primarolo: It is not for me to advise on how to plan tax from this Chamber. I am not aware whether such discussions have gone on. I have not had such discussions, but I will take my hon. Friend's point away and check with my officials. I operated a PAYE system, many years ago, before I was in this House, and I am rightly required to understand the system now as Minister.

Mr. McGovern: Will my right hon. Friend give way?

Dawn Primarolo: I will just finish this point, and then I will give way.

I assure my hon. Friend the Member for Paisley and Renfrewshire, North that there are a lot of simple, quick and easy ways to fulfil the obligations, most of which come in the form of software and require simple applications, such as putting in figures so that returns are automatically done. I will certainly check whether, if someone were employed to do it all for the club, that would be tax deductible as a business expense. I think that I know the answer but I do not want to get it incorrect.

Mr. McGovern: My right hon. Friend said that the 45 clubs that have agreed to operate PAYE did so because the Inland Revenue felt that their informal returns moved beyond an exact requirement, which sounds pretty definitive to me. Could my right hon. Friend tell me what that exact requirement is and when a club moves beyond it?

Dawn Primarolo: In some cases, clubs were not even submitting the informal declaration or return, or were missing out some of the information. I said earlier that the return required them to explain the expenses payments they made, so they would have to submit a list of what they had paid out. The Department has business support teams, which have offered to assist the clubs that are operating PAYE if they have any questions or requirements.

We are coming to the end of the debate and I want finally to —

Mr. David Anderson: Will the Minister give way?

Dawn Primarolo: I want to make this point, and then I will be happy to give way before I conclude.

Many important points have been raised. I hope that I have been able to clarify some of the misunderstandings, but I can see that there would be value in meeting interested Members to try to ensure that the final elements are sorted out.

Jim Sheridan: The minimum wage?

Dawn Primarolo: My hon. Friend prompts me on the issue of the minimum wage, but frankly £100 for a day's play or a couple of hours' play probably exceeds the minimum wage requirements.

Mr. Anderson: I want to raise the same point. The Paymaster General might be right that one person might get £100, but if we are saying that at least 45 clubs must now accept that they are employers what will that mean for them? Will everyone who plays for them attract the minimum wage? Will they attract national insurance contributions? That is a big difference from one person getting a one-off payment of £100.

Dawn Primarolo: That is difficult to deal with at this stage. I am perplexed that I need to go through the national minimum wage on this occasion. We are talking about people being paid from a profit or made another payment when they might well be working elsewhere.

Mr. Devine: Will my right hon. Friend give way?

Dawn Primarolo: Just a minute. I know that my hon. Friend thinks the matter is important and I am keen to hear him, but I need occasionally to answer a question before the next one comes along.

I am advised that the national minimum wage is not an issue when it comes to the payments that we are discussing. Clubs do not have to run the scheme for everyone, and the payments involved significantly exceed what would be considered the hourly rate for the national minimum wage.

In the last minute, I will give way to my hon. Friend the Member for Livingston (Mr. Devine).

Mr. Devine: Obviously, the word "profit" still causes problems to us old socialists. Can I present a scenario to the Paymaster General? A team could go from the informal arrangement to employer status in one season. It could go on a cup run, get a lot of money in and pay some of that money out, but if in the next season it were knocked out in the first round of the cup, it would be back to the old scenario. Is that correct?

Dawn Primarolo: That may well be the case. I suggest that my hon. Friend comes along to the meeting that has been arranged. If my hon. Friends give me a list of the specific questions in advance, I will do my best to cover in detail more of the tax-planning points rather than the general points about what is happening.

I congratulate my hon. Friend the Member for East Lothian on securing the debate, which has been excellent. I hope that I have been able to assuage fears that the provision is a blunt instrument to every club. I recognise that there are a number of detailed points that we need to deal with and answer and I look forward to doing so.

State Schools (Independence)

11 am

Mr. Douglas Carswell (Harwich) (Con): I am grateful for the opportunity to initiate a debate on setting our schools free, and I hope that it will be conducted in a spirit of inquiry and thoughtfulness. I am a member of the Education and Skills Committee and I am constantly struck by the degree of cross-party consensus and co-operation that I find there. I hope that our debate will be conducted in a similar spirit.

I do not wish to score party political points. Indeed, I see opposite me some of the Labour Members with whom I voted on the Education and Inspections Bill. We joined together in the Lobby to get that Bill through the House.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Gentleman did not vote with me. The only other person on the Government Benches who voted with him is the Minister, and I would expect that.

Mr. Carswell: I am grateful to the hon. Gentleman for pointing that out; it is indeed the case. I hope that the Minister and other Members will join together if not in the Lobby, then in this Chamber today, to find some consensus on how to improve education.

It needs to be said at the outset that not all schools with independence are good and that not all schools that conform to the micro-detail of Government diktat are necessarily bad. Far from it. We need to be careful not to assume that independent automatically necessarily means better.

I acknowledge the contribution of my hon. Friend the Member for Gainsborough (Mr. Leigh), whose most excellent pamphlet on setting our schools free largely inspired the debate.

In office, political parties are inclined to argue that things are generally better than they are; in opposition, they are sometimes tempted to argue that things are worse than they sometimes are. My criticisms of the education system are not directed at any one Government. I want to make a broader point about failures in our education system that I believe are a product of a centralist system that has been in place for 20 or 30 years, if not longer.

The following facts prove that there is a problem in our education system. A quarter of 11-year-olds cannot read or write sufficiently well to allow them to tackle the secondary school curriculum. One in five school leavers are functionally illiterate and innumerate. The state has supposedly been looking after them and educating them for nine years, but it has failed in its most basic task.

Many school leavers arrive at university without the basic literary skills that they need for their coursework. That failure has been masked by extraordinary grade inflation. For example, between 1992 and 2002, when Governments of both parties were in office, the proportion of A grades awarded at A-level rose from 13 per cent. to nearly double that figure.

Those are the facts. However, we can debate the reason for that failure. I contend that the education system is failing because of over-centralisation and the

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quango state that administers our education system. That system is run at the behest of remote quangos and remote elites—schools adjudicators, curriculum and qualifications authorities and unaccountable bureaucrats in the local education authorities. Remote elites make decisions; local pupils, schools and parents take the rap. That is how our education system is run—almost regardless of which Minister holds office.

The quango state has run education not only badly in terms of output, but incredibly inefficiently. It has been estimated that about 45 per cent. of education spend does not go to the schools, but is sucked up by the education quango establishment. Those quangos—for instance, the Qualifications and Curriculum Authority, with its plush offices in London—always seem to have enough money for such things. Regardless of the fact that there might not be enough teachers in the classroom, local education authorities never seem to run out of bureaucrats.

The quango state absorbs an extraordinarily large amount of money that ought to be going to schools. The national curriculum is devised by distant experts. Targets and guidelines are set and imposed on schools. That process began in the early 1990s, if not before, but in recent years it has turned into an avalanche. Centralism is the problem. If we are honest, we will admit that Governments of all parties since the 1970s have thought that they could run education better from the centre.

Some on my side of the House might be tempted to mention grant-maintained schools. They might have been decentralising, but whatever freedoms the schools gained from their LEAs were offset by greater scrutiny and accountability through the national curriculum and targets set by central Government. Grant-maintained schools show how not to set schools free, as the mechanisms for further central control remained in place.

Instead, we need a bold new approach to decentralisation to devolve not so much just to town halls, but directly to parents, pupils and the schools themselves. We need to take power and responsibility away from the quango state and devolve it downwards directly to the users.

Mr. Philip Hollobone (Kettering) (Con): I congratulate my hon. Friend on securing this important debate; I know how passionately he feels about the subject. Each year, we all have constituents who are heartbroken to find that their child or children cannot go to the school they wish to go to because the local education authority has not provided enough places in that school. Does he agree that, in a radical overhaul of our school system, we must ensure that good schools can expand?

Mr. Carswell: My hon. Friend is absolutely right. I and many other Members have been approached an extraordinary number of times by parents who cannot understand why they are not allowed to exercise effective choice because of arbitrary boundaries and catchment areas. The system is wrong, and it needs to be changed.

We need to set schools free, and we could begin by allowing schools to control their own admissions policies. We should allow schools to have charitable status—what we might call trust status—and the freedom to set their own budgets. I shall say in a moment how we need to reform funding of the education system.

David Taylor: A moment ago, the hon. Gentleman suggested that a characteristic of an ideal system would be parents being able to get their children into the school of their choice, but he went on to speak of schools having their own admission criteria. Would not that mean schools selecting children rather than the other way round?

Mr. Carswell: I believe that if we gave schools the ability to manage their own admissions, in a few instances safeguards would need to be built in. For example, in a remote rural village where there was no effective choice, safeguards might be needed to ensure that no child was left out of the system and that no child was left behind. However, the number of cases in which such safeguards would have to apply would be few and far between. In most cases—indeed, overwhelmingly—if schools were allowed to set their own admissions criteria, few children would be excluded. There would always be a school for them. A school different from the one they attend at the moment might have to be chosen, but there would be effective choice.

Constituencies such as mine have a number of secondary schools, and if we were to scrap the arbitrary catchment areas, we would allow people a choice that they are currently denied.

Mr. Jeremy Browne (Taunton) (LD): I am a governor of a secondary school in Taunton. We recently had to appoint a new head teacher, and I was amazed by how little discretion the governors had in deciding the salary. Drawing on the point that the hon. Gentleman was making about allowing head teachers and governing bodies more budgetary discretion, should they have more freedom to, for example, pay or reward a distinguished teacher of French who has made the school admired throughout the area? A straitjacket seems to have been imposed on head teachers, which makes it difficult for them to reward excellence—and, for that matter, to allow greater advances in other parts of the school.

Mr. Carswell: The hon. Gentleman—given his comments, I am tempted to call him my hon. Friend—is absolutely right. He has given a good example of why greater flexibility and freedom for schools to set their own budgets, hire staff and set the terms and conditions for doing so could benefit individual schools.

The idea that we should determine such things centrally is wrong. As part of the package of independence, we should give schools the ability to hire staff—and, indeed, to fire them. With one or two safeguards, as teased out by the hon. Member for North-West Leicestershire (David Taylor), schools could manage their own budgets, determine their own admissions criteria, and set the terms and conditions for hiring their staff.

Schools would also have the freedom to set their own curricula. On balance, we have come to the point of

needing to advocate the abolition of the national curriculum. Some will be surprised to hear that, but my view is that the national curriculum—the nationalisation of the curriculum—has not imposed the greater rigour and higher standards that it was supposed to impose. In fact, in many instances it has done the opposite of what its architects initially intended. If schools were allowed to set their own curricula, those of us on the centre right would be reassured that we were likely to get a more "small c" conservative curriculum. There would be diversity and choice; people could shop around for a school with a curriculum that they wished for.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): What would happen if all the schools in a certain county or area decided not to adopt the kind of curriculum that parents want, and their head teachers decided to adopt a very progressive and dumbed down curriculum? What would happen to parents and children in such areas, which would offer no effective choice of a high-quality school?

Mr. Carswell: I cannot think of a single county in the country in which that would be the case if there were effective school independence and parental choice. However, I can think of a number of counties in which an extremely progressive curriculum is imposed with almost zero parental choice and almost zero freedom for schools to do differently. Under my scheme, we would get choice and a conservative outcome in terms of the content of the curriculum. Under the current system, there is a very non-conservative curriculum, and there is very little that parents can do about that.

I am not here to argue for a return to grant-maintained schools. There were errors to do with the centralised system of funding in the grant-maintained system. Nor am I here to defend the local education authorities; under my scheme, I would be happy to see certain aspects of the LEAs wither away.

Instead of centralising how local government manages its education budgets, we should try another, non-centralising way—a third way, if you like—of devolving control over school budgets. We could give every parent in the country the legal right to request and receive, in non-cash form, their share of their child's local authority budget allocation. That share could be weighted by age, geography or indicators of social deprivation to ensure greater equity—I admit that.

Allowing parents the legal right to request and receive their child's share of the local authority budget could be done simply and would ensure that there was effective choice, which is lacking under the current system. It could be done through a relatively simple, straightforward two-line Bill in Parliament and judicial fiat. The courts could ensure that it took effect.

What I suggest is not the same as some hideously complicated, centrally run, top-down national voucher scheme. Imagine the potential for IT failure under such a scheme; one has only to consider the history of some of the big Government IT projects to see what might happen. Nor do we need a new funding quango. That would enable future Governments of left or right to attach conditions to schools or parents for receipt of the funding. A simple legal right for parents to request and receive their share of local authority funding would solve the problem.

In looking back at the history of the national curriculum and of a centralised system of funding for grant-maintained schools, we see clearly a lesson that we on the centre right need to learn: rigour and higher standards cannot be imposed top-down, but will come about through being driven from the bottom up. To ensure that that happens, we need not only to set schools free and give them greater independence, but to give parents effective choice.

The Minister for Schools (Jim Knight): I am intrigued by the hon. Gentleman's argument. Will he outline the difference between what he advocates and the pupil's passport, which was his party's policy when he was elected at the general election?

Mr. Carswell: The pupil's passport is quite a centralising, complicated, formulaic measure. I must be frank: I never entirely understood its mechanisms, and I am not a big advocate of the big Government IT projects that such a scheme would necessarily entail. Given the history of the passport scheme at the Home Office, I do not think that a scheme with similar IT complications is called for in education.

David Taylor: The hon. Gentleman has a well deserved reputation for being refreshingly open and frank. Will he comment on a policy that his party has promoted for much of the time since 1997? His party has not yet put the policy of having a grammar school in every town into the grave with a stake through its heart. Does he think that that policy would be popular with people and parents?

Mr. Carswell: I began this debate by saying that I would try to bring a thoughtful spirit of inquiry to the Chamber, and I hope that we shall retain that.

When people talk about grammar schools, emotions quite often take over and the debate starts to generate more heat than light. I am not opposed to the extension of grammar schools, of which there are about 167 in the country, but I am much more interested in having a debate about education that would improve the quality of life of all our children in all schools in the country. We need a debate far wider than an exclusive discussion of grammar schools. By all means, we can debate those schools, but I deliberately phrased the title of the debate so that it focused on the interests of the many, not the few.

It is important that any policy should be assessed according to the impact that it might have on the most vulnerable. I feel that strongly, given my experience with children with special educational needs in my constituency. If we are to give schools greater independence and parents effective power, we need to ask ourselves about the impact that that might have on the more vulnerable in our education system.

For me, the key critical test, first and foremost, is whether such children would be better off. We could come up with a system that ensured that. Too often, the statementing process to which those with special educational needs are subjected has put vulnerable

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individuals at the mercy of education experts. Such children have been more dependent on remote experts and, on occasion, have suffered as a result.

The immoral policy of enforced inclusion and the immoral closure of specialist schools, such as the Leas school in Clacton in my constituency, which help those with special educational needs, are further manifestations of what happens when schools, parents and pupils surrender their independence to experts happy to dictate what they believe is right for other people's children.

By reforming the statementing process, we could ensure that greater independence meant that children with special educational needs were better off. Such children's statements should not only be specific in spelling out what is necessary to help them, but include a form of financial entitlement that indicates the LEA money to which the child is entitled to have their needs met. If we introduced such a system and made schools more independent, we could show that, demonstrably, the more vulnerable children in our education system benefited the most.

I shall wrap up my remarks and open the Floor to debate by drawing a few conclusions. There will be those who are opposed to ideas about parent power and setting schools free. Those who oppose greater independence for parents and schools are, in essence, stuck in a regressive 1950s mindset. It is progressive to give parents greater choice and to set schools free. The days of deference to remote experts are rightly over. We who argue for school independence and parental choice are the real progressives now. We need a system of education that offers genuine pluralism that cannot be dictated from the centre, and with pluralism and choice will come genuine innovation.

To conclude, the only people in this Room who are experts on what is right for children are those of us who are parents and who have the expertise to decide what is right for our child. The days of national politicians dictating what sort of education every child should receive should be over.

11.21 am

Mr. Edward Leigh (Gainsborough) (Con): I am delighted to follow my hon. Friend the Member for Harwich (Mr. Carswell), who has made an excellent and thoughtful speech. He is right to use the mechanism of this alternative Chamber to have an alternative kind of debate in which we are less concerned with day-to-day politics and more concerned about developing long-term policy and, indeed, philosophy. I hesitate to use the word "philosophy" in the House of Commons, as I do not want to be accused of being an intellectual, which would be political death.

My hon. Friend made an important contribution in the way that he introduced this debate. He was kind enough to mention a pamphlet that I recently penned, but I claim no particular credit for any ideas in it, as it contains nothing new. There is little that is new in the debate on education. Many of these ideas have been around for many years, but I believe that there is a new determination to question all existing orthodoxies and to be prepared to consider what happens in other parts of the world and, indeed, Europe.

There is extraordinary diversity in educational provision in other parts of Europe. There is not a view in other European countries that there must be only one educational model. For instance, Sweden, which has a tradition of many years of social democratic government—centre-left government with short periods of centre-right government—has introduced a radical universal voucher scheme, which imposes controls on admissions. The scheme has resulted in an explosion of new, privately run schools that appear to be popular and to cater for a need.

In Holland, which does not have a reputation for being a particularly conservative country, there has long been a tradition of the state, in effect, funding private schools. In France, the salaries of teachers in private schools are paid by the state. There is not a view in other European countries that there must be a great divide between the public and private sectors.

In that context, I welcome the speech which I understand the leader of my party gave today in which he praised people who work in the public sector. It has always been the view of the Conservative party that we must mix and match. One cannot say as a general proposition that the public sector or the private sector is always best. We are prepared to advocate a public-private partnership, which exists in other countries but not in this one. In this country, where the fees of most private schools are way beyond what most ordinary people can afford, only 7 per cent. of children go to private schools. How can most of the people who work in the public sector, for instance, possibly afford boarding school fees of up to £18,000 a year, or private school fees of perhaps £9,000 or £10,000 a year, out of taxed income? The situation is different in France, Germany, Italy, Spain, Sweden and Holland, where there is extraordinary diversity.

However, let us not discuss private schools only. Other European countries are moving away from central direction of state education, so let us discuss that for a moment. Speaking as a parent, I know a great deal about French education. I sent all my children to the French lycée in London for a time. My mother and father were brought up in France. That country's education system has a reputation for being centrally driven. There is a joke that the Minister of Education in Paris knows that at 10.30 on a Wednesday morning, every child in France is opening the same geography textbook, but that simply is not true anymore. For many years, France has been moving away from a centrally driven education system.

Incidentally, it is also instructive that most middle-class parents in France are happy to use state education, wherever they live. It is of an excellent standard, and we must ask why that is the case. I have alluded to the private schools in France and the fact that salaries in those schools are paid by the state. People use such schools for a particular purpose, but most people are happy with state education, which, increasingly, is not centrally driven.

A point that must be considered in this debate is whether this country has taken a wrong turning since the 1960s. Did my party, when it was in power, make a fundamental error? There were two things that we could have done.

David Taylor: Does the hon. Gentleman agree with the hon. Member for Harwich that the national curriculum,

whose genesis was in the time of the Conservative Government, is too dirigiste and therefore should be progressively abandoned?

Mr. Leigh: I do indeed agree with my hon. Friend. Funnily enough, yesterday I spoke at length to Chris Woodhead, the former chief inspector of schools, about this debate. He reminded me that the national curriculum was introduced for perfectly good reasons. We were concerned that kids in many parts of the country did not seem to be achieving the basic standards in education that we expected, and it was an honest attempt to raise standards nationally.

The national curriculum had a reasonably loose structure when it was introduced, but it has become altogether too bureaucratic and prescriptive. I agree with my hon. Friend that we could progressively move to a system in which individual state schools are independent. That is the vision that the Prime Minister set out in his White Paper, which I fully support, and I believe that in his heart of hearts, he would agree with much if not all of what my hon. Friend said.

Mr. Gibb: Does my hon. Friend accept that it would be perfectly possible for Ministers of an incoming Conservative Government to return the national curriculum to the original vision?

Mr. Leigh: I am pleased that my hon. Friend made that intervention. As part of this think-piece debate, it is important that we explore such nuances and how our party would approach the problem of improving educational standards. My hon. Friend, who is totally committed to education, believes and has great trust that a future Conservative Government could return the national curriculum to something like what it was before. He is worried about the state of the educational establishment, particularly teacher training colleges, and believes that once he becomes a Minister—we all sincerely hope that he does become an Education Minister—he can impose his will.

It is important that my hon. Friend and I should conduct this friendly debate in public as well as in private, as it informs how we will develop policy during the next three years while we are in opposition. With respect to him, one cannot impose one's view from the centre. Incidentally, that is the view of Chris Woodhead and other people I know who work in the state sector. If there are 20,000 schools in this country, that is impossible. Whatever one says and does, whatever one's commitment and however long one is allowed to be a Minister—and Ministers' powers are somewhat limited—if schools do not agree, they will simply not go along, and my hon. Friend knows that.

When I have visited schools in my constituency and talked about synthetic phonics—now they are in fashion, but a few years ago they were not—teachers have told me, "Well, we had all these circulars from the state, but we just binned them and carried on doing what we know best; we're professionals." Whatever my hon. Friend's good intentions, even if he tried to return the national curriculum to a pure state of more traditional conservative teaching—if it were possible to devise such a thing—if head teachers and teachers on the ground and teacher training colleges wanted to ignore it, they would.

Mr. Jeremy Browne: I hope that the hon. Gentleman can clarify something because I, too, am confused by the position advanced by the Conservative spokesman, the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb). As I understand it, he said that giving schools and head teachers greater autonomy would lead to a more uniform curriculum. He expressed the concern that there would be a whole county in which every school offered the same package of education. That has not been my experience of head teachers being given greater discretion over setting classes. Why would the official spokesman for the hon. Gentleman's party be concerned about that possibility?

Mr. Leigh: I do not think that that would happen. If the model that my hon. Friend the Member for Harwich discussed were accepted, and head teachers had genuinely independent powers over their curriculum, is it really believable that every school in an entire county or large town would follow the same progressive model? In fact, under that model, other schools would develop and parents would vote with their feet. Do we have no self-confidence? As Conservatives, we believe in a traditional form of teaching. We believe that that works and that many modern teaching fashions have corrupted education. Do we really have so little confidence in professionals, teachers and parents that we believe that if they were given complete freedom, all of them in an entire county would move to an extreme form of progressive education?

If that happened, however, it would of course happen under my hon. Friend's model presumably only because that was what teachers, head teachers and parents wanted. If they want it, let them have it—but I do not think that it would happen.

Mr. Gibb: In response to the intervention from the hon. Member for Taunton (Mr. Browne), my comments related to what would happen if we abolished the national curriculum, which I am totally against. To take up my hon. Friend's point about whether Ministers can determine matters, I am not saying that central Government can or indeed should prescribe everything that happens in schools; what I am saying is that Ministers can determine the content of national curriculum documents that emanate from the Department for Education and Skills.

My understanding, from what I have experienced in my current role and as an MP for nine years, is that too often Ministers from both parties have not been engaged in the detailed minutiae of what emanates from the Department. We live in a democracy, where accountability rests here, so it is important that Ministers should have detailed knowledge of the issues and be engaged in them. An incoming Conservative Government would take that view. I am afraid that there are too many documents currently emanating from the Department that do not reflect the wishes of Ministers, the public or the party in power.

Mr. Leigh: I wish my hon. Friend well. He is right: Ministers can take charge and issue whichever documents they want. Whether those documents will be obeyed in all or most schools, I do not know. That would rather depend on whether they went with the flow of what teachers wanted. If such documents went with the flow, they would be obeyed; if not, they would not.

Mr. Gibb: I am sorry to intervene again, for the final time, but the point is that a lot of these documents are influential on teachers. Most teachers with whom I come into contact are conscientious, and will lean on documents that emanate from the DFES. The problem, particularly with phonics and the teaching of reading, has been that teachers have leant on the framework document but it has been wrong. The searchlights model is the wrong method for teaching children to read, yet many conscientious teachers, doing their best, have relied on it to the detriment of many children's reading skills. My point is not that we should be more prescriptive or take more powers but that where we have influence we should use it the right way, based on evidence of the pedagogical methods and curriculum that works and that parents want.

Mr. Leigh: I agree completely. Great—let us try that, but we have to be realistic about our abilities, especially when we are dealing with the educational establishment that we have.

The opinion of one professor of education writing recently, which Chris Woodhead mentioned in a speech, is that

"The great challenge for education in the 21st century is...the discovery of a holistic, problematised pedagogy".

Does that mean anything to you, Mr. Chope? It means nothing to me. Then there is the commissioner for London schools—an official person, presumably—who said recently:

"In the light of research into the brain and theories of learning, teachers' questioning techniques will have moved (by 2050) beyond traditional methods."

That is what we are dealing with, and what my hon. Friend will be dealing with as a Minister.

We will go on debating the issue, but let us not get any more bogged down. I must not speak for too long, because others might want to get in. However, my hon. Friend has raised an interesting debate that need not necessarily be the preserve of members of the Conservative party. I have great hopes for the hon. Member for Taunton, whose early intervention convinced me that there are people in the Liberal party who also believe in localism and local determination—I hope that there are such people in the Labour party, too.

Such people might follow us in supporting the concept of schools being given increasing powers over their budgets if, for instance, there were a shortage of maths or language teachers. Indeed, there is a great crisis in languages in state schools, as well as in mathematics and science teaching, and it is independent schools that are saving sciences and languages in universities. That is something that the Government should be worried about. I hope that all hon. Members here would agree that schools should be given more independence over their budgets, if that is what they wish.

The great divide is of course over selection. My hon. Friend the Member for Harwich was again right to say that we should not get bogged down in the debate about grammar schools. That debate has gone—it is finished, it is in the past. A Conservative Government would not need to say that we will introduce a grammar school in every town. That was one line in the 1997 manifesto. It is not going to return and the debate is in the past. All we need to do is give head teachers and their governing bodies increasing powers over admissions.

It was said earlier that the only result of doing that would be that schools would choose pupils, and that pupils and parents would not be able to choose schools. It is claimed that if we give head teachers greater power over admissions, large numbers of schools will suddenly become ultra-selective and turn people away, and there will be no decent schools for kids. Indeed, I am not sure that my children could have got into grammar schools, although I am not for or against those schools—that is irrelevant.

For the sake of argument, does the Minister or anybody else think that if we gave head teachers increasing independence, there would be a revolution in our schools? Teachers are actually quite conservative in how they run their schools. Those running a pure comprehensive school are allowed to test anyway, to create a pure comprehensive system, in which there are three bands, of the most able, the middle and the less able. If comprehensive schools were given the freedom to select who they wanted, some might become more academic, some might remain comprehensive and some might admit more pupils of less academic ability. We do not know.

There are schools in the independent sector that cater for all abilities. There are Winchesters and the Etons, which are highly academic and highly selective, but there are also many independent schools that cater for middle and lower ability ranges. I therefore urge hon. Members to forget the party political polemic about grammar schools and to think about giving more freedom and responsibility to head teachers to run their own schools in their own way. Let us imagine that we did that and allowed schools to run their own budgets—we allowed, in effect, all schools to become grant maintained. The problem with the creation of grant-maintained schools was that only some schools became grant maintained, so there was a dispute about whether those schools were receiving preferential capital funding. Let us imagine that all schools had the freedoms of grant-maintained schools in respect of hiring and firing, selecting and deselecting, their budgets and paying French teachers and others. I do not believe that there would be a revolution in those schools, but I do believe that there would be a revolution in terms of choice and freedom, and that that would be extraordinarily beneficial to our system.

Kerry McCarthy (Bristol, East) (Lab): Is the hon. Gentleman really saying that if there were a free-for-all on admissions, some schools would voluntarily select pupils who were less academically able and who came from more challenging backgrounds, such as children with special educational needs and looked-after children? Is he really saying that he believes such pupils would be catered for without some protection from an admissions code and without the local authority having a role to play in admissions?

Mr. Leigh: My hon. Friend the Member for Harwich and I, and all others who advance the point of view that we have expressed, accept that there have to be special measures under the statementing procedure. We are critical of the present statementing procedure. I

have my own experience of it. We believe that it is overly bureaucratic and could be simplified and that a financial value should be attached to the statement. However, we all accept that there will always be under any system a financial subsidy—whether or not it is called a statement and whether it is run centrally or by local authorities—to assist children with special educational needs. Yes, I take that completely on board, but I believe that if we moved to a system in which head teachers were free to set their own admissions criteria, we would have a vast range of schools catering for different abilities, and most schools, as happens in the private sector, would cater for all abilities. I know that Labour Members cannot philosophically accept that—it is anathema to them—but I urge them to have more confidence in head teachers and not to believe that all head teachers would simply go ruthlessly for the brightest 10 per cent. of children. There simply are not enough of those children to go round.

My hon. Friend and I are talking about the money following the pupil. We are arguing that instead of the money being siphoned off by central and local government, it should, through a small funding council, go direct to schools. That would allow each child to have, under the present set-up, £6,000 or even more, and there would be a school for everyone.

Mr. Carswell: If we gave schools greater choice, certain schools that are currently barred from taking on children with special educational needs would do so. Market Field school, just outside my constituency, is trying to expand, but is in effect prevented from doing so by educational experts. If we adopted the scheme that my hon. Friend and I are advocating, a school such as Market Field would expand and welcome children with special educational needs—children whom other mainstream schools may find it more difficult to cater for. More children would have their needs catered for than under the current system.

Mr. Leigh: I am sure that the hon. Member for Bristol, East (Kerry McCarthy) accepts that a lot of disguised selection goes on at the moment. All those of us who deal with the education system know that. For instance, I know comprehensives in London that will do anything they can to avoid taking in children with statements. A lot of cheating goes on in relation to SATs—standard assessment tests—league tables and all the rest of it. It would be wrong to think that at the moment we have a comprehensive system that is as pure as the driven snow and works. Well, let us deal with whether it does work. That is the crucial question. Are we providing the education system that we should be, given all the investment that has been put in? I give credit to the Government because they have increased investment in education, but are they satisfied that every extra pound of taxpayers' money that they are spending is producing results?

Is the Minister satisfied with the level of education available to our children? Is he worried about the National Audit Office report showing that 1 million of our children are in failing or coasting schools? If he is satisfied with the present system, why is he supporting the Education and Inspections Bill? Why is there so much controversy over these issues in his own party? Why does he believe that there must be more diversity? He will probably say that the debate just shows that he is right. There are people to the left and to the right of him, the cannons are thundering and he is going down the third way, the middle route—all the stuff we hear from new Labour Ministers—but they, who are now in charge, must be very worried about that.

My final point relates to the most controversial part of what my hon. Friend the Member for Harwich said and what some of us in my party are trying to convince those on our Front Bench of, in the truly democratic and open party that we have. We strongly believe, as my hon. Friend said, that parents should have a right to opt out of the state system if they want to—and that they should be allowed to take the cost of state education, which they have contributed to all their lives as taxpayers, out of the state system and into the private system. That is happening increasingly around the world and is very popular, particularly with marginalised people. Black people in ghetto areas in large United States cities like the voucher: it allows them to escape from the ghetto. It could be called a voucher or an education credit. I find one particular description rather attractive and I believe that the idea could be made quite popular. I am talking about a parent saying, "I have a right to this money. This is my right for my child. I can take this £6,000 where I want. I can leave it in existing state schools or take it to new schools."

That would be good for the private sector, which is too cosy at the moment. Independent schools might not email one another any more because they are worried about being reported to the Office of Fair Trading, but we all know that it is an extraordinary coincidence that they all seem to charge the same fees. However, many other people are entering the independent sector; and surely it is a new Labour idea to encourage choice, diversity and new entrants into the private sector, because new Labour is not against the private sector, is it?

Jim Knight: As ever, I listen carefully to the hon. Gentleman's fascinating ideas. I am just intrigued as to whether he has costed this proposal, given that at the moment people who send their children to private schools receive no state funding. What is the dead-weight cost of his proposal?

Mr. Leigh: I am delighted to answer that question, because I have thought about the issue a lot. I have been arguing for this proposal for many years, and my colleagues on various Treasury teams have said, "Oh, it's a wonderful idea, Edward, but of course we can't do a dead-weight cost." My idea is that we would do it incrementally. If there were an incoming Conservative Government, we would say that we would provide a voucher, a credit, a right to opt out in the first year of the new Act operating. The first year to which it would apply would be year R, the next year would be year R plus year 1 and the next year would be year R plus year 1 plus year 2. The scheme would roll out over 14 years. Therefore, I am not arguing for myself, because by the time that happened, all my children would have left school. I fear that you, Mr. Chope, would be in the same sad position. We would not benefit from the proposal.

Mr. Jeremy Browne: Your grandchildren might.

Mr. Leigh: Yes, our grandchildren might; why not? There is in effect no dead-weight cost because the scheme applies only to future children. I hope that my hon. Friend the Member for Bognor Regis and Littlehampton, the shadow Minister, agrees that it is at least an intriguing idea that we could think about. I think that it would be quite popular and I hope that it appeals to our Treasury colleagues.

I congratulate my hon. Friend the Member for Harwich. So far, the debate has been very interesting. We shall shortly hear the Front-Bench speeches. I hope that, in the spirit of the debate, those speaking from the Front Benches will not talk simply in party political terms, but will open their hearts in the way that I know Ministers of the Crown love doing and will think ahead to how we can provide a truly effective education for all our children.

11.49 am

Kerry McCarthy (Bristol, East) (Lab): I congratulate the hon. Member for Harwich (Mr. Carswell) on securing the debate. I shall comment on a few of the issues raised. I was somewhat surprised at how little reference there was to the debate that we have been having over the past few months on the Education and Inspections Bill, which I believe strikes the right balance between moving away from a very centralised, local education authority-controlled education system towards more independence for schools. However, some ideas flagged up today by Conservative Members go too far down that route.

On admissions, when I intervened earlier the focus of the debate was very much on pupils with special educational needs, to whom it was said a price tag is attached which acts as an incentive to take in such children. I was looking at the matter in a broader context, in relation to pupils who might be termed less desirable from the point of view of a head teacher who wants the school to do well in the league tables. In my constituency, for example, there are pupils from refugee backgrounds who have English as their second language, and whose parents, often, are illiterate, so that they do not receive support at home. What would happen to them?

I welcome the move to give more power to head teachers and parents. I think that, often, those at the chalk face in the teaching profession know what is best for children. Parents, too, obviously know what is best for them, but that does not necessarily apply across the board. A great many parents, because of their educational background or social circumstances, do not have all that great a role in their children's education at present. I welcome the moves in the Education and Inspections Bill to give the local authority the role of parents' champion and of supporting parents in exercising a greater say in their children's education. However, there will always be some children whose parents are not the best people to make those choices for them. There must be a mechanism to enable other people to supervise the child's education and make the right choices.

The hon. Member for Harwich frequently used the term "expert" pejoratively, which is quite demeaning to people who work in the education profession. I recently met, in my constituency, a group of educationists who work with children who have special educational needs, and they are devoted to making sure that children in the city of Bristol get the best education. To dismiss their contribution and the expertise that they have built up by working with children, parents and teachers over the years is going too far. The hon. Gentleman also talked about local education authorities all in the same breath, as though all were equally bad. There are local education authorities that do an incredibly good job of ensuring that schools perform well and give pupils the best deal.

That leads me to my main points. I am in the unfortunate position, I suppose, of representing the place that has the worst-performing local education authority in the country as far as state secondary schools are concerned. It is now adrift at the bottom of the league tables by about 5 per cent. As the Secretary of State would tell hon. Members, even Hull is performing better than Bristol these days. We accept that we have a serious problem. It is not a recent development. Over many years the local authority has failed to tackle the problem of underperformance in Bristol's state schools. We have schools where not even one in five pupils achieve five good GCSEs. In two schools serving my constituency, with a very diverse intake of pupils, not one African-Caribbean child achieved five good GCSEs last year.

People admit that the state school system in Bristol is failing pupils. As a result there has been a mass exodus from Bristol schools, either into the private sector or out to schools in Gloucestershire and Somerset. It is estimated that about 50 per cent. of parents choose to abandon Bristol's state secondary schools as a result of that poor performance. I accept that the local authority has not got to grips with that, and although there has been some incremental improvement and the school results were up last year by a tiny percentage, unless there is change on a radical scale we shall fail another generation of children.

That is why I welcome some of the proposals in the Education and Inspections Bill to give schools more independence. I have in my constituency a school that is a shining example of what happens when schools are given more independence. It is one of the first city academies. Before what was called the St. George school became an academy it was one of the most unpopular with parents and one of the most under-subscribed schools in Bristol. Parents went to great lengths to avoid sending their children there. It serves a deprived area and parents in the locality do not have high incomes, but they would still scrape together the money to send their children to private schools or bus them out of the county, because they did not want to send their kids to St. George. The pupils were disaffected and the exam results were dismal.

When St. George became a city academy and got the independence—and, admittedly, the capital injection that went with that—things turned around dramatically. In the past year, 51 per cent. of pupils gained five or more good GCSEs. That was a 19 per cent. increase on the previous year. There are some schools where not even 19 per cent. get five GCSEs in the first place; it is a fantastic increase. The academy is now the most improved school in Bristol and one of the best performing academies in the country.

That success is all the more remarkable in the light of the intake of pupils at the academy, 35 per cent. of

whom have free school meals. That compares to a national average of about 10.5 per cent. and a Bristol-wide average of less than 10 per cent.—about 9.3 per cent. Sixty per cent. of the pupils in the academy come from visible ethnic minorities and 31 languages are spoken there. Many pupils come from refugee families and live under the constant threat of deportation or have endured traumatic situations to get to the school. Often they start at the school with a limited grasp of English, but leave with a very good education. They have a real pride in their school.

I do not say that all that has been achieved at the academy is due to independence, but whenever I have visited the school it has been clear that the head teacher can mould what happens there to the needs of the people who attend it. For example, he is working with the Institute of Financial Services on piloting a financial capability study, which teaches children the basic facts about handling money—finance—and how to run their finances in future life. From speaking to IFS representatives I know that those children go home and teach their parents how to do the same. The school is in an area with a significant financial exclusion problem, but it is also in a city that is fast becoming one of the biggest financial services centres in the country, and the curriculum is being tailored both to deal with problems that pupils and their families might experience in the wider world, and to give them a leg up into the job market. They will get a diploma, on completing the course, equivalent to a GCSE.

Mr. Gibb: I am enjoying the hon. Lady's speech enormously. She is making a principled and honest speech about the schools in her area and it is very interesting. I want to ask the Minister, through her, about the new qualification, which has been recognised by the Qualifications and Curriculum Authority. It may not be called either a GCSE or an A-level, because of the proprietary control of those names exercised by the three examining bodies. Will the Minister address that point? Why can the new qualification not be called a GCSE or A-level? That is what it really is.

Kerry McCarthy: I agree about that. I believe the qualification has been accredited with exactly the same value as an A-level for university admissions, but there is always a danger that it will be seen as a lesser qualification, because it does not carry that tag.

Something else that the academy's head teacher has done is to offer pupils payments according to their exam results. Staff discuss with pupils, before they sit their exams, the grades that they hope for. A system is operating in which, if they exceed expectations, they get an extra £10 or so. Pupils tend, at the end of the year, to walk away with £300 or £400. That is something that middle-class parents do all the time. They promise their kids that if they do well in their exams they can have driving lessons, a computer or a holiday. The head teacher can do something similar through managing the school budget. I spoke to a group of pupils who had just finished their GCSEs last year, and although it was not the only incentive for them to work, as they were a quite motivated bunch of children anyway, knowing that they would finish their GCSEs with money in their pocket was an incentive too.

Mr. Jeremy Browne: I am uneasy about that concept. What makes people uncomfortable about the new variant of Labour is that, instead of education being seen as a process of enriching oneself, widening horizons, becoming broad-minded and gaining experiences and opportunities that one would not otherwise gain, everything is brought down to the lowest common denominator, which is a monetary award for passing exams. Surely education is more varied, interesting and diverse than that.

Kerry McCarthy: I accept that point to a degree, but we are talking about pupils from families with little spare household income. As I said, middle-class parents do that sort of thing all the time by way of reward, and the pupils whom I spoke to were motivated by their enjoyment of the lessons at the school, by having had good careers guidance, and by being motivated to do further study or go to university. That was their prime motivation, but some value was also attached to their getting the qualification. As I said, many parents recognise that that is sometimes an incentive when pupils have to slave over their books long into the night.

The involvement of sponsors and the wider community will be crucial to academies and the trust schools proposed under the Education and Inspections Bill. Those factors was perhaps lacking in the vision outlined by the hon. Members for Harwich and for Gainsborough (Mr. Leigh). This is not only about parents and teachers making decisions, but about the wider community being very much involved in how its schools are run. The academy in my constituency is sponsored by the university of the West of England, Bristol Rovers football club and the chamber of commerce. We have a real problem with the school staying-on rates in Bristol—indeed, we are way below the average, and Britain, as we know, performs very badly—so it is important that we involve potential employers and sponsors.

I end with a plea to the Minister. In my discussions with Ministers at the Department for Education and Skills and the Treasury, there has been a real issue about the VAT status of academies and other schools, and I suspect that the same applies to foundation schools. Schools want to open their facilities to the community, but if they do so for more than 10 per cent. of their opening hours there is a possibility that they will be penalised and have to pay back the VAT exemption on the capital investment that they made. The Minister is probably well aware of the issue, and I simply urge him to bear it in mind when he responds.

12.2 pm

Greg Mulholland (Leeds, North-West) (LD): I welcome you to the Chair, Mr. Pope. It might surprise some hon. Members to hear that I was the keynote speaker at the Independent Schools Bursars Association conference about three weeks ago. It was an enjoyable event, and I was pleased to receive the invitation. I met a lot of independent schools' bursars and got an invitation to visit Eton, which I might take up once I have visited all the schools in my constituency.

I congratulate the hon. Member for Harwich (Mr. Carswell) on securing the debate, which is very timely, given the stage that we have reached in the

[Greg Mulholland]

education debate nationally. In the spirit of our proceedings, let me start by agreeing with him on various points. The Liberal Democrats certainly agree that there are problems and that far too many schools are failing or coasting. We wholeheartedly agree that we need to encourage innovation and local leadership, free from central Government diktat, which still casts a shadow over the education system.

We also agree that we have an over-prescriptive centralised national curriculum, with far too much nationally imposed testing. Furthermore, I agree with the hon. Member for Gainsborough (Mr. Leigh) that the dogmatic obsession with the question whether public or private is best is damaging, and there is clearly a role for the public, private and voluntary sectors in our public services.

I would probably also agree with the hon. Member for Harwich and the Conservative party that the trust schools proposed in the Education and Inspections Bill will not deliver the vision that he outlined. Indeed, they have become something of a fudge—they are neither one thing nor the other. So, despite the Conservative party's support for the Bill, I am sure he would acknowledge that it will not implement what he advocates.

That Bill is certainly a long way from the original vision outlined by the Prime Minister, who said that he wanted all schools to become trust schools. I fundamentally disagree with that approach, which is a strange and over-prescriptive way of running our education system. It reminds me of Henry Ford, because it is a bit like saying, "You can choose any school you want as long as it's a trust school." That is not parental choice, which is the one thing we all agree that we want, although we have different ways of achieving it.

I shall follow the development of Conservative party education policy with interest, because having supported the Bill, Conservative Members are likely to be quite critical of trust schools when they do little to improve standards over the coming years. However, we shall wait and see.

As regards the Liberal Democrat vision, we agree with more freedom, localism and choice—the buzz words that we all use, although we have different ways of implementing our policies. However, the one freedom that schools need above all is the one that the Bill does not give them—the freedom to teach what they want. We made that clear throughout proceedings on the Bill, although we shall not, of course, go through those debates again.

The one freedom that the Bill gives schools with which we disagree is the freedom to pick pupils. A Headspace survey of head teachers showed that 38 per cent. admitted breaking their own admissions code. I accept that my party has a different vision of education, but our concern is that giving schools more independence will allow them to pick their own pupils.

My party does not agree with that approach, although other hon. Members might, and that is a perfectly reasonable perspective. However, the evidence is that such things are happening, and they will become more likely to happen the more we go down the route of having independent schools. That will be to the detriment of the pupils whom our education system currently fails most.

My hon. Friends and I are also concerned about accountability, which is another reason why we do not want to go down the route of introducing further independence for schools. The hon. Member for Gainsborough mentioned localism, and it is extraordinary that, in trust schools and particularly academies, private companies will now have power over elected parent governors, never mind head teachers and elected local education authorities. That is a strange vision of localism and accountability.

There is a danger in saying that independence is the solution to the problems in our schools, in the same way that we said that comprehensive education was the one-size-fits-all solution. We have had a healthy debate, and it has been interesting and valuable to take part because none of those who have contributed has fallen into the trap of talking about party political positions, but we must be aware of the danger of saying that independence in itself, or a comprehensive education in itself, is the key to unlocking the door and will give us wonderful schools everywhere.

Let me also sound a brief note of caution. I understand the vision outlined by the hon. Member for Harwich, but we must listen to schools. Throughout proceedings on the Education and Inspections Bill, there was lots of talk about how we must empower schools, but are we listening to schools in the first place? In January, a Guardian/ICM poll of 805 head teachers and assistant head teachers showed that only 29 per cent. backed plans to free schools from direct local education authority control, but I suspect that such things are not taken into account in those debates or when we discuss measures such as those in the Bill.

Indeed, in *The Independent* in April, Mick Brookes, the general secretary of the National Association of Head Teachers, said that trust schools are

"all smoke and mirrors. We already have freedom as heads. You don't have to buy into local authority services if you don't want to."

Again, are we falling into the trap of political dogma?

To conclude, there is little concrete evidence that self-governing independent status for state schools drives up standards, and driving up standards is the one thing to which we are all absolutely committed. The Minister could mention other examples, but in the case of academies, there is extra funding and various other things. As we know, academies have a mixed record, so independence in itself does not deliver—*[Interruption.]* The Minister is welcome to intervene.

Jim Knight: I will speak in time.

Greg Mulholland: The facts speak for themselves.

On a consensual note, we all agree that what drives up standards and improves schools is good local leadership, good management and, of course, good teaching. There has been too much focus on structures instead of standards, and on political dogma. One thing that I learned from my interesting chats with the Independent Schools Bursars Association is that we can learn from real, independent schools in the state sector. That is what we should concentrate on, rather than status and structures. We can learn about flexible learning, having a broader curriculum to suit individual pupils and—my big bugbear—smaller class sizes, which my wife, who is a primary school teacher, tells me would make the biggest difference to children's education overall.

This has been an interesting and valuable debate, and I am pleased to have contributed to it. Now that the dust has settled and we have debated the Education and Inspections Bill, whatever the type or name of school, let us focus most on standards, particularly those in schools in which children are being failed, who most need the intervention of the education system. I am certain we can agree that we should concentrate on that.

12.11 pm

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): It is a pleasure to follow the hon. Member for Leeds, North-West (Greg Mulholland), and I agree that we must not concentrate too much on structures. There is a range of issues that we need to address to raise standards, which we should now focus on in our debates.

I congratulate my hon. Friend the Member for Harwich (Mr. Carswell) on securing the debate. He made an interesting and thoughtful speech, but we have come to expect that during his first year as a Member of the House.

The desire to increase independence for state schools is shared in all parts of the House, or at least on the Government and official Opposition Benches. That commitment was demonstrated by the overwhelming support that the Education and Inspections Bill received on Second and Third Readings. We supported the Bill because it makes it easier for schools to adopt foundation status and become trust schools. That reflects the increasing body of evidence, which my hon. Friend the Member for Gainsborough (Mr. Leigh) mentioned, from Sweden and the United States, and indeed from this country's grant-maintained schools programme, that increasing diversity, independence and choice has powerful effects in raising school standards.

The Prime Minister is committed to independence. He recently said:

"The logic of changing to the specialist schools, of starting City Academies, of giving greater freedom to schools in who they hire, what they pay, how they run their school day, is very clear. It is to escape the straitjacket of the traditional comprehensive school and embrace the idea of genuinely independent non-fee paying state schools."

A key part of the Prime Minister's solution to this problem lies in granting schools additional freedoms. In October, he said:

"By the end of this third term, I want every school that wants to be to be able to be an independent, non fee-paying state school with the freedom to innovate and develop in the way it wants and the way the parents at the school want".

That commitment to giving greater autonomy was a dominant feature of the recent education White Paper, in which the Prime Minister said:

"Our reforms must build on the freedoms that schools have increasingly received, but extend them"

rapidly.

Independence and innovation can play a vital role in raising the quality of education. That is why, in 2004-05, only 38 per cent. of pupils at community schools achieved five or more GCSEs at grades A* to C, including English and maths, but in city technology colleges, which have independence, 66 per cent. of pupils achieved five or more good GCSEs, including English and maths. A quarter of pupils at community schools leave with no GCSEs at all, but in the CTC sector that figure is only 3.6 per cent.

Thomas Telford school, which I mentioned on many occasions during our debates on the Education and Inspections Bill, has a national ability range or intake, and 11 per cent. of pupils take free school meals, but 100 per cent. of pupils achieved not five or more, but 12 or more, good GCSEs or equivalent.

Of course, the results for academies seem slightly less promising, although, in an excellent speech, the hon. Member for Bristol, East (Kerry McCarthy) pointed out that her academy is achieving results of about 51 per cent. of pupils getting five or more GCSEs, which is a 19 per cent. increase on last year. Those are promising results. It would be interesting to visit that school at some point.

Many academies still achieve quite poor results, but if we compare them to those of their predecessor schools, there are still clear signs of improvement. Results show that by 2005 the proportion of students gaining five or more good GCSEs had risen from 21 per cent. in the predecessor schools to 36.4 per cent. in the academies. There is an interesting comment in the PricewaterhouseCoopers report:

"A very clear and significant finding from the early research is that there does seem to be a significant difference in the learning culture in new Academies, compared to their predecessors. For example, 8 out of 10 pupils in the survey said that 'the teachers at this Academy really believe that all pupils can achieve', and similar numbers of staff surveyed said 'staff at this Academy believe that all pupils can achieve regardless of their social background'."

Some academies have failed principally because they appointed the wrong head teachers to run them. At Unity City academy in Middlesbrough, only 12 of the 200 pupils taking GCSEs achieved grade C in maths and English compared with 17 pupils at the two predecessor schools. An article in *The Sunday Times* in March said:

"When Unity opened in 2002 the new head...promised a revolution in learning that would 'discard the Victorian-style chalk and talk' and put in place 'learning sessions' taken by 'learning facilitators'."

That reflects many of the points that my hon. Friend the Member for Gainsborough made about some of the vogue methods of teaching that take place in some schools. The article continued:

"Old-style history and science were to be replaced by 'concepts' taught as topics, and teachers were told to adjust their styles to cater for whether children were 'kinesthetic, visual or auditory' learners."

Since then, the Unity academy has been identified as a failing school by Ofsted, with debts of £1.5 million. Of course, the head teacher was got rid of, and the school is showing signs of improvement. In that case and in other examples, the governing bodies and proprietors of schools took decisive and swift action, replacing the heads and ensuring that standards were safeguarded.

I want to raise two quick points with the Minister, the first of which concerns the importance of provisions on freedoms, which are already on the statute book. The hon. Member for Leeds, North-West made the point that a lot of the freedoms for the new trust schools are illusory and that the real freedoms are in previous legislation, such as, to quote the Secretary of State, the

"tortuous process under the power to innovate"—[*Official Report*, 24 May 2006; Vol. 446, c. 1590.]

[Mr. Nick Gibb]

available under chapter 1 of part 1 of the Education Act 2002. Only a tiny number of schools have taken advantage of that freedom because of the tortuous route to acquiring it. In fact, only 178 out of 26,000 have made use of it.

It is also disappointing that the Government have not yet implemented chapter 2 of part 1 of the 2002 Act on earned autonomy. That was a major element of the previous education White Paper, which said:

"Where schools are successful, well-led and have a record of school improvement, we want to free them from those conditions and regulatory requirements which they tell us stand in the way of yet higher standards and further innovation."

It went on:

"We will allow schools flexibility over some elements of teachers' pay and conditions, for example to provide even greater recruitment and retention incentives".

Those reforms were central to the 2002 Act.

The then Secretary of State, now Lady Morris, said:

"We want to give the best schools even greater freedoms."—[*Official Report*, 4 December 2001; Vol. 376, c. 196.]

Despite her words, those provisions have not yet been implemented. The Department for Education and Skills website said that a consultation document on earned autonomy was due to be published on 30 September 2002, but that that did not take place due to "operational pressures". The issue has become a saga that has run for over four years.

I recently asked the previous Minister, the right hon. Member for Redditch (Jacqui Smith), what was happening with the new provisions and when they were going to be brought into force, to which she replied:

"We are keeping the provisions of Chapter 2 of the Education Act 2002, conferring exemptions related to school performance, under review."—[*Official Report*, 28 March 2006; Vol. 444, c. 889W.]

As the hon. Member for Leeds, North-West said, giving schools more autonomy and freedom over their day-to-day running is not the whole story when it comes to raising standards. Issues such as the curriculum, discipline in schools and ending mixed ability teaching in comprehensives are all hugely important. However, when the right head teacher is appointed, autonomy has a major effect in raising standards.

Conservative Members hope that many schools will use the provisions in the latest education Bill to become trust schools in the years ahead. If the Government are committed to autonomy, it would be helpful if they implemented the earned autonomy provisions in the 2002 Act and made it easier for schools to use the other elements of freedom that are contained in it.

12.20 pm

The Minister for Schools (Jim Knight): I thank the hon. Member for Harwich (Mr. Carswell) for securing the debate and congratulate him on doing so. The hon. Member for Gainsborough (Mr. Leigh) described it as a think-piece debate, and I have thoroughly enjoyed it. At times, it felt like listening to a Conservative party policy forum, but the contribution by my hon. Friend the Member for Bristol, East (Kerry McCarthy) provided excellent balance to that. There were also significant and interesting contributions from Liberal Democrats Members.

Both the hon. Member for Harwich and I recognise that increasing independence for state schools is essential if we are to deliver the best education possible for all our children and young people. However, like my hon. Friend the Member for Bristol, East, I caution that he advocates a much more extreme version from his avowed position of the centre right. I do not feel able to support it, certainly not in its entirety.

As my hon. Friend said, the recent Education and Inspections Bill has enshrined the principle of greater independence for state schools—Parliament willing—in law. That has not just come out of the blue. It is the natural next step in the journey that this Government have taken to raise standards since 1997. It is worth reflecting for a moment on that journey to see how far we have come.

We have invested record sums in education because it is such a key priority. By 2008, spending per pupil will be twice what it was in 1997. Capital spending has risen sevenfold, so that by 2020 all secondary schools, and half of all primary schools, will be refurbished or rebuilt and will be fantastic places to teach and learn.

We are backing up that investment with reform. We have freed up teachers to teach, and delivered on our promise to achieve the smaller class sizes that the hon. Member for Leeds, North-West (Greg Mulholland) mentioned.

We are continuing to address behavioural and disciplinary problems, which have caused disruption and mayhem in our most difficult classrooms. The "Every Child Matters" programme is tackling problems outside the classroom that impact on children's ability to flourish and progress, helping to ensure that they are ready and able to learn once they are at school.

Far from there being a quango state, which the hon. Member for Harwich alleged, since we introduced the fair funding framework in 1999 the percentage of funding delegated to schools has increased from 79 to 87 per cent. We are making good movement in the right direction on delegating funding directly to schools, and that approach is paying off.

Last year, there were record results across the board at 11, 14, 16 and 18. In 1997, just 65 per cent. of 11-year-olds reached the basic standards in English, whereas today the figure is 79 per cent. That means 84,000 more children every year going on to secondary school ready and able to learn. Speeches that, admittedly, tried not to be too partisan still started from the premise that everything in our schools is a disaster and is failing. I do not accept that.

The improvements that I mentioned are dramatic, but, importantly, we are well aware that we have not delivered for everyone: only 30 per cent. of children receiving free school meals get five good GCSEs and, as we have heard, one in 10 of those children do not achieve any qualifications at all.

I must tell the hon. Member for Gainsborough that we believe that it is unacceptable for 1 million children to be in failing or coasting schools, although I would advise caution over the use of that statistic, given that about 60,000 pupils in secondary schools and 30,000 in primary schools are in failing schools. Hearing that statistic, it would be easy to think that 1 million are in

failing schools whereas the real figure is fewer than 100,000, which is roughly what it was in 1997.

Every child really does matter, and we believe that every child should have the opportunity to fulfil their potential through the best education possible. That is why I listened carefully to my hon. Friend the Member for Bristol, East and why I share her concern for her constituents, some of whom are being failed by the education they are receiving. That is also why the Education and Inspections Bill sets out a number of ways in which we will achieve that goal of fulfilling potential. Greater independence for schools is an important part of that package, because greater independence for state schools is not only the next logical step. We already know that it works.

Independent schools have a number of distinctive features that help to deliver an education that meets the needs of their pupils. The best independent schools are highly accountable to parents and responsive to their wishes, and they develop innovative teaching practices and a positive ethos. They are supported by active and effective governors, and we know that in many cases they deliver excellent results. Equally, we reject the worst of independent schools—fee paying. We abolished the assisted places scheme in 1997 and are proud that we did so. Obviously, we also reject selection, which is a feature of many private independent schools.

Schools that have greater independence within the maintained sector are achieving great results. We heard about the excellent progress being made at the city academy in Bristol, and I am pleased that the Liberal Democrats there are actively supporting the creation of new academies. I hope they are also keen to pilot some of the first trust schools.

On average, academies have improved their collective GCSE results by five percentage points per year since the first schools opened, and that success can be directly attributed to their greater independence. That freedom and independence allow academies to develop the innovative approaches to the curriculum, teaching and performance management that deliver the results. Academies are challenging the culture of underachievement in our most deprived areas and they are succeeding.

Specialist schools also have increased freedoms and are demonstrating that greater freedom works. They are doing so on a much grander scale. Some 80 per cent. of all schools have achieved specialist status. In specialist schools, almost 60 per cent. of children achieve the diploma standard that we discussed in the 14 to 19 White Paper—five good GSCE passes—compared with less than 50 per cent. in non-specialist schools.

High-performing specialist schools are taking on a vital role in driving improvement across the system. Some are taking on a second specialism, some are focusing on underperforming pupils and some are taking on training school status, but all are working in partnership with other schools to raise achievement among local young people in their communities.

Alongside greater independence, such partnership working will also be central to the delivery of our reform. That independence for schools does not mean that they will all do their own thing in isolation. We do not see any conflict between seeking greater dynamism in the system and collaboration. We want a system of strong self-confident schools with a distinctive ethos working in partnership to respond to parental demand and to meet the needs of every child.

Schools benefit a great deal from collaboration with each other. Our objective is to ensure much wider collaboration, embracing all local partners. Academies and specialist schools are proving every day that schools that think beyond the education sector and draw on the energy and expertise of local community groups, local businesses and, of course, local parents can be the most successful.

The development of trust schools is the next major step in ensuring greater independence for state schools in the maintained sector. It is the next step in this evolution, not the revolution feared by the hon. Member for Gainsborough. Acquiring a trust will give schools many of the freedoms already enjoyed by foundation schools, and they will be really important in ensuring a dynamic and exciting maintained sector for this country. They will mean greater diversity across the whole system, which, in turn, will mean a genuine choice between high-quality schools that offer different opportunities and specialisms where pupils can develop their own individual talents. The involvement of a trust from the private, voluntary or public sector can improve the ethos and governance of a school.

However, there is a distinction between freeing-up schools and ensuring that they have greater independence within the maintained sector, and more independent schools. Working within the maintained sector, we can ensure fair access and opportunity for all; it is independence within important boundaries. I shall not rehearse yet again the debates relating to the Education and Inspections Bill because there is not enough time to do so in order to convince hon. Members of the merits of trust schools.

The Bill puts parents in the driving seat. Trust schools will have to comply with admissions legislation and act in accordance with the new school code, just like other schools. They will be part of the local authority family. I am looking forward to that legislation becoming law. It will then be my job to make progress by implementing it. I will also think about implementing those other things mentioned by the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb).

I again thank the hon. Member for Harwich for raising the issue. We both agree that we must get away from the one-size-fits-all approach that too often does not fit anyone at all. Through the Bill and our wider programme for change, we want to achieve greater independence for state schools—not dogmatically for the sake of doing so, but because it can deliver real improvements in standards, building on what works in academies and specialist schools.

Human Rights (Iran)

12.30 pm

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The world's attention is focused on Iran's nuclear ambitions and the danger that that undoubtedly poses for the region. However, there is a long-running cause of concern that should not be allowed to escape the spotlight: Iran's abysmal record on human rights. Iran's abuse of human rights has been condemned by the United Nations, the European Union, Human Rights Watch and Amnesty International. In this short debate, I shall focus on limited areas of persecution, but it is important to appreciate the context in which the abuses that I shall detail take place.

The systematic suppression of dissent in Iran permeates the whole of Iranian society. The abuses are not random. They are organised by the Government or by what Iranians call parallel institutions, such as the intelligence service and paramilitary groups. President Ahmadinejad's Cabinet is dominated by former members of the intelligence and security services, some of whom are allegedly implicated in serious violations, including the assassination of dissident intellectuals.

Human Rights Watch and Amnesty International have condemned the deterioration of freedom of expression and the routine use of arbitrary arrest, torture and solitary confinement. Tehran's public prosecutor, Saeed Mortzavi, has been implicated in major violations, including the unresolved death in custody of the Iranian-Canadian photo-journalist Zahra Kazemi in June 2003, yet no proper investigation has taken place.

Executions, including those of juveniles, continue after highly questionable judicial processes. Amnesty International reports that in the past year at least 94 people have been executed, including at least eight who were under 18.

At the end of May 2096, 500 armed riot police stormed into Tehran university campus following a student protest after a purge of the university's academic faculty. Live bullets were fired, people were injured and arrests were made. At the end of May, no further information was available about the fate of the arrested students.

A systematic purge of the media in 2000 closed newspapers and imprisoned journalists. In 2005, the Iranian Government turned their attention to targeting websites and internet journalists. Those who were arrested were sent to secret detention centres. In February 2005, a court in the province of Gilan sentenced Arash Sigarchi to 14 years imprisonment for online writing.

Those attacks on the media send out a clear message. The result is that where the media is not shut down, there is self-censorship. Both Human Rights Watch and Amnesty International report that independent harassment of human rights organisations and lawyers continues. The prominent activist and Nobel peace prize winner, Shirin Ebadi, was held in jail in January 2005 and released only after an international outcry. Akbar Ganj, the investigative journalist who exposed the role of high-ranking officials in the murder of writers and intellectuals in 1998, remains in prison. Political executions take place, and in May concern was expressed about the imminent execution of Valiolla Feyz Mahdavi, a 28-year-old member of Iran's main opposition party.

That systematic oppression has had profound consequences. It has resulted in what Human Rights Watch calls

"an atmosphere of impunity in which oppression thrives".

It means that people are silenced because they fear speaking out and there are fewer voices to speak out about what is wrong, so abuses are not fully documented. It is against that background that I draw attention to particular concern about two minority communities in Iran.

The Iranian Baha'i community numbers 300,000, but Baha'is also live in other countries and, indeed, there are some in my constituency. The Baha'is in Iran have long been persecuted.

Lembit Öpik (Montgomeryshire) (LD): I apologise for my slightly late arrival, Mr. Pope.

I thank the hon. Lady for letting me intervene as chair of the all-party Friends of the Baha'i group. Does she agree that the difficulty is that the Baha'i community, whose religion is passive and seeks no ill will toward others, has been persistently persecuted? That persecution has become serious in Iran. Does she agree that the best thing the Iranian Government could do is to enter some sort of dialogue to try to understand why those of us who have supported the Baha'i community feel that this is an unnecessary attack on Baha'is, who present no threat of instability whatever to the Iranian state? Does she agree that the Iranians should enter some sort of dialogue to try to ease the difficulties that the Baha'is in Iran are experiencing at present?

Mrs. Ellman: I agree with the hon. Gentleman that the Baha'is are peaceful and do not pose a threat. Their persecution is intolerable and I shall outline some of the detailed concerns about their treatment. That concern is so great that the United Nations has appointed a special rapporteur to investigate their situation.

The Iranian regime wants to weaken the Baha'i leadership by attacking people in leading positions and preventing Baha'is from entering higher education. During the 1980s, 200 Baha'is were killed or executed. International monitoring had some impact on inhibiting that, but arbitrary arrests continue, and since the beginning of 2005 125 Baha'is have been arrested. As recently as May this year, 15 Baha'is, mainly young people, were arrested in the city of Shiraz while participating in a community project. Three remain in custody but no charges have been made. Those arrests coincided with six raids on Baha'i homes in which papers and computers were taken.

Recently, there have been more sinister developments. The UN special rapporteur on freedom of religion or belief, Asma Jahangir, issued a highly significant report on the condition of Baha'is in Iran earlier this year. She concluded that she was "highly concerned" about the persecution of Iranian Baha'is and condemned the letter sent on 25 October 2005 by the chairman of the command headquarters of the armed forces in Iran to Government agencies, which stated that the supreme leader, Ayatollah Khamenei, has instructed command headquarters to

"identify those of the Bhai faith and monitor their activities."

She judged that that was

"impermissible and unacceptable interference with the rights of members of religious minorities"

and expressed fears that the information would be used for the persecution of the Baha'is in violation of international standards.

Against that background, Bani Dugal, principal representative of the Baha'i international community to the UN, spoke of the unrelenting persecution of the Baha'is. Concern has since intensified with the publication of a series of defamatory articles in Tehran's *Kayhan* newspaper, including one in February stating that Baha'is gather on Muslim holy days

"to consume alcohol, dance, and sacrifice a Muslim child."

Those outrageous allegations, which have created an atmosphere of fear and hostility, were published in Iran's national newspaper. There is no evidence whatever for the allegations. They are venomous and reminiscent of anti-Jewish blood libels that also circulate in Iran. Indeed, the 20,000-strong Iranian Jewish community, which has diminished from 85,000 in 1979, feels increasingly anxious.

President Ahmadinejad's recent provocative holocaust denial, combined with his call for Israel to be

"wiped off the face of the map"

is, sadly, not a new phenomenon in Iran, but its intensity and central place in the international furore about Iran's nuclear ambitions have raised acute concern about the situation of Iranian Jews—one of the oldest Jewish communities—and created an atmosphere of fear. President Ahmadinejad stated just a few months ago:

"They have created a myth today that they call the massacre of Jews and they consider it a principle above God, religion and the prophets".

I have viewed a highly disturbing programme that was broadcast on Channel 2 of Iranian television on 5 January. It hosted a discussion in which political analyst Dr. Majid Goudarzi stated—unchallenged—that following Jesus' birth, the Jews of Yemen prepared a pit of fire for Christians who refused to renounce the religion of Jesus. Dr. Goudarzi stated that "burning believers" then became ingrained in Jewish consciousness so that the Jews later blamed the Germans for atrocities that they themselves had started. For good measure, Dr. Goudarzi also proclaimed that the Jews created the "protocols of the elders of Zion" to enable them to become the

"board of directors of the world".

It is truly shocking that that statement, aired as fact, was broadcast on national television in the 21st century. National television, a public resource, stated it not even as a matter of debate—although that would not have been acceptable either—but as a matter of fact. It is little wonder that Haroon Yeshaya, the former chairman of the Jewish community in Tehran, sent a public letter to President Ahmadinejad stating that his current stance of holocaust denial had created:

"astonishment among the people of the world and spread fear and anxiety among the small Jewish community of Iran."

I have mentioned detailed problems concerning Jews and Baha'is, but they are just two of Iran's minority communities. Other groups such as Arabs, Kurds and Christians suffer from tremendous discrimination. The whipping-up of hostility towards them and other minorities can only damage Iran's reputation. Sadly, the extent of Iran's human rights abuse is immense, and in the short time available today, I have been able to describe only a small number of concerns.

At the beginning of my contribution, I referred to the systematic suppression of dissent and the absence of a free media in Iran. That means that it is especially important that voices outside Iran speak up for those who face oppression. The hon. Member for Montgomeryshire (Lembit Öpik) spoke about the peaceful nature of the Baha'is. The Iranians think that they can persecute groups because they believe that there is nobody there to speak up for them. I hope that through the expressions made in this Chamber today, and the work undertaken by the all-party Friends of the Baha'i group and other groups, the Iranians will be proved wrong in their assessment.

Because of the suppression of freedom of speech, and the atmosphere of intimidation in Iran, it is particularly important that voices outside Iran speak up and speak up loudly. Human Rights Watch and Amnesty International are to be congratulated on exposing Iran's failings on human rights. The work of the UN special rapporteurs has been invaluable in identifying abuses, although requests for visits by UN special rapporteurs on torture and extra-judicial executions have so far gone unanswered. Sadly, although the exposure has made the world more aware of what is happening in Iran, it has not changed Iran's fundamental approach.

The world is right to be worried by Iran's nuclear ambitions, but the aggression displayed by its President is not necessarily backed by its population. Dissent in Iran is suppressed and minorities face discrimination. It is essential that the spotlight focuses on human rights abuses within Iran's oppressive regime, and I call on the United Nations and the European Union to step up their activities.

Andrew Mackinlay (Thurrock) (Lab) *rose—*

Mr. Greg Pope (in the Chair): Order. I would like to call the hon. Member for Thurrock (Andrew Mackinlay), but he needs the permission of the hon. Lady and the Minister, and to inform the Chair that he wishes to speak. I do not think that he has, so perhaps the best way to proceed would be to see whether he can intervene on the Minister during his contribution.

12.45 pm

The Minister for Europe (Mr. Geoffrey Hoon): Thank you, Mr. Pope, for that helpful suggestion.

I begin by congratulating my hon. Friend the Member for Liverpool, Riverside (Mrs. Ellman) on securing a debate on a subject that is of real concern to the United Kingdom Government and, indeed, to this House.

Efforts to improve respect for human rights have long been a central element of the United Kingdom's and, indeed, the European Union's approach to Iran. The current situation in Iran seems to be deteriorating and lacking in transparency—from the situation of religious minorities to the conduct of trials and sentencing. The situation is well reported by non-governmental organisations such as Amnesty International, and in its latest report Amnesty highlighted the growing difficulties faced by ethnic and religious minorities, harassment of human

[Mr. Geoffrey Hoon]

rights defenders, the erosion of free expression and the serious concerns about Iran's use of the death penalty.

We have frequently set out those concerns bilaterally and through the relevant international human rights mechanisms. As my hon. Friend mentioned, that includes our concern about the position that the Iranian Government have taken towards Israel. President Ahmadinejad's call for Israel to be wiped from the map and his attempts to cast doubt on the holocaust are outrageous and unacceptable.

We have long-standing concerns about political freedoms in Iran. An unelected committee, the Guardian Council, comprised of jurists and clerics, was able to prevent all women and many reformists from standing in last year's presidential elections. Many reformist candidates, including a third of the sitting Members of Parliament, were similarly excluded from standing in the parliamentary elections in 2004.

We are also very concerned about Iran's treatment of women. Although the situation for women is in some respects better than in certain other countries in the region—women can, for instance, vote and drive, and they make up more than half of the university population—they nevertheless face significant discrimination. For instance, the evidence of a woman continues to be worth less than that of a man in court, and women do not enjoy equal rights in cases involving divorce, inheritance or the custody of children.

Andrew Mackinlay: The Minister has referred to the serious deficiencies—to say the least—in the legitimacy of the parliamentary process in Iran. This Parliament should beat its breast and apologise. As you know, Mr. Pope, I personally opposed elsewhere the receiving here of a delegation from the Majlis. I thought that it was a mistake, although I understand the compelling case for Committees such as the Foreign Affairs Committee to become engaged. My judgment might be wrong on that issue, but where this Parliament has got it wrong is in respect of the Inter-Parliamentary Union having Majlis delegations.

I put it to the Minister that the British Government and this Parliament would not countenance comparable relationships with the Parliament of Belarus. For all their warts and deficiencies, the Lukashenko Government and that Parliament are innocent compared with the abuse of human rights and the denial of true franchise seen in Tehran. We have double standards. I wonder whether the Minister will comment on that.

Mr. Hoon: I am aware of the delegation, which is led by an experienced Member of Parliament who is a former Foreign Office Minister. I anticipate that he and other members of the delegation will be well aware of the issues that my hon. Friend has quite properly raised. However, I think it is for the judgment of individual Members of Parliament and members of delegations whether such visits go ahead. By visiting, it is possible to identify some of the very concerns that my hon. Friend is anxious about.

Andrew Mackinlay: Would you come with me to Minsk?

Mr. Hoon: It is a matter for individuals to make appropriate judgments in that respect. *[Interruption.]*

Mr. Greg Pope (in the Chair): Order. We will have no more sedentary interventions, Mr. Mackinlay.

Andrew Mackinlay: I am very grateful, Mr. Pope. I just wanted to point out the inconsistencies.

Mr. Greg Pope (in the Chair): And you have done so.

Mr. Hoon: Repeatedly.

I was dealing with the question of political freedoms, and I turn now to freedom of expression. As anyone who reads Iranian newspapers will be aware, they certainly engage in colourful and sometimes vigorous debate, but it appears that the confines of such debate are closely circumscribed. In the course of the past five years, the regime has quietly extended its control over the Iranian people's ability to express their views. Dozens of newspapers have been closed and journalists have been arrested. The journalist Arzhang Davoudi received a 15-year sentence simply for producing a documentary about another journalist who died in custody in suspicious circumstances.

The Iranian Government's clampdown on the internet has largely passed unnoticed but is also of concern. Many websites that were accessible in Tehran two years ago are now censored, including the BBC's Persian news website. The Iranian Government recently announced plans to establish a national internet. That would further restrict communication between Iran and the outside world. It would also facilitate control by the authorities. It appears that the Iranian Government do not believe that the Iranian people should be able freely to choose what they read.

The situation of Iran's trade unions is also of concern. Strikes are not permitted, and in January hundreds of Tehran bus drivers were arrested for taking part in a series of strikes. The wives of some protestors were also arrested and several houses were searched. The head of the bus drivers' syndicate remains in custody, some four months after the strikes.

Hon. Members voiced concern about the situation faced by Iran's religious minorities, and I am grateful to them for their continuing efforts in ensuring that Parliament is kept abreast of developments. Reports that Iran's supreme leader has instructed the army to identify Baha'is and monitor their activities are especially worrying. Hundreds of Baha'is have had their property confiscated, faced intimidation or been denied access to education. Mehran Kowsar is one of many members of the Baha'i faith to have been arrested for his religious beliefs; he has been in prison for well over a year. It is clear from that case that elements of the Iranian judicial system are in need of urgent reform.

Chris Bryant (Rhondda) (Lab): I apologise for not having heard the whole debate, but I did watch the speech made by my hon. Friend the Member for Liverpool, Riverside (Mrs. [illegible]) on television.

So far, the one group that has not been mentioned is lesbians and gays. Many gay men have been executed in the past year. Indeed, executions [illegible]mes not just through the courts but through officially or unofficially sanctioned death squads roaming villages, trying to find young gay men and executing them. That is

outrageous and extraordinary. Has the Foreign and Commonwealth Office had an opportunity to raise that specific issue with Tehran?

Mr. Hoon: Certainly there is concern about the situation faced by homosexuals and we are monitoring the situation carefully. We are not aware of any individuals being executed in Iran over the past two years solely on the grounds of homosexuality, but clearly there are other ways in which homosexuals are seriously affected by how the law operates there.

Chris Bryant: I would be very worried if the FCO genuinely believed that no one had been executed solely because of their sexuality. Trumped-up charges are brought before courts regularly, and it is the work of many organisations in this country to reveal the true outrages going on in Iran. The FCO should look into the issue much more carefully.

Mr. Hoon: I chose my words carefully, and I do not see any need to resile from them. Charges are brought for other matters, but I accept the force of what my hon. Friend was suggesting and the issue is of concern to us.

Referring to the Iranian judicial system, we have concerns about court hearings not always being held in public and about the principle of due process not always being respected. Cruel punishments such as flogging, stoning and amputation remain on the statute book. In a prominent recent case, the Iranian authorities executed two youths—one aged 17 and the other 20—on 13 May this year. They were hanged in Lorestan province barely a month after their alleged crime. The case raises important questions. How could a fair trial be completed in such a short time? Were the two able to exhaust every avenue of appeal open to them? Why does Iran continue to execute under-18s, in violation of international law?

The UK Government and the European Union have, naturally, posed those questions to the Iranian Government, but the case highlights important inconsistencies between Iran's stated policy of ending such executions and its actions. The international community clearly has a duty to respond to such developments, which undermine basic principles of human rights, and we are committed to addressing that issue.

Andrew Mackinlay: I hope that the Minister will not think me impertinent, but before he concludes I would like him to tell us precisely what Her Majesty's Government have done about such issues. Anyone who looks at the record tomorrow will see that, in the past few minutes, the Minister has acknowledged that we are aware of the problems. I want to know—as does the House—what he and his colleagues in the Foreign and Commonwealth Office do in the face of those repeated human rights abuses, of which they are aware.

Mr. Hoon: I am, as always, grateful to my hon. Friend for his intervention. I was just about to set out what we have done.

Under the British presidency of the European Union, we raised our human rights concerns with the Iranian Government on no fewer than 16 occasions. We led the European Union in issuing five statements, covering many of the issues that we have discussed today. We were pleased that all EU member states supported a UN General Assembly resolution that highlighted Iran's human rights record last December. We have continued to be active in supporting EU action since then. We said at the start of our presidency that human rights would be a priority in our relations with Iran, and it remains a central part of our policy approach. Progress in our relations with Iran is dependent on action by the Iranian Government to address our human rights concerns.

Lembit Öpik: Is the Minister, like me, an optimist about human nature, and if so, does he agree that however difficult it has been so far to secure a change through dialogue with Iran, there is mileage in hoping that, through dialogue and by presenting the benefits of constructive action by the Iranian Government, we could make progress? I would be less optimistic if I had not seen some signs of response from the Iranian Administration in the past, especially when they knew that the public abroad were watching. Does the Minister think that dialogue might be worth while, and if so, can we discuss, outside today's debate, the options for holding such dialogue with regard to the Baha'i?

Mr. Hoon: I am grateful to the hon. Gentleman. He sets out the position sensibly and in a way that allows for progress. By highlighting the problems, we draw attention to how the Iranian Government should improve their record on human rights, but we must also acknowledge that the picture is not uniformly bad. There are areas where progress can be made—and indeed the benefit of this debate is that it allows us all to set out our concerns—but we acknowledge that in some areas there has been progress, although clearly far more work needs to be done.

In the recent past, under the presidency of Mohammad Khatami, Iran seemed to be taking significant steps forward. I regret that that progress has slowed in recent years. Indeed, as we have discussed, in many areas Iran is, sadly, moving backwards. However, we should not devalue the efforts of those in Iran who are working for reforms. Their task is being made increasingly difficult.

Ian Stewart (Eccles) (Lab): My right hon. Friend the Minister heard the chairman of the all-party Friends of the Baha'i group request a further meeting with him. As vice-chair of the group, I also make that request, but I know that my right hon. Friend may have to speak on behalf of another Minister.

Mr. Hoon: Well, I am always delighted to offer meetings on behalf of other Ministers, but I will ensure that my hon. Friend's comments, and those of the hon. Member for Montgomeryshire (Lembit Öpik), are drawn to my colleague's attention. I am sure that they will be shown the normal courtesy extended to Members of Parliament.

It is important to recognise that real change can only come from within Iran. Obviously, we will continue to do everything that we can to support those working to achieve that change. This debate has been important. I thank my hon. Friend the Member for Liverpool, Riverside again for securing and initiating a debate on a subject that the Government take extremely seriously.

A555 Relief Road

12.58 pm

Mark Hunter (Cheadle) (LD): I am grateful for this opportunity to raise one of the most important issues facing my constituency. It also affects the wider south Manchester and Cheshire sub-region.

Following the Government's roads review in 1998, long-held plans for three new road schemes in the south-east Manchester area were reconsidered as part of the Government's multi-modal study for the north-west region. The three schemes are: the completion of the Manchester airport link road, west; a new Poynton bypass; and an A6 Hazel Grove bypass. The three roads are all interlinked and together make up what is commonly referred to as the south-east Manchester multi-modal study area—SEMMMS—or the A555 relief road. It is not a catchy name, I admit, but its importance to our area is immense. The plans for those roads, in various different forms, have been on the cards for decades. Indeed, the route of the relief road in my constituency has enjoyed protected planning status for around 60 years, and large numbers of houses and businesses in the locality have been shaped around those plans.

I hope that hon. Members appreciate the patience displayed by local people in my constituency and those neighbouring it. A succession of MPs, including my predecessor Patsy Calton and my hon. Friend the Member for Hazel Grove (Andrew Stunell)—who I am sure will give his views this afternoon on the importance of the scheme to his constituency—have fought doggedly to keep the relief road high on the agenda and to deliver a transport network that is fit to meet the needs of our communities.

Since the completion of the SEMMMS strategy five years ago, Stockport council and the neighbouring authorities in Manchester and Cheshire have invested considerable resources, time, effort and expertise into developing the road scheme. That represents one of those rare tripartite alliances at political level, but it has involved considerable co-operation on a professional basis, too. I would like to take the opportunity to pay tribute to the work done by staff in the local authorities who have been involved in developing the scheme.

In addition, the Government have provided substantial funding for aspects of the SEMMMS strategy and other local transport schemes in order to support the wider aims of the project. The public transport and regeneration improvements are welcome and are testament to the multi-modal nature of the project. There are, however, two gaping holes in the SEMMMS strategy that will ultimately determine the success of the policy, and with it traffic conditions in the community for a generation or more to come. The first is the extension of the Metrolink tram network, about which many of us have strong feelings, but which I shall leave for a different debate. The second is the relief road.

As we debate the issue this afternoon, Stockport council has been in the process of re-submitting further technical and financial details to the Department for Transport, as requested, in advance of what we understand will be a final decision this autumn. We have reached an absolutely critical stage of the process, and as decision day looms I am grateful for the opportunity to put the case in favour of the road to the Minister. I hope that she will be able to take on board the views expressed this afternoon.

The case in favour of the relief road is substantial to say the least. For example, consultation with residents and other stakeholders on the SEMMMS strategy, and more recently on the relief road itself, has been thorough and its results extremely positive. Environmental studies have been carried out in a meticulous fashion. The key local authorities involved have co-operated with the Department for Transport's funding criteria and an expression of interest for a private finance initiative bid was submitted to that end. On the finer details of the road itself—traffic analysis, the organisation of junctions, use of land and consideration for other road users, such as cyclists, those using public transport and pedestrians—no stone has been left unturned in developing the best possible solution. It is my firm belief that this work makes a compelling and outstanding case for the construction of the relief road. It will provide value for money and undoubtedly enhance the quality of life for many thousands of residents and millions of commuters.

In the meantime, the relief road scheme has received the backing of local, sub-regional and regional partners, all of whom recognise its importance. The Greater Manchester chamber of commerce supports the plans; Manchester airport—a key economic driver for our region—is in favour; the regional assembly emphasises the strategic importance of the road not just to south Manchester but to the north-west as a whole; and most importantly, local people, who know the roads best, are overwhelmingly in favour of the scheme. During the last major public consultation, approval rates were around the 90 per cent. mark.

I have repeated on many occasions during this long process that a policy of building our way out of the trouble when it comes to traffic congestion is not the solution by itself. That is precisely why this scheme has been designed not to attract extra traffic but to deal with existing levels more sensibly and efficiently. It is also why it is an integral part of a wider package of public transport improvements, including Metrolink, which I mentioned earlier. The simple fact is that the south-east Manchester area has a road network that never has been, and never will be, able to cope with its volumes and patterns of traffic. Previous Governments have ignored and compounded the situation, but Ministers have now been presented with an ideal opportunity to correct and improve matters.

If further evidence of the unsuitability of the current network is required, one has only to look at the existing A555 airport link road. In short, the A555 currently represents a colossal waste of public money insofar as the central section of the scheme was built first, but its beginning and end were never built. It is no wonder that it has been christened by local residents as the "road to nowhere". It stands as a monument to bungled, short-term transport planning and its legacy has been to funnel congestion through Heald Green, Bramhall, Woodford and Poynton—to name just a few of the districts affected. With that congestion has come damage to the quality of life for people living in those areas. Residents in the Cheadle constituency put up considerable opposition to that "road to nowhere" at the public inquiry 15 years

ago, and they were right to do so. I believe that they are right now in their support for the relief road and the need for its urgent completion.

The benefits of the scheme as proposed go much further. There are many roads in the Cheadle constituency that simply were not designed to carry the weight of traffic that currently passes over them, which has such a negative impact on the quality of life locally. They include, to name just a few: Finney lane and Wilmslow road in Heald Green; Jackson's lane, Bramhall lane south and Woodford road in Bramhall; and the A34 at Gatley. I have not even mentioned the knock-on effects felt in other communities such as Cheadle and Cheadle Hulme, or at locations such as the A6 between Stockport and Hazel Grove—one of the busiest bus corridors in Europe and a transport route that all too often resembles one enormous, polluting car park.

Andrew Stunell (Hazel Grove) (LD): My hon. Friend has made a powerful case, and I hope that the Minister has listened carefully. He has just drawn attention to the A6 in my constituency, and the part of the A555 known as the Hazel Grove bypass will complete the road network in my area. It is a key part of the Government's strategy. It is cost-effective, essential and has broad local support. It is part of a package; my hon. Friend mentioned the tram and rail links. Does he agree that we need the Minister to give the go-ahead to the public inquiry, so that we can roll the scheme forward for the benefit of his constituents and mine, and the whole community of south-east Manchester?

Mark Hunter: My hon. Friend makes his point in his usual exemplary way. I agree that we are looking for the Minister to indicate that the Government will give the green light to the public inquiry and allow the urgent completion of the road scheme that is so badly needed.

Of course, the south-east Manchester region is not alone in facing severe traffic congestion; I am fully prepared to acknowledge that. We are not alone in lobbying for major improvements, as I am sure the Minister will testify, but the plan is unique in that it is a long-term, sustainable scheme. It is my firm belief—shared by many others—that it deserves the approval of the Department for Transport. To the best of my knowledge, no other scheme has been in the planning for so long while having so much support from so many different sections of the community.

A vast array of information has been made available to the Department for Transport about this scheme—much more than we could possibly do justice to in the short time we have this afternoon—concerning traffic flows, junction design, environmental factors, public transport integration, consultation, cost-benefit analysis and much more. On every count, the SEMMMS A555 relief road comes out positively.

Ministers have made themselves available to speak to me and other Members over the years about the importance of the scheme, and I thank them for that. Without wishing to tempt fate, I have always found their attitude to the scheme to be positive and their responses to be constructive, if slightly more non-committal than I would have liked. However, as I have already said, I simply do not believe that any other transport project has jumped through as many governmental hoops, has overcome as many obstacles and has the backing of such a wide group of interested parties as this relief road.

It is not a cheap project and as we continue to await the Government's response costs will inevitably creep upwards, but its benefits to our region mean that it is worth fighting for. The Minister and the Government have been presented with a chance to deliver a visionary, ambitious and truly integrated transport strategy for our region. I implore the Government to seize this unique opportunity and approve the road. My constituents and many others are depending on it.

1.10 pm

The Parliamentary Under-Secretary of State for Transport (Gillian Merron): I congratulate the hon. Member for Cheadle (Mark Hunter) on securing the debate. I have carefully listened to the points that he has made so clearly.

I feel that it would be helpful if I structured my response. First, I will set out the background as I see it; secondly, I will review the progress so far; thirdly, I will review the current state of play; and last but by no means least I will outline the issues before us, many of which I realise the hon. Gentleman appreciates.

To set out the background, the south-east Manchester multi-modal study—SEMMMS—was one of 22 multi-modal studies set up following the 1998 review of the roads programme to consider the case for major schemes on key sections of the road network. An important feature of the studies was that they looked in detail at the contribution that public transport improvements could make to resolving the identified problems on the road network, reflecting the principles set out in the 1998 integrated transport White Paper.

Three linked road schemes were originally planned as trunk road improvements—the A6 Stockport north-south bypass, the A555 Manchester airport link road west and the A555-A523 Poynton bypass—and were all remitted to the SEMMMS. After examining a range of options, the study concluded that those road schemes should be taken forward on a smaller scale than the original trunk road proposals to cater more for the needs of local traffic than for longer distance strategic traffic.

The study recommended that the road improvements should be implemented alongside a package of other improvements including quality bus corridors, light and heavy rail improvements, measures to encourage cycling and walking, and initiatives to encourage more sustainable patterns of travel, all of which I am sure would be welcomed by the hon. Gentleman's constituents. The study also recognised that although some of those measures could be implemented quite quickly, the larger investment proposals would require further detailed development and appraisal before they could be considered for entry into the Government's approved programme of transport improvements. In particular, that applied to the major road scheme proposals.

March 2002 brought our response to the study's recommendations, which invited the three local authorities to continue the development of the road schemes and to bring forward detailed proposals for further consideration under the local transport plan funding arrangements. An issue raised generally by multi-modal studies was that many of them proposed ambitious programmes of investment that, in aggregate, would not have been realistically affordable.

[Gillian Merron]

It is worth pointing out that partly because of that experience we have now introduced a much more transparent system for seeking regional views on the transport investment priorities within indicative regional funding allocations. Regional and local bodies have a much clearer picture of the resources that are likely to be available to their region over the next 10 years. We have given them the opportunity to advise the Government on how they think those resources should be allocated to best serve the region's needs and objectives. The advice was received from the regions earlier in the year and we plan to respond to it shortly.

Andrew Stunell: Can the Minister confirm that the region offered strong support for the scheme and that the funding package is there?

Gillian Merron: I will be addressing that point, so the hon. Gentleman will have to be a little patient.

I want to move on to reviewing the progress that we have made so far in implementing the SEMMMS recommendations. Good progress has undoubtedly been made and many of the shorter-term measures are in place. Up to 2006-07 we have allocated £55 million for small-scale integrated transport works and £23 million to the SEMMMS quality bus corridor scheme, which is now well advanced. I am glad to say that that funding is bringing real benefits to south-east Manchester through improved bus reliability and patronage, the regeneration of local and district centres, improved pedestrianisation and cycling facilities, road safety improvements and initiatives to reduce the number of cars on the road. I want to put on record my congratulations to the authorities concerned on the progress that they have made with the measures. I look forward to seeing that continue.

I turn now to reviewing the current state of play. Alongside all the work that I have described, the three local authorities, led by Stockport, have made significant progress in developing and appraising the major road improvements recommended by SEMMMS: the north-south bypass of Stockport, the completion of the link road into Manchester airport and the Poynton bypass. The authorities' detailed appraisal of the proposals and bid for funding was submitted to the Department in July 2004. A number of issues on the transport modelling, scheme appraisal and funding arrangements were followed up over the following year.

In the light of that further work, the Department is satisfied that the transport modelling and appraisal of the scheme is now sufficiently well developed for the purposes of a decision on the entry of the scheme into our approved programme of transport investments. We also recognise that the scheme appraisal produced by the authorities demonstrates that the SEMMMS road proposals would bring significant benefits to the south-east Manchester area, including bringing traffic relief to a number of local centres and the improvement of access to Manchester airport and other employment centres. They would provide a high-quality route for freight traffic from south-east Manchester to access the trunk road network and help to facilitate complementary measures to encourage walking, cycling and bus usage.

However, we have to remember that alongside those benefits there would also be some negative impacts, particularly on the environment. In particular, the north-south bypass of Stockport would run through the Goyt valley, adversely impacting on the landscape and biodiversity of the area.

I recognise that it is now some time since the Department concluded its work on the appraisal of the scheme, and the hon. Member for Cheadle asks why that is so. It would be helpful to outline the challenges that need to be addressed before a decision can be reached. First, I would like to consider the cost of the SEMMMS road scheme. A key factor that has to be very carefully considered is that the SEMMMS road proposals are extremely expensive. Although it is true that the proposed scheme is on a smaller scale than the previous trunk road proposals, the authorities' latest estimate of the cost of delivering the complete SEMMMS road scheme is around £550 million. That assumes that construction will start before the end of the decade and that construction inflation will run at 2.5 per cent. over the period. That cost estimate is significantly higher than that produced for the multi-modal study.

Moreover, evidence has emerged across both the trunk road and the local roads programmes in recent months that suggests that construction inflation has risen significantly more quickly than 2.5 per cent. per annum, partly due to increasing oil and commodity prices. In view of that evidence, departmental officials recently asked Stockport to review the current cost estimate, looking in particular at the potential pressure on construction costs. We are awaiting Stockport's response on that. I am sure that the hon. Gentleman will recognise that no Government could enter into such a large investment decision without considering carefully the scheme's affordability and deliverability, and the implications for other priorities.

Mark Hunter: I am grateful for the generally positive and supportive things that the Minister has said about the relief road scheme, but does she not accept that it is somewhat frustrating for those who have long campaigned for the relief road to be completed to hear the Government talking about cost escalation, especially given that the delay caused by successive Governments has led to much of the increase in costs over that period? I acknowledged earlier that a substantial price tag was attached, but none the less local residents feel strongly that the Government ought to be prepared to meet their part of the bargain.

Gillian Merron: I appreciate the frustration expressed by the hon. Gentleman on behalf of his constituents. He rightly acknowledged, however, that previous Governments have failed to respond as he would have liked. I stress the need to take all factors properly into account before taking a decision.

That leads me to the second point: funding and procurement. As is normal with all large transport schemes, we invited the three authorities to explore the possibility of private finance as a means of delivering and funding the SEMMMS road scheme. One of the principal advantages of private finance is that, for such large schemes, it can offer valuable efficiencies in the procurement and subsequent management of the assets over the life of the concession, which is normally

25 years. However, PFI is approved only when it represents better value for money than the alternative of conventional funding.

The hon. Gentleman will be aware that the Government provide financial support for local authority PFI schemes through the system of PFI credits. The amount of the PFI credit broadly represents the amount of capital investment that the Government are supporting financially. The authorities' latest estimate of the PFI credit funding requirement for the SEMMMS road scheme is about £860 million, which covers both construction and future capital maintenance. As I have already noted, we have asked the authorities to update their cost estimate, which makes it possible that the estimated PFI credit requirement will increase further.

Even at £860 million, that is a very large amount of funding. For example, it is more than the Department's total PFI budget for the current year for local authority transport PFI schemes in the whole of England. We must therefore consider the affordability of SEMMMS alongside our other priorities for PFI funding—including, for example, our programmes for street lighting and road maintenance, as well as other major investment schemes. We are still considering the provision of PFI funding for the scheme, which raises some complex issues, but it has to be recognised that delivering SEMMMS as a conventionally funded scheme would raise even more difficult questions on affordability.

As I mentioned earlier, we provided each region last year with indicative funding allocations for major transport schemes over the next decade. In the north-west, the funding allocation starts at £115 million in 2006-07, rising to £135 million in 2014-15. The north-west has an ambitious programme of transport improvements and, even without SEMMMS, it has faced some difficult choices in deciding which schemes to prioritise. It is clear that SEMMMS, at its current estimated cost of some £550 million, would take up several years of the region's allocation if the scheme were to be funded conventionally. It seems doubtful that the region would be prepared to prioritise funding for the SEMMMS scheme by sacrificing a major part of its other scheme priorities.

Andrew Stunell: I am sure that the Minister will have papers showing that the public sector contribution to the scheme is £32 million. We are talking about a PFI scheme, which is outside those limits—and that was the point of the refinancing package supplied by the three authorities.

Gillian Merron: I thank the hon. Gentleman, but that is all that we are considering in reaching a decision. I must tell both hon. Gentlemen that we need to consider how such an ambitious scheme can be funded other than conventionally. It is only right and proper to put those issues before the House.

All of that raises significant issues about the provision of funding for the SEMMMS road proposals. We recognise the good work that Stockport and the other authorities have carried out to develop and appraise the SEMMMS road proposals, and we understand their desire, as well as that of the hon. Gentlemen, for a decision to be made as soon as possible.

We also recognise the importance of the scheme and the benefits that it would bring to the south-east area of Manchester. However, it would represent an enormous investment by Government. We need to consider the risks associated with the scheme as well as our other funding priorities. I cannot today give a definitive date for reaching a decision. I can say only that we aim to work through the issues and to reach a decision as speedily as possible. I anticipate that that will be before the end of the year.

Once again, I congratulate the hon. Member for Cheadle on securing this debate, which has given me the opportunity to set out the position and associated issues in respect of such an important matter.

Foreign Procured Munitions

1.26 pm

Mr. Ian Liddell-Grainger (Bridgwater) (Con): I am grateful to have the chance, yet again, to raise in this place what I believe is a vital matter. I am pleased to see the Minister in his place. He has returned from visiting our oldest veteran, who I believe is 110 years old. It was a great ministerial duty—and, I am sure, one of importance to the nation—to visit one of our oldest and most important citizens.

Defence is a genuine interest of mine. I used to be an adviser at the Army Land Command headquarters. I maintain the rank of Major, and I am still on the reserve list of the Territorial Army. Most important of all, I represent a constituency with a proud history of providing our Army, Navy and Air Force with the real means to do the job—in other words, to put forward the Government's will anywhere in the world. In Bridgwater, we make bombs. We have done so efficiently, economically and successfully for more than 50 years—since 1939 in fact. Some of my constituents are the best legal bomb-makers in the business. They are true specialists and dedicated to their work. Unfortunately, next year there may be no work for them to do. Next year, the people who now own what we call the Royal Ordnance just outside Puriton intend to close it. Why? They reckon that they can buy what we need elsewhere in the world but a whole lot cheaper—and unfortunately they have convinced the Government—but they are absolutely wrong, and history proves them to be wrong.

It is rather pithy that the debate should be on the anniversary of D-day. It was today, 62 years ago—unfortunately, the Minister and I were not there. Thank God for the Americans; we launched a joint operation from these islands to bring a final end to the bloodshed that we know as the second world war. Brave allied soldiers—British, American, Canadian, Australian and other allied forces—landed on the beaches of Normandy. It was the severest test of manpower and equipment. The symbolism of a successful invasion disguised the carnage; we have only to ask those soldiers who survived. Putting it in today's crude terms, there were far too many Private Ryans, far too many weapon systems that did not share the same ammunition, far too many home-grown disasters on that day. D-day was a victory, but it was also something of a miracle.

Military success relies on courage, training and scrupulous attention to detail. That detail includes knowing exactly what your weapons are capable of doing—what they will do when the trigger is pulled. We can be completely sure only if we know exactly where the kit was made and by whom. When Hannibal set off across the Alps, he had not bought his elephants on eBay; he knew exactly where they came from and what they were capable of. Those elephants were tried, tested and reliable. In Queen Victoria's time, the dear old British Admiralty, which we all love, would insist that every issue and item of munitions on board all our fighting ships was made here, at home—hence the Royal Ordnance factories, which have existed since the days of Henry VIII.

Even the glasses for the telescopes had to come from a specific British manufacturer with a reputation for excellence—no ifs or buts. That was not blind patriotism or protectionism, but simple common sense. I wish our neighbours and allies no disrespect whatever; I have trained and worked with most of them. However, British standards in military matters have rightly always been of the very highest; every other nation works hard to match them. There is a huge risk in buying bits and pieces—especially those deliberately designed to go bang—on the open arms market.

I am afraid that under many Governments, Britain has acted stupidly in the past. Not long ago, the British Army took delivery from India of an enormous consignment of 9 mm ammunition. I have a horrible suspicion that it was bought as a special offer—probably two for the price of one. The ammunition jammed and misfired with such frightening regularity that it was taken out to sea and quietly dumped. Meanwhile, British officers and soldiers who attempted to fire certain 7.62 mm shells made in Portugal still refer to them as "Lisbon crackers". Unfortunately, once again, the Ministry of Defence had to cut its losses; it fed the useless Portuguese munitions to the fish. Buying those munitions was neither sensible nor economic.

We still have problems with shells. These days we get them from France, where "quality control" is a phrase for which there does not seem to be a direct translation. Even suppliers in Germany are suspect on quality. I hope that the Minister is taking note of what I say; I am delighted that he is here, although I accept that responsibility for defence procurement lies with another Minister. As the Minister can well imagine, much of the information comes from the experts who make the bombs in Bridgwater. Those people, who make up an old work force, have spent their lifetimes in the industry. They believe strongly in their country and in what they do, and still see themselves as employees of the Royal Ordnance factories.

I shall provide an example of some slightly heavier artillery. The old Royal Ordnance factories won a contract to manufacture the RO18, a weapon still in service today. However, the MOD first insisted on buying a Belgian version, which went on test in Canada and proved so inaccurate that the safe area for our troops had to be increased tenfold. The Secretary of State at the time—not the present one—said that he knew all about it. He explained that the fault was common, but refused to stop the MOD buying cheap Belgian products. That was not acceptable. The only line of defence against the shoddy workmanship was the expertise of Royal Ordnance staff, who were then responsible for checking every item of stock that came in. One report eerily catalogued the landing of a consignment from a European arms factory:

> "When the first batch arrived the base plates simply fell off. We had to teach them how to weld them on!"

That ought to be the scary stuff of history. Unfortunately, however, I know that it still happens. The more we buy abroad in the mistaken belief that cheapest is best, the more we risk embarrassment, accident and, ultimately, military disaster.

When loading big munitions, we need propellant, which we used to make here. However, now we buy it from Switzerland—a little nation more famous for its

cuckoo clocks and chocolate. Swiss propellant still gives problems. We still import erratic naval shells from Australia. TNT from eastern Europe is of "very dubious quality indeed". Those words are not mine, but from the report of someone who deals with TNT and works inside this close-knit and very loyal British industry. Why are we forced to import TNT, of all things, from eastern Europe? The British company that makes it over here reckons that it can make far more money by not making it here at all.

The parliamentary advisers to BAE Systems should start taking note at this point. British Aerospace was proud enough to use the national name when it bought Royal Ordnance plc in 1986, not under this Government. However, then came the rebrand—everything in this country has to be rebranded. Out went the words "British Aerospace"; in came the abbreviation "BAE". The company is now so busy getting rid of other essential British assets that I rather wonder why its title still includes the B for British at all. I do not believe that it is a British company any more. We should say goodbye to Airbus and to the Bridgwater bomb factory, too—it is all becoming a bit of a tragedy.

Some 130 BAE Systems workers agree with me, as do, I like to think, many Members of this House. My illustrious predecessor, the former Secretary of State, Lord King, agrees with me. Shutting the BAE plant would be much more than a local blow; it would be a national disgrace. It could put at risk the very defence of the realm, about which every Member, regardless of who they are, should care.

We started making armaments in Bridgwater during the last war; it was a question of necessity. Germany was stretching our military capabilities to the limits. It was in my local Royal Ordnance factory that the famous bouncing bombs designed to destroy the Ruhr dams were loaded. Their inventor, Sir Barnes Wallis, is probably rotating in his grave at the news that we now know.

The bombs aimed at Saddam Hussein's bunkers were also made at Bridgwater; the final charges for our ultimate weapons are still made in the area. Next year, however, the essential ingredients will be shipped in from France, provided that the French are not on strike. Relying on foreign suppliers for anything as essential as military munitions is mad. No Government should treat defence as they do commerce, and no Government should ever be held hostage by any company, British or otherwise. Who will pack our bombs in future? Who will load our bullets? It will not be done at Glascoed.

I hope that my questions are sensible, but so far I have not been given a real answer from any Minister in this place or the Lords. I have corresponded with Ministers and taken part in rather too many detailed face-to-face sessions. I am always told, not only by Ministers, but by BAE, "There is nothing to worry about; BAE Systems is confident that there is no risk to supply." I am sorry, but I do not believe that. I can understand why BAE Systems cannot be bothered with a little bomb-making factory that ticks over nicely but will never make a real bomb in the financial sense.

I am told that a consignment of explosives was recently shipped from France to Somerset so that the experts at Puriton could have a look at it. The product was passable—just about. However, security at the French depot at which it was collected was lamentable. The gates were wide open; the staff had gone to lunch. The lorry driver went in, picked the stuff up himself and delivered it back here. That cannot be right in any country. It certainly would not happen here—I know that it would not—and it should not be allowed to happen in places on which we depend in other countries. Making weapons is far too important to leave to the sloppy or cut-throat practices of the marketplace. I am convinced that the risks of buying abroad outweigh the advantages. To adapt the words used by a recent Defence Secretary when giving evidence to a Select Committee, buying abroad is not "fit for purpose."

Of course closing our arms factory would be a bitter blow to Bridgwater, but it would also be a dangerous step for national security. I ask the Minister to use his muscle and to intervene before it is too late.

1.39 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): I congratulate the hon. Member for Bridgwater (Mr. Liddell-Grainger) on securing a further debate on the procurement of munitions and for providing me with the opportunity to speak in my first ever Adjournment debate as a Minister.

The hon. Gentleman brings his considerable defence experience to the debate, and he is a powerful advocate for his constituents. I suspect that I shall be able to reassure him on the points he raised about security of supply, although I shall not be as reassuring on the independent commercial decisions made by BAE Systems.

The hon. Gentleman has raised vital strategic issues, and I recognise the disappointment being felt by the loyal, committed and experienced work force in Bridgwater. Although general munitions are important for the future of defence, this is a commercial decision for the company. However, I understand what the work force must be feeling. As a former trade union representative, I hope that I can be sensitive to that.

Turning more specifically to weapons and ammunition, the hon. Gentleman will be aware that the UK defence market is the most open in the world. We procure a range of weapon systems from overseas that provides us with an effective military capability and value for money to the British taxpayer. It includes munitions—I shall refer to some of his specific points on munitions later—but also complex weapons and other equipment. It would be wrong to deny ourselves the opportunity to draw from a wider market if it made sense to do so.

The focus of the debate is the use of foreign-procured munitions, which is an emotive issue on both sides of the House, but one which I assure the hon. Gentleman has been thoroughly investigated and tested by Members of the House in Adjournment debates in this Chamber and on the Floor of the House. Such investigation helped to underpin much of the munitions chapter of the defence industrial strategy, which provided clarity in the thinking of the Ministry of Defence on the supply of general munitions.

The strategy explicitly recognised the military importance of munitions and the critical capabilities that we want to retain and develop in the UK industrial

[Mr. Tom Watson]

base, such as the ability to design munitions, support them through life and test them safely. In that regard, we have a stated policy to convert our explosives to insensitive munitions.

On the hon. Gentleman's point about TNT, of course it was important to our general munitions policy in the past, but demand for it will decrease as we start switching to insensitive munitions with a polymer-bonded explosive that do not rely on TNT as the explosive fill.

Mr. Liddell-Grainger: Is the Minister aware that the Americans tried to make that explosive and blew up the plant? He may not be aware of that, as he is filling in. BAE Systems people have gone out to Holston to help sort out the mess.

Mr. Watson: I am not aware of that situation. Obviously, my officials will find out about it, and I will write to the hon. [redacted] if I cannot get an answer in the next 20

The re-eng[redacted]xplosives manufacturing process was a[redacted] necessary, regardless of any company r[redacted] plans. In simple terms, it was already un[redacted]oing considerable change as new technologies were adopted and new forms of chemical bonding developed.

As the hon. Gentleman is aware, BAE Systems provides the armed forces with the majority of their general munitions matériel. In October, we reaffirmed our long-term commitment to BAE Systems and its supply of munitions in the form of signed partnering principles, which ensure security of supply of munitions and build on the framework partnering agreement that we signed with the company in 1999. Those principles encourage improved performance, value for money and modernisation of the company's systems. Without that, there is unlikely to be a substantial future for munitions production in the UK.

Any site rationalisation activity is a commercial decision for the company. I strongly understand the hon. Gentleman's point about security of supply, but we have been given assurances that the required capability will be delivered at value for money. It may be that today we will have to disagree on our interpretation of those assurances.

BAE Systems has announced the closure of two of its munitions sites: Chorley and, as the hon. Gentleman knows, Bridgwater. I understand his continuing concern about the Bridgwater site. If it were in my constituency, I would also be advocating my constituents' case. However, the decision remains a commercial matter for the company. I am aware that it is providing a comprehensive redundancy package that is well above the statutory minimum. In addition, there will be opportunities for relocation within the company. Nevertheless, as I said earlier, I recognise that this is a difficult time and that an older work force might choose not to take that option.

BAES Land Systems intends to outsource the supply of several explosive products, but some elements of the explosives manufacturing process at Bridgwater will be transferred to Glascoed. As such, a programme of significant investment has commenced to underpin a secure and affordable source of supply and to ensure that essential munitions capabilities continue to be supplied from a UK base. To secure greater value for money, BAE Systems may source base materials for those munitions overseas.

The company has assured us that, in assessing potential overseas sources of supply, security of supply considerations are a key factor in deciding which companies can provide such matériel. I have asked my officials at the MOD to keep me informed about this, and of course I will write to the hon. Gentleman if there are any changes.

For a variety of other munitions, the MOD and BAE Systems have a significant stockpile of matériel to ensure access to munitions when the armed forces need them. The hon. Gentleman will be reassured by the fact that we have undertaken rigorous assessments of our future arrangements with BAES Land Systems in respect of the supply of munitions and are confident that the right decisions are being made on security of supply and value for money.

Mr. Liddell-Grainger: The Minister is making a powerful point, but I beg to disagree with him. May I give him one example? During the first Gulf war, my predecessor, Lord King, asked the Belgians for 7.62 mm ammunition for general purpose machine guns. The Belgians refused to give it to us because they did not agree with our involvement in that war. I hope the Minister agrees that we cannot ignore the point that we have no say at all if a country disagrees.

Mr. Watson: The countries that are hoping to supply us will have given guarantees that they will retain a security of supply. Perhaps the hon. Gentleman will be comforted on that point when I discuss Eurenco and future reassurances that we hope to make in that area.

The company has indicated that it is likely to source raw materials from the Holston plant in the United States, which the hon. Gentleman mentioned. It is one of two potential international suppliers, the other being Eurenco in France. The hon. Gentleman raised the point about security in a previous debate. I have been assured that BAE Systems has talked to the company about security, and perhaps some of his concerns could be allayed by its security arrangements.

My officials have visited Holston and are wholly assured that it can easily produce ample quantities of the materials we require while meeting the stringent quality standards that the hon. Gentleman says are vital. However, the final decision on sourcing will be for the company, based on the parameters that we offer in the contract.

The hon. Gentleman tried to test my French on quality control. I shall not even attempt to come up with a phrase, but I assure him that quality control underpins everything that our officials are trying to achieve in the contracts. It is important that we include a system of monitoring and testing so that quality never decreases. He raised an important point, and I hope that the systems that we put in place will reassure him in that regard.

It should also be noted that the Holston plant can manufacture crude RDX to the same standard as that

previously produced at Bridgwater. BAES Land Systems, overseen by the Defence Ordnance Safety Group, validated initial samples, and I am assured that they are of excellent quality. From the frown on the hon. Gentleman's face, we might have to disagree on that point as well. Each batch of raw material will be tested in the same manner to ensure continued quality.

The hon. Gentleman should be reassured that the decision to support the company's plans was not taken lightly. The company could not allow a situation to continue in which BAE Systems was starting to underwrite inefficient production. We applaud the company's efforts to achieve a better balance of cost and capability. Its decisions are in line with the defence industrial strategy and are in the best interests of producing a modern and sustainable munitions business in the UK for which we can tell the British taxpayer we are getting value for money. I hope he understands that that is the balance we must strike.

The hon. Gentleman should be reassured that a project team is closely monitoring and challenging BAE Systems as it undertakes that transition. I congratulate him, because these debates are profoundly challenging to BAE Systems as well, and perhaps a bit of parliamentary scrutiny will keep its technicians—although he mentioned its parliamentary officer—on their mettle.

In addition, the company has contingency plans, particularly as there are at least two overseas suppliers for each of the main raw energetic materials that we require. Should the unforeseen happen and supply be interrupted from one source, BAE Systems will retain the technical ability to switch to the alternative or draw on existing stockpiles.

Another benefit of the company's transition is the considerable investment—up to £10 million—in its facility at Glascoed. That will become a centre of excellence in the development and production of insensitive munitions, which are what we will need to operate all our future munitions requirements safely.

Mr. Liddell-Grainger: The Minister has been generous in giving way and I hardly dare ask him another question, but can he give an assurance on whether we have any long-term commitments as a nation to ensuring that the Glascoed plant is retained? Are there any long-term guarantees from BAE Systems on that?

Mr. Watson: I cannot give the hon. Gentleman a long-term guarantee, but I can certainly write to him and sketch out the future arrangements for munitions manufacture.

The company has already invested about £12 million in the new insensitive munitions plant at Glascoed, and we continue to examine new ways to provide capability and value for money. That is not an exclusive process, and if the hon. Gentleman can bring his experience to bear on it, I will welcome his input and that of his colleagues.

In munitions, that aim is being exercised through project MASS—munitions acquisition, the supply solution. With the hon. Gentleman's defence background, he will know that the MOD is fuelled by acronyms, and project MASS is one that does what it says on the tin. The project is in its assessment phase and is examining our requirements beyond 2010 with regard to the entire munitions supply chain, as well as analysing the potential benefits of further involving industry in the end-to-end supply chain for munitions.

The hon. Gentleman should also be reassured that even though BAES Land Systems is doing its utmost to guarantee security of supply, we have gone one step further. The Department is taking active steps to help the company to create an even more robust supply chain. A good example of that can be seen in the potential Holston arrangements. The supply arrangement from Holston will be a commercial one between two separate arms of BAE Systems—BAES Land Systems in the UK and BAE Systems Inc. in the US, which runs Holston—but we are already in negotiation with the US Department of Defence for a stand-alone munitions memorandum of understanding to underpin that. That will ensure clear understanding on both sides of the importance of reliable supply.

A similar memorandum of understanding with France is being considered for the products supplied by Eurenco, so on the hon. Gentleman's point about Belgium, I hope I can reassure him that we are trying to offer that extra confidence to the system.

More widely, there are also a number of international agreements with our allies, such as the implementing agreement on security of supply with France, Italy, Germany, Spain and Sweden, and the US-UK defence co-operation memorandum of understanding, which provide support and assurance in the security of supply of defence equipment, including munitions.

Although the supply of explosives to our armed forces is an emotive matter, it must be remembered that we already rely on overseas suppliers for a great deal of our equipment. The UK is successfully procuring a range of munitions components from overseas already, not to mention a range of complex weapons. Therefore, even if BAES Land Systems were to reinvest at Bridgwater and accept the resultant cuts in other capability areas, we would still have to source many of the remaining components of each ammunition round from overseas.

In general, even if a UK company is the prime contractor for a particular equipment, it is likely that it will source many of the components from overseas. We would not wish to hamper UK companies in their efforts to produce top-line equipment for our troops by insisting that they source components in the UK. Obviously, a balance must be struck between security of supply and value for money, and I hope that the hon. Gentleman will, if not be happy with my contribution, understand that we keep the issue at the forefront of our minds in every decision that is taken.

Conversely, many of our allies rely on us for many of their defence equipments where we are the leaders in a particular area. Only through that global marketplace can we ensure that we can afford to give our troops the best equipment they deserve.

As a new defence Minister, I say to the hon. Gentleman that I want the best equipped and the best trained forces, so that they can live up to their name as the best armed forces in the world. Although I do not do defence procurement—that is done by another Minister—and I

[Mr. Watson]

am not the Minister with responsibility for the armed forces, that is a shared goal that all four Ministers at the Department are keen to achieve. Our new Secretary of State is particularly keen that we give the reassurances that the hon. Gentleman and other Members are looking for on security of supply.

To sum up, I am confident that the changes that I have described will provide better capability at better value for money in such an important sector, ensuring that our armed forces are provided with the general munitions necessary for success on operations. The hon. Gentleman might not walk away with the assurances that he requires on the future of Bridgwater, but I hope that I have been able to allay some of his fears on the strategic level of security of supply.

I understand how the hon. Gentleman is standing up for his constituents and the work force, and he has also talked to the trade unions about the issue. If there are any other ways in which the Department can soften the blow in our commercial relationship with BAE Systems, we will do everything we can to help him and his constituents.

Question put and agreed to.

Adjourned accordingly at two minutes to Two o'clock.

Westminster Hall

Wednesday 7 June 2006

[FRANK COOK *in the Chair*]

Gurkhas

Motion made, and Question proposed, That the sitting be now adjourned.—*[Jonathan Shaw.]*

9.30 am

Bob Russell (Colchester) (LD): I congratulate the United British Gurkhas Ex-Servicemen's Association, which is based in Nepal, on the excellent campaign that it has conducted, with others, to get a better deal—a fair and just deal—and recognition and appreciation from Britain, the country which hundreds of thousands of brave citizens from Nepal have served with such courage and distinction over many decades, for those Gurkha veterans who have not been treated as they should have been after giving up active service. Having praised the association's campaign, I would also like to thank its members for providing so much background information in order to justify a successful conclusion.

The participation of other Members in this debate is welcome, but I trust that ample time will be left to enable the Minister to respond—hopefully with encouraging news for the Gurkha veterans.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am grateful to my hon. Friend for giving way. I am happy to call him that, but by convention I should refer to him as the hon. Gentleman. He mentions the campaign. He and I have met good numbers of Gurkhas here in the Palace of Westminster today. Does he agree that the fact that the campaign has been quiet, restrained and dignified has, to an extent, led to protracted negotiations, when the situation might have been resolved rather earlier? Unfortunately, the meek do not always inherit the earth. Nevertheless, people have been very effective.

Bob Russell: I appreciate that contribution. It is fair to say that the Gurkha veterans have been dignified in the extreme in their campaign. It is a tribute to them that they have been able to maintain that attitude. I hope that their courage and due diligence will pay dividends.

A review of the general issues has been carried out, and its publication by the Ministry of Defence is eagerly anticipated. Perhaps today's debate is pushing at an unlocked door, but how far will the Government open it? Shortly after coming into office, the Labour Government rightly took action towards putting serving Gurkha soldiers on an equal footing with the rest of the British Army, which is to be both welcomed and applauded. However, I seek the Minister's assurance that the 3,000 Gurkhas currently serving in the British Army have equal terms and conditions of service, in all respects, to their British counterparts.

Today's debate relates to veterans who retired before July 1997. It will no doubt be claimed that it is not possible to make amends for the unfair way in which serving Gurkhas were treated by successive Governments prior to then, but I trust that no one will defend the continued unfairness that Gurkha veterans who retired prior to that date have experienced over many decades. That shameful legacy tarnishes British military history and must be ended without further delay. Those veterans were short-changed when they served in the British Army, and they and their families must not be short-changed in retirement.

I declare a personal interest. I once served with the 2nd Battalion Royal Gurkha Rifles. Admittedly it was while I was on the armed forces parliamentary scheme, and it was for only four days, but those days on a live exercise in difficult terrain in Kenya are ones that I shall never forget, and I have the T-shirt to prove it.

Two weeks ago I had the honour of welcoming about 50 members of the Nepal-based United British Gurkhas Ex-Servicemen's Association to the House of Commons, after which I accompanied them to the Gurkha memorial off Whitehall where wreaths and tribute ribbons were laid, and the last post and reveille were played. We then went to Downing street, where a detailed appeal was handed in calling on the Government to put right the many years of wrong, and to treat Gurkha veterans in the same way as others who have served in Her Majesty's and, in some cases, His Majesty's armed forces. The oldest veteran there had served in Burma in the second world war. Another was the holder of the Victoria cross from a conflict 40 years ago. That medal was one of 13 Victoria crosses to be awarded to Gurkhas among more than 6,500 decorations for bravery.

Gurkhas have frequently been portrayed as the bravest of the brave. They are renowned for their valour on the battlefields and for being exceptional soldiers who are loyal to those they serve. Their tenacity, strength, fearlessness, courage and ferocity are without equal. To Britain's shame, however, there is a parallel history of discrimination in the 190 years in which successive generations of Gurkha soldiers have served the Crown.

The United British Gurkhas Ex-Servicemen's Association, which was formed in Nepal in 2003, is an umbrella group of six different Gurkha ex-servicemen's associations in Nepal. It is a non-profit organisation dedicated to the welfare of Gurkha veterans and to highlighting the problems faced by them and their families. That unifying organisation has been lobbying both the British and Nepalese Governments for equal rights for Gurkhas in relation to pay, pension and other facilities. The association's background briefing tells me:

"That the Ministry of Defence has discriminated against the ex-Gurkhas is a fact, which needs no further elaboration. There is no need to further justify this grave injustice perpetrated 'to a friend by a friend'."

The briefing goes on:

"The Gurkhas have fought with utmost bravery and loyalty for the British Crown and its citizens for the last 200 years. They have made enormous contributions towards the British colonial expansion and have safeguarded the British Empire across the Globe. They fought in both World Wars. They have continued to serve British interests in subsequent conflicts. They have proved to be the most trusted and loyal friends of the British in the most difficult of times...As a reward the Gurkhas are left destitute today. They live a life of misery and shame back home. They are forced to sell their medals of bravery to make their ends meet and many have been forced to beg on the streets of their own villages."

[Bob Russell]

How can we ignore such a situation? Something must be done. I trust that the Minister will say that urgent action will be taken to answer this cry for help. We should collectively hang our heads in shame.

The Minister might suggest that the tripartite agreement between the Governments of the United Kingdom, India and Nepal, which was signed in 1947, or thereabouts, prevents Britain from improving the lot of Gurkha veterans, but I am advised that the Indian Government have written to the association refuting that, and saying:

"This is an issue between the UK and Nepal."

The pension is arguably the most important and contentious issue, and needs to be resolved immediately. Pensions paid to Gurkha veterans need to be brought into line with those paid to British veterans—proportionate to years of service. The same should be done for the pensions paid to widows of Gurkha veterans. There is no social welfare policy in Nepal, and the widows of Gurkha veterans often suffer extreme financial difficulties. Gurkhas who were discharged without any pension should be considered for a preserved pension, like British soldiers.

The medical expenses of retired Gurkhas should be borne by the Ministry of Defence in full. The current system, in which the Gurkha Welfare Trust coughs up funds for veterans' medical expenses, is totally unacceptable. The GWT is a charitable trust and the moneys in it were raised by the Gurkhas themselves or were donated. Rather than allow the current situation to continue, the MOD should bear the full costs of ex-servicemen's medical treatment.

Compensation is another important issue which needs to be addressed. I have been given details of the discrimination in relation to the pay and conditions of Gurkha soldiers while serving in the British Army. I invite the Minister to respond positively to the following point put strongly to me on behalf of the veterans:

"It is only logical that the post-1947 Gurkhas are awarded compensation for the loss in pay and allowances during their entire service."

Another issue of great importance that, because of time, I shall address briefly is that of discrimination against Gurkha veterans who left the British Army before July 1997 regarding the granting of indefinite leave to remain in the UK. The Minister need not necessarily respond today; he could do so in writing later. I am advised that veterans who retire after that date are granted leave, and I agree with the association that

"It is morally and legally important that the British Government allow all Gurkha Ex-Servicemen and their families, regardless of when they retired, to enter, work and live in the UK with dignity."

Does the Minister agree? If not, why not?

Another issue that needs to be resolved is the citizenship status of children born to mothers who accompany their Gurkha soldier husbands who serve in the British Army, whether in the UK or overseas. Why cannot they have British citizenship?

In conclusion, I shall quote from the heartfelt appeal made last month by the association when it sent a special delegation from Nepal to London:

"As Gurkhas, we feel that the current Review is a wonderful opportunity to address and solve all the aforementioned problems affecting the retired Gurkhas in a just and fair manner, with all sincerity for once and all, acceptable to both the Gurkhas and British Government, thus ensuring that the state of dissent and conflict that now exists between them is resolved forever. It would also ensure that the Ministry of Defence position would be beyond reproach, both legally and morally. Additionally, we feel this will enhance, even more, the warm and friendly relation between the two countries."

9.40 am

Mr. Roger Williams (Brecon and Radnorshire) (LD): First, I should apologise to hon. Members and to you, Mr. Cook, because I may have to leave the debate later to attend to other parliamentary duties.

It is a great pleasure to take part in this debate. I pay particular tribute to my hon. Friend the Member for Colchester (Bob Russell) for the work that he has done on behalf of Gurkha veterans, and to other hon. Members in that regard. In his speech, my hon. Friend displayed his depth of knowledge and his commitment to putting right many of the difficulties that afflict Gurkha veterans after they finish their service with the British Army.

Nobody can doubt the loyalty and bravery with which the Gurkhas have served this nation. I, too, have experienced service with the Gurkhas, in the jungle in Brunei, albeit for only two days. It was an experience that I shall never forget. Although my jungle warfare skills were not of the highest order, they said that after those two days I was "improving".

I have a particular interest in the Gurkhas in relation to Derring Lines, where company and platoon commanders of the infantry in the British Army are trained, and Sennybridge ranges, which is another infantry training facility. Probably every infantryman in the British Army has experienced it. A Gurkha captain told me that although the Arctic is cold, it is dry, and although the jungle is wet, it is at least warm, but Sennybridge is cold and wet and the highest level of personal organisation is needed to survive there, so it is a test for people wanting to serve in the British Army.

Before I talk about the veterans, I must say that things are improving for currently serving Gurkhas. I pay tribute to the fact that accompanied service for married Gurkhas has now been extended from the minimum three-year period of service. They now have the same conditions as apply to other members of the British armed forces, as long as they have served three years. It is fairly traditional for Gurkhas to get married after their second period of Nepal leave, which is probably after six years. In Brecon, the number of Gurkha soldiers who have their family with them has increased from about 27 to approximately 34. Those Gurkhas serve with the Mandalay company, which is a demonstration company of Gurkhas that helps with the training of platoon and company commanders in the Brecon area. Their contribution to that training is second to none.

David Taylor: The hon. Gentleman is describing the welcome improvements that have been made in recent years. As the hon. Member for Colchester said, there is a serious problem in relation to the 1997 cut-off date, and we must not lose sight of that. Some 32,000 Gurkhas in Nepal are adversely affected by the failure

thus far to address the problems that he referred to in his opening speech. That is the key issue of this debate, is it not?

Mr. Williams: I agree, but I was hoping to make the point that things are improving for some Gurkhas who will retire from the British Army in future. Their conditions will have been addressed, but the circumstances of Gurkhas who left the Army before 1997 will not be dealt with until the Government take action. We understand those issues, which were well set out by my hon. Friend the Member for Colchester. Gurkhas who are currently serving, as well as those who left the Army before 1997, are still concerned about nationality and indefinite leave to remain.

Although conditions in Nepal have improved to a certain extent and the commitment to democracy which is now emerging will enhance living conditions in that country, the Government must address the fact that Gurkhas who have retired to Nepal do not have sufficient pensions to enjoy their retirement and to ensure that their families are maintained so as to give them security and peace of mind in their remaining years.

My contribution this morning has been relatively short, but my involvement with the Gurkha troops is an ongoing concern. The Minister was kind enough to arrange a visit to Derring Lines, where the Gurkhas are based, so that I could talk to their commanding officer and to some of the soldiers. They have concerns about the people who retired before 1997, some of whom they served with, because they know that the retired soldiers will not have the same conditions and the same enhancements as they will enjoy.

We look forward to the Minister being able to announce at some stage, if not today, that Britain will at last re ay the great debt that the nation owes to the Gurkha soldiers, who have made such a huge contribution not only to the defence of the country, but to promoting British interests abroad.

9.47 am

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): Thank you for calling me to speak in this important debate, Mr. Cook. I had no intention of taking part, but I am happy to say a few words.

First, I congratulate the hon. Member for Colchester (Bob Russell) on securing the debate. The topic is an important one, and I am sorry that some hon. Members are otherwise engaged. Had I not been delayed on the way here, I would have heard all of his speech, but I caught some of it, and I agree with the spirit of his remarks.

I have followed the subject from a distance, always listening and watching what was going on. Over the years, our Government have made an immense effort to tackle discrimination wherever it exists. We have made a start, and although there is still a long way to go, I praise my Government for their record in that respect.

I must say to the Minister that the treatment of the Gurkhas is an issue of discrimination. I welcome him to his new post. I am sure that he will take the issue up as one of his causes in his Department and he may become renowned for dealing with it. I agree with what was said earlier about the contribution that the Gurkhas have made as part of the British armed forces; I have never heard a single person say anything different: people recognise the bravery of the Gurkhas and the contribution that they have made.

Discrimination interests me. For the Gurkhas, the important issue is their pensions and how they compare with the pensions given to British soldiers. There is no quick fix or immediate answer, but we must work towards a solution. The Government are carrying out pensions reform elsewhere, so we can take up the matter as part of the reform process if we want to do so. That represents an opportunity for us, although we might be looking a few years down the line. Nevertheless, an acknowledgement by the Minister that there is discrimination in that respect would be a step forward.

I agree with the spirit of what the hon. Member for Colchester said. We have had many debates on the topic in the House, and it is important that it be kept alive. As long as discrimination and problems relating to nationality, citizenship and so on exist, it is important that the Labour Government—I hope that people will endorse the Government at the next election—work to eliminate them. I know that we cannot do everything at once, but we must at least take steps to remedy the situation. I have always championed all that my party has done to tackle discrimination and injustice. I joined the Labour party because it gave hope to young Asians like me. The Labour party cares and fights against injustice and discrimination. The great Governments of Harold Wilson, Callaghan and others introduced race legislation and I see this debate in the same light.

The heroism of the Gurkhas is well documented. Given the contribution that they have made, the injustice must be put right. I believe that in the Government and among Labour Members, there is the spirit to do that. I have known the Minister for almost a decade, since before he entered the House. He gave me a lot of support when I was trying to be elected for my constituency in the north-east and I know that he cares passionately about alleviating injustice. The Gurkhas' situation must be put right.

I am sure that the Minister will tell us all that we have achieved, but I would like him to go a step further and to offer a few words of hope, because hope is important. I am sure that there will be all-party agreement among Front-Bench Members, but we as a Labour Government are in a position to do something and to build on the progress that we have made.

I reiterate the importance of the debate and congratulate the hon. Member for Colchester again on securing it. I know that he has been interested in the subject for a long time. At various times in the voting Lobby, often with him walking on one side and I on the other, we have discussed various topics, including the Gurkhas. It is a great credit to the hon. Gentleman and the passionate way in which he has argued this important case that we are discussing it today. As someone who cares that the Labour Government does something about it, I look forward to the day when a debate such as this is not needed.

9.54 am

Willie Rennie (Dunfermline and West Fife) (LD): I, too, offer my congratulations to my hon. Friend the Member for Colchester (Bob Russell) who has set out his case in his usual passionate, humorous, colourful and casual manner. He is a great asset to the Liberal

[Willie Rennie]

Democrat Benches and I am sure that all hon. Members agree that he has made a great contribution to today's debate. I am sure that the Gurkhas are delighted to have him on their side.

Fairness and justice; recognition; dignified; equality; destitution; short-changed; begging and discrimination. These are words that have been used in the Chamber this morning and I think that they sum up the debate.

As we have heard, the Gurkhas have served the Crown since 1815. In 1947, the tripartite agreement set out their terms and conditions of service. While their numbers have decreased over the years, the Gurkhas still play an important role, having been deployed in Kosovo, East Timor, Sierra Leone, Bosnia, Afghanistan and many other conflicts throughout the world. In nine years, the Gurkhas will have served this country for two centuries—200 years of dedication, protecting a country that is neither their birthplace nor their nation.

One of the key principles of the tripartite agreement was that soldiers in both armies should serve under broadly the same terms and conditions of service. That is an important principle and was an enlightened one at the time. I repeat that soldiers in both armies should serve under broadly the same terms and conditions of service; that is a principle to which I shall return, because it is important.

I like to give credit where credit it is due, and the Government deserve some credit on this issue. Since they came to power, there have been three important developments, which are rooted in the principles of the tripartite agreement. First, in 2000, the increase in death gratuity to rates comparable with those for British soldiers was a welcome step. Secondly, the introduction in 1997 of married accompanied service for Gurkhas serving in the UK is worthy of praise. Two months ago, all married Gurkhas with three years' service became entitled to married accompanied service. They are also entitled to accommodation for their families, which is charged at the same level as for British servicemen.

Finally, until recently, Gurkhas could not get indefinite leave to remain in the UK when they were discharged from service. In 2004, the then Liberal Democrat defence spokesperson, my hon. Friend the Member for Hereford (Mr. Keetch), said:

> "Citizenship should not be something that former Gurkhas should have to apply for. It should be given as a right."

That plea was backed by my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell), the leader of my party. Shortly after, our call to allow Gurkhas to have British citizenship was finally granted by the Government, albeit upon completion of four years' service and only on application. However, those new rules apply only to those discharged on or after 1 July 1997—the date on which the Brigade of Gurkhas moved its headquarters from Hong Kong back to the UK following the handover to China. It was a step in the right direction, but the situation today is unacceptable and is still discriminatory.

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): I know that the hon. Gentleman is new to his post and that he is probably on as bewildering a parliamentary journey as I am, so I do not want to put him too much on the spot, but can he confirm that it is Liberal Democrat policy to agree to the demand of the hon. Member for Colchester (Bob Russell) for retrospective pensions for Gurkhas?

Willie Rennie: My understanding is that we are pressing for full citizenship for Gurkhas, as described by my hon. Friend the Member for Colchester.

Many Gurkha veterans and their families are still affected by discrimination in relation to citizenship. About 400 Gurkhas are resident in the UK, of whom 100 are not eligible under the new rules, and there are thousands—32,000, we have heard today—back in Nepal. I urge the Minister to consider changes in this area.

I also urge the Minister to re-examine the pensions issue. We continue to hear worrying reports from Nepal about Gurkhas living in poverty because they fail to receive sufficient pension payments. I would welcome a report from the Minister detailing his knowledge of the problem, with estimates of its scale. I would also welcome an estimate of the cost of introducing pensions equality between British soldiers and Gurkhas. Unless we have an idea of the real cost, it is difficult to get an exact handle on the situation.

A further review of Gurkha terms and conditions of service was announced in January 2005, but it has not yet reported back. A considerable period has elapsed—sufficient to allow an effective and professional review. I look forward to hearing from the Minister about progress to date. I urge him to use the opportunity to institute changes to the rules of citizenship and to introduce the necessary changes to the pension arrangements.

To sum up, this has been a short but good debate. It has allowed Members to reflect on the contribution that the Gurkhas have made to the security of our country and our interests abroad, to praise the Government for the improvements to the Gurkhas' situation that have rightly been made—even if they are long overdue—and to encourage the Minister to take another step along the Gurkhas' road to equality in citizenship and in pensions. It is the least that they deserve for 200 years of service to our country.

10 am

Mr. Mark Harper (Forest of Dean) (Con): I, too, congratulate the hon. Member for Colchester (Bob Russell) on securing this debate and on the way in which he presented his case. Noting the ever-decreasing length of hon. Members' service with the Brigade of Gurkhas, with the hon. Gentleman having undertaken four days and the hon. Member for Brecon and Radnorshire (Mr. Williams) two, I have to say that having been in my post for only a short period, I have yet to do any.

I should like to pick up on a point that the hon. Member for North-West Leicestershire (David Taylor) made about the dignified way in which the Gurkhas have presented their case. He questioned whether it has been to their detriment compared with those who present their case loudly. Speaking for myself and for other hon. Members, I respect those who make a well argued and logical case, and I tend to pay more attention to people who make their case in that way than to those who shout from the rooftops, and I hope

that the Gurkhas, who have campaigned in the former way, have not disadvantaged themselves. As far as my party and I are concerned, they have not, and I urge all who campaign for change in policy to do so in that way, so that we can engage in a logical and sensible debate, rather than yell at each other.

I, too, pay tribute to the service that the Gurkhas have provided to the Crown since 1815 and in the British Army since 1947. The British public understand and respect that service. That is why the Gurkhas are held in high esteem, and one of the reasons why the subject has been raised in the House on numerous occasions.

When thinking about the history of this issue, it is worth thinking also about the way in which we approach it and from which end of the telescope we look at it. If we consider it in the context of today's circumstances and conditions, we can understand why people use such terms as "discrimination" and "injustice". However, if one considers how the current arrangements were arrived at, when the British Army took in some Gurkha regiments, the Indian army took in others and the tripartite agreement was signed in 1947 in a different world and in different conditions, one can see why the arrangements were made in the way that they were.

The Liberal Democrat spokesman, the hon. Member for Dunfermline and West Fife (Willie Rennie), drew attention to the tripartite agreement and the fact that it set down that Gurkhas serving in the British Army should serve under broadly comparable terms and conditions to those under which Gurkhas serve in the Indian army. It is one of the principles that was established at the beginning. The tripartite agreement has not been revised since 1947, although it is true that when British Governments have made changes, they have made them in accordance with its original principles.

It is worth welcoming the several changes that the present Government have made since they came to power in 1997, but it might be sensible also to recognise that piecemeal change might not be the way forward. That is why in January 2005 we welcomed the then Secretary of State's announcement of a comprehensive review of Gurkhas' terms and conditions of service. That is probably a better approach than making changes incrementally and without thinking through the whole package. We welcome a comprehensive review. It is disappointing that it has taken a good deal of time, but I know that the Minister will say more about it today. I understand that he hopes to complete the review and make an announcement later this year.

Frustrating though the delay might be, having considered other issues during my time in my present post, I have concluded that it is greatly to be preferred to take the time to get the review right and investigate all complexities at this stage, so that when the Minister comes to the Dispatch Box later this year to announce the results of the terms and conditions review, it is comprehensive, well thought through and results in a change that endures. It should not be rushed, so that we end up returning to the matter every year to put right issues that were not thought through properly. One has to spend only a brief period considering the issues and the complexities that might arise to understand that. I welcome the review, and I am glad that the Minister is taking the time to undertake it properly.

Bob Russell: Provided that the hon. Gentleman and I consider that the proposed recommendations are right, does he agree that they should be applied retrospectively and not only from the date when the decisions are put before the House?

Mr. Harper: Tempting though that invitation is, the hon. Gentleman would not expect me to comment without having considered the review. I intend to read what the Minister says, and I do not know what he is going to say.

Mr. Watson: Neither does the Minister yet.

Mr. Harper: The Minister says that he does not know either.

When the Minister comes to the House later this year with the results of the review, we will consider the review in detail, and if we consider it wise to give it our full support, we will. With the work not having been done yet and without having seen the review, however, I do not want to commit us in advance to whatever it may propose.

As part of the review, it would be wise to ensure that we discuss with the Government of Nepal the review's implications and any impact that it may have on the situation in Nepal. It would be useful if the Minister could confirm whether that will happen. I am conscious that we must consider the impact of our changes on those areas of Nepal from which Gurkhas have traditionally been recruited. In making changes in Britain, we must ensure that there are no unfortunate effects in Nepal. Despite what hon. Members have said about the terms and conditions of service under which Gurkhas serve, and notwithstanding the questions that the hon. Member for Colchester has raised, if we consider the number of Nepalese who apply to join the Brigade of Gurkhas, which is about 100 for each available place, it seems that in their assessment, serving the Crown and serving in the British Army is attractive and rewarding. We should take the review forward in consultation with the Government of Nepal.

Without wishing to broaden the review, I ask that when the Minister is undertaking it, he considers this final point. There are more than 7,000 other foreign nationals serving in the British Army, and it may be worth him considering whether any changes need to be made in relation to them. The last thing that we want to do is change the terms and conditions of service for the Brigade of Gurkhas, and then find that a significant number of other issues arise.

Bob Russell: The figure that the hon. Gentleman gave for the number of foreign nationals serving in the British Army is, I think, somewhat greater than the figure in reality. However, the big difference is that the Gurkhas serve in their own units and regiments, whereas other foreign nationals who join Her Majesty's armed forces serve in British Army regiments, battalions and other units. In terms of pay and conditions and, as far as I am concerned, all other respects, they are immediately treated as though they were British. Does the hon. Gentleman agree that the significance is that the Gurkhas serve not in British Army units but in their own regiments?

Mr. Harper: The hon. Gentleman makes a fair point. I have the latest figures, and there are just over 7,000 foreign nationals serving in the armed forces, most of them in the British Army. I am simply saying that if the comprehensive review considers indefinite leave to remain and the appropriate qualification for British citizenship, and the Minister makes decisions on Gurkhas in those areas, another set of questions will be raised about what expectations those serving in the British Army should have in relation to indefinite leave to remain and becoming a British citizen. It would be sensible to think about that while resolving one set of issues, so that we do not create another set of issues and end up coming back to this place to debate them. I am conscious that if we do not think about the overall position, we could make changes that, although welcome in themselves, create a whole set of other perceived unfairnesses. I urge the Minister to think about that.

In drawing my remarks to a close, I reiterate my congratulations to the hon. Member for Colchester and to those who participated in the debate. I look forward to what the Minister has to say.

10.10 am

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): I commend the hon. Member for Colchester (Bob Russell) for securing the debate. He had kind words for me on my first run-out in the Chamber a few weeks ago, but I suspect that he will not be as happy with my response this morning. However, I hope that I can give him some reassurances on the points that he raised. He will know that although I am new to this job, I am not new to Gurkha policy; he and I have often sat in on Adjournment debates on the issue just for the fun of it, not least those in which the right hon. Member for Maidstone and The Weald (Miss Widdecombe) made contributions in 2003 and 2004.

I acknowledge the hon. Gentleman's service of four days in the Gurkha battalion. I can just about beat my hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar), in that I managed to spectate—but not serve—for two hours in Catterick last week, when I saw the Gurkhas training. After those two hours, I was not unapprised of their worldwide, fearsome reputation. I hope to spend more time with them in future.

On a serious point, my hon. Friend the Member for North-West Leicestershire (David Taylor) talked about the quiet, restrained and dignified way in which many of the Gurkha ex-servicemen's groups make their point. The United British Gurkhas Ex-servicemen's Association is one of many Gurkha ex-servicemen's groups that put their point to Government day in, day out, and the hon. Member for Colchester has been a powerful advocate for them this morning.

What amazes me about Gurkhas is the journey that they take as individuals. The brigade starts with 15,000 potential recruits in the hills of Nepal. Rigorous pre-selection training narrows it down to 200 recruits, who make a journey from Kathmandu to Manchester and then on to Catterick, where they undergo 39 weeks of training. I have been lucky enough to witness that training. We have all been impressed by their quality and the commitment with which they take up service in the Army.

One thing that I would like to talk about this morning is the journey that the Government have taken since the tripartite agreement in 1947 to try to target and change policy to fit the changed circumstances of Gurkhas, in the military context. I have a number of detailed points to make in answer to issues raised by the hon. Member for Colchester. He will have read the report, "The Gurkhas: The Forgotten Veterans", as have I, and I am considering it at the moment. I will respond formally when I have the opportunity to do so thoroughly. However, I want to honour the commitment made by my predecessor, my hon. Friend the Member for Islwyn (Mr. Touhig), to meet the authors of that report. I am trying to ensure that I see them as soon as possible. Also, I am meeting the right hon. Member for Maidstone and The Weald to talk about her concerns about the terms and conditions that apply to our Gurkhas; the hon. Gentleman will know that she has made a large and lasting contribution on the subject.

Let me give some reassurances about the current terms and conditions of Gurkhas, and then I shall try to explain the veterans' situation. We believe that successive British Governments have treated Gurkhas fairly, in the context of the time in which they served, and we have already introduced significant improvements to their terms and conditions, as has been acknowledged by Members of all parties today. The review of their terms and conditions of service that is in hand will definitely lead to an even better deal for modern Gurkhas. The Government deeply appreciate the contribution that Gurkhas have made over more than two centuries to our Army and, in more recent years, to the life of this country as their presence here has increased. As part of the British Indian Army, they served in numerous campaigns, culminating in the two world wars, in which thousands of Gurkhas participated.

The British Brigade of Gurkhas is an important element of our defence capability and now numbers some 3,300 men. It includes two battalions of infantry, the Royal Gurkha Rifles, and specialists in signals, military engineering and logistics. They are stationed in 14 locations across England, Wales and Scotland. A battalion of the Royal Gurkha Rifles is stationed in Brunei under our defence agreement with the Government of that country, and over the past 12 months, Gurkhas have been deployed in Afghanistan, the Balkans and Iraq, where they served—as ever—with great distinction.

We have not forgotten Gurkha veterans or the debt that we owe them. We pay more than 26,000 Gurkha service pensions to retired soldiers and their dependants, and last year that amounted to some £33 million. Even a retired Gurkha private soldier's pension is comparable to workers' salaries in Nepal and is almost 10 times the national per capita income. On that point, I shall try to answer some of the questions raised by the hon. Member for Dunfermline and West Fife (Willie Rennie) later.

Nepal is a developing country, recently torn by internal strife, which we fervently hope is coming to an end. Retired Gurkhas living there are Nepalese citizens living in their own country, and it is not surprising that some heart-rending instances of hardship can be found there. The Government and the British public support the valuable work of the Gurkha Welfare Trust, which aims to ensure that no such case goes unaided. The hon. Member for Colchester mentioned medical costs;

we doubled Gurkha service pensions in 1997 so that retired Gurkhas could use some element of their pension to pay for their medical costs.

Bob Russell: Can the Minister give the figure that was doubled?

Mr. Watson: Not off the top of my head, but I will write to the hon. Gentleman and will go through the figures with him, if that is okay.

As I said, we support the aims of the Gurkha Welfare Trust, and in addition the Department for International Development will pay £30 million in aid to Nepal. We pay tribute to the Gurkhas' courage and commitment on operations, and their hard work as valued members of our community in peace. In return, over the years, British Army service has afforded many benefits to thousands of Nepalese citizens—to Gurkha soldiers and to their families. In modern times, that mutually beneficial relationship has been possible only because of the unique status of the Gurkhas, in terms of their role in the British Army. Nepal has never been a member of the British empire or the Commonwealth, and Gurkha service to the British Crown has been enabled only by a succession of agreements with the Government of a sovereign and independent Nepal. That remains the case, and those agreements, to which the hon. Gentleman referred, date back to 1815.

After the Gurkhas' distinguished record of service in the Army of the former British Indian empire, at the time of Indian independence in 1947, an unparalleled arrangement between the British, Nepalese and Indian Governments allowed Gurkhas to continue their service to the British Crown while remaining Nepalese citizens. On 1 January 1948, the predecessors of our current Brigade of Gurkhas transferred to the British Army on terms based on that agreement, which is the tripartite agreement that we have talked about.

The unique status of those who transferred means that they joined the British Army, served, and then retired as Nepalese citizens. As my predecessor said in an Adjournment debate secured by the right hon. Member for Maidstone and The Weald—which I think the hon. Member for Colchester and I both sat in on—it would have been irrational if Gurkha terms and conditions of service had not taken account of that. We were committed to discharging Gurkhas in Nepal where, with pensions that were very substantial by local standards, and often with valuable skills, they settled in retirement and made an important contribution to the economy of one of the world's poorest countries. We employed the Gurkhas on the same terms on which they came to us: those of the Indian army of the day. Therefore, many of the terms and conditions were different from those of the wider British Army—for example, pay, pensions, soldiers' terms of engagement and the officers commissioning rules.

Originally, many of these differences came about because the Indian Government, who continue to employ many Gurkhas, wanted equality between their Gurkhas and ours. In those days the Gurkhas were one of a number of forces serving under the British Crown but enlisted and based overseas, whose terms and conditions of service reflected this. British Gurkhas continued to serve as they had in the old Indian army: in formed Gurkha units consisting entirely of Nepalese soldiers and officers, except for a few British officers and specialists. That has always been considered essential to maintaining the Gurkhas' formidable fighting spirit.

Bob Russell: Does the Minister know what the position is of those Gurkhas—whole companies on occasion—who serve in British units? A few years ago in Colchester, the Royal Scots were about 180 short and the gap was plugged with Gurkhas. Would those Gurkhas be treated as Nepalese volunteers or British soldiers in terms of pay, conditions and subsequent pensions?

Mr. Watson: I think I shall answer the hon. Gentleman's question as I continue my speech. If I do not, he can pull me up on it again.

The Nepalese Government were, and remain, rightly sensitive to any suggestion that British Gurkhas were mercenaries, as has been said in other areas of this discussion. They saw exclusively Gurkha units serving in the British Army with their Nepalese identity preserved as reflecting on honour and prestige on the reputation of Nepal. Even now, Gurkhas usually serve as members of formed Gurkha battalions, squadrons or companies within the Brigade of Gurkhas, although there are notable exceptions. Although the working language of the Brigade is English, the structure enables the Nepali language to be spoken, and provides religious and cultural support to every Gurkha family.

There have been improvements in the intervening years. For example, in 1972, Gurkhas serving in the UK received a cost of living allowance that, added to their Indian army rate of pay, gave them broadly comparable take-home pay to that of their British counterparts, and when they served in Hong Kong they were paid an allowance that reflected prices there. Over time there has been a constant review of and improvement to support and services for Gurkhas.

However, the presumption has always been that Gurkhas would retire in Nepal, and their terms and conditions, particularly their pension arrangements, continued to reflect that understanding. When the time approached for the UK to hand over Hong Kong, through a gradual process, the Gurkhas were withdrawn from that country. The hon. Gentleman will know that that process ended on 1 July 1997, when what had hitherto been a force enlisted and based overseas was now predominantly based in the UK. It was only natural at that point that Gurkhas and their families would increasingly regard the UK as an alternative home to Nepal, and that their expectations and aspirations would develop accordingly.

In my view, it was inevitable that the terms and conditions appropriate to a force based in the far east would have to adapt to that change in circumstances. In evolving these terms and conditions, we have always sought to protect the unique identity of the Gurkhas and their relationship with their homeland, which the hon. Gentleman has talked about, and the presumption of their retirement in Nepal has remained.

Worldwide parity of take-home pay was brought in as part of a package of changes introduced in that great year of 1997. It included a new universal addition, which brought a Gurkha's take-home pay—wherever he was serving—up to the same level as that of his counterpart in the wider British Army. Gurkhas

[Mr. Watson]

were allowed to be accompanied by their families in UK, as was already the case in overseas stations such as Brunei, although under the tripartite agreement, that was limited to 25 per cent. of all personnel. At the same time, Gurkhas retained some privileges not available to other members of the Army, such as the traditional "Nepal long leave" of five months every three years at the public expense.

Some differences stemming from the original Indian army terms and conditions were retained because they were seen as more suitable for the Gurkha's unique status as a Nepalese citizen. The Gurkha soldier was virtually guaranteed 15 years of service, which earned him a pension for life immediately on discharge—often at the age of 32, 33 or 34—and after that for his dependants. The Gurkha pension scheme provided pensions that are modest by UK standards but represent a substantial income, annually updated for inflation, in Nepal. Such an early payment of pension is not available to other members of the British armed forces. Over 80 per cent. of ex-Gurkhas, if they had been members of the armed forces pension scheme, would have returned to Nepal with only a preserved pension payable at age 60.

The Gurkha's expectation of service depends on his progress through the ranks. A corporal would have to retire after 15 years, whereas a warrant officer class 1 would serve for 22 years. The 22-year notice of engagement in use for all ranks in the wider Army is only manageable because in recent years British junior ranks have tended to leave voluntarily if not promoted, sometimes after four or five years. Traditionally, Gurkhas serve for as long as they can, and it would not have been possible to offer them all 22 years' service because that would have resulted in a stagnant, unmanageable manpower structure in the brigade's exclusively Gurkha units, and it would have denied to many Nepalese citizens any opportunity of British Army service.

I believe our predecessors tried hard to get the balance right between the maintenance of traditional Nepal-facing terms and conditions and their assimilation, where appropriate, into those of the wider Army. However, since the move of the Gurkhas' base to the UK and the progressive alignment of their roles with those of their counterparts in the wider Army, the differences between their respective terms and conditions of service have increasingly come under scrutiny, as they have today. The Government have responded to that in order to ensure that fairness is at the heart of how we treat the modern Brigade of Gurkhas.

Improved arrangements for Gurkha married accompanied service were announced in August. In 2003, seven Gurkha veterans had challenged many of the differences in their terms and conditions of service, particularly their different pension arrangements, by way of judicial review. The judges accepted that the differences were still justified because of the Gurkhas' unique status, and that a full like-with-like comparison with the wider Army could not be made. The courts dismissed all complaints and subsequent appeals, although they did, exceptionally, warn that the 25 per cent. limit on married accompanied service should be reviewed. We have done that, and from 1 April this year, all Gurkhas with at least three years' service will have the same entitlement to be accompanied by their families at their duty station as soldiers in the wider Army.

The immigration rules were changed in 2004 to make it easier for Gurkhas to return to this country on discharge from the Army. Successive Governments have maintained the policy that British citizenship is not automatically given in return for military service, but granted on grounds of residence, towards which such service might count.

Bob Russell: I appreciate that this is not a matter for the Minister's Department, but for the Home Office, and I had discussions with his predecessor about it, but will he assure me that the Ministry of Defence is of the view that service to the Crown should count as residence, even when the soldier is serving overseas?

Mr. Watson: I think I can. If I cannot, I will clarify that by letter. I do not want to give the hon. Gentleman an assurance on behalf of another Department, particularly the Home Office, dare I say.

Both Gurkhas and Commonwealth citizens usually serve in our armed forces while maintaining their own nationality. Although the presumption of retirement in Nepal has been accepted by the courts as part of the unique arrangements for Gurkha service, ex-Gurkhas had always been able to apply to return to this country under normal immigration rules, such as under the work permit scheme. I think that that answers the hon. Gentleman's point.

In 2004, we accepted that from the time the Gurkhas became based in the UK in 1997 they should be able to apply for settlement here in the same way as Commonwealth citizens leaving our Armed Forces. On discharge, they could count four years of their military service towards the residential qualification for indefinite leave to enter the United Kingdom and, subject to entry clearance, could settle here with their families. They could subsequently apply for British citizenship, if they wished to do so, under normal rules.

The Prime Minister announced the new Her Majesty's forces immigration rule on 30 September 2004. We understand that virtually all Gurkhas discharged since the rule took effect have applied for visas to enter the UK. Those discharged since 1 July 1997 have until October of this year to apply. It became clear that more serving and retired Gurkhas and their families would be living in the UK than ever before, and the Government determined that the remaining differences in their terms and conditions of service, especially the Nepal-facing ones, should be reviewed. That is what we are doing now.

The hon. Member for Forest of Dean (Mr. Harper) made a point about the remit of the review. I shall give a bit of the context. A former Secretary of State, my right hon. Friend the Member for Ashfield (Mr. Hoon), asked in January last year for a comprehensive review of Gurkha terms and conditions. It is by far the widest-reaching review since 1948 and is examining every remaining difference between Gurkha and UK terms and conditions. Much of what I have said, inasmuch as it refers to Gurkhas' current terms and conditions, may be affected by the review.

We have consulted serving Gurkhas through surveys and focus groups, and we are in close touch at official level with the Nepalese Government. We have tried to be as inclusive as possible and have invited other interested parties, including groups representing Gurkha veterans, to express their views. The complexity of the review has proved even greater than we expected, and I welcome the support that we have had in ensuring that we have time to ensure that the review is comprehensive and wide-reaching. I hope to be able to report back to the House with the outcome of the review as soon as I can, and I take the matter very seriously. I want to be able to give good news to the House that will satisfy some of the aspirations that have been expressed today.

Meanwhile, I am pleased to say that we have been able to introduce some improvements in advance of the review's final report. In addition to the immigration concession and improved facilities for married accompanied service, which were the two main concerns that were raised by the right hon. Member for Maidstone and The Weald, as everyone knows, the Gurkhas have been included in the national insurance scheme so that they can qualify for national insurance benefits, including the state retirement pension and the state second pension. From April this year, collective settlement of their income tax and national insurance contribution liability by the Ministry of Defence and the provision of free food and accommodation, offset by corresponding abatements of their universal addition, ceased, and Gurkhas will now see full details of their pay, tax and charges and be eligible for rebates of food and accommodation charges when appropriate in the same way as any soldier in the wider Army. Those improvements were widely welcomed by serving Gurkhas and the groups that represent them.

I have to emphasise that the review is focused on the terms and conditions of service for serving and future Gurkhas.

Bob Russell: I am getting a bit alarmed. Did the Minister say that the review is not historical and applies only to current and future Gurkhas? If it is not historical, the campaign that is being waged will have to be reinvigorated.

Mr. Watson: I ask the hon. Gentleman to hear me out and let me make my point. If he is not satisfied, he should come back to me again.

As part of the review, the Department is looking again at the pension position of Gurkhas back to 1 July 1997, when the Gurkhas first became a UK-based force. We remain of the view that the position of Gurkha veterans discharged prior to 1 July 1997 remains exactly as it was when the judicial review reached its conclusions. We maintain that their terms and conditions may have been different, but that they were not discriminatory. On the issue of veterans' pensions, I remind the Chamber that it has been the long-held policy of successive Governments not to make retrospective improvements to public sector pension schemes.

The hon. Member for Dunfermline and West Fife asked whether we had estimated the cost of adding a retrospective element to the scheme for the time before 1997, back to the tripartite agreement of 1947. It would cost many billions of pounds if we were to do that, even before we accept that it would have repercussions in terms of precedent for other pension schemes in the public sector. There are good reasons for our not making retrospective changes for those who have already left under earlier pension rules, as that would make future improvements unaffordable. To depart from that rule for one group would inevitably cause others to demand the same treatment.

I recognise that that will disappoint the hon. Member for Colchester and those who retired before 1 July 1997, particularly those distinguished former Gurkhas who handed in a petition to Downing street on 22 May. I acknowledge the strength of feeling that this subject and other veterans' issues generate among certain Gurkha ex-servicemen's groups, although we have tried hard to explain the situation to them, including by sending MOD officials to hold briefings in Nepal.

I hope that I have provided some reassurances that the Department continues to treat Gurkhas with the significant respect that they earn and deserve. To reflect on the more recent period, in 1997 the brigade became a UK force, in 2003 we reviewed the responsibilities for Gurkha families and later in 2004 we changed their immigration status. I hope to align their terms and conditions further with those of the British Army. We are on a journey with their terms and conditions and I hope that it is a positive one.

I know the hon. Gentleman will be disappointed with my last point. There will always be people who think that we should do more and that we can do more, but I believe that our treatment of Gurkhas, Gurkha veterans and their dependants has been and remains both fair and reasonable under the circumstances.

10.38 am

Sitting suspended.

Hull to York Transport Gateway

11 am

Mr. Graham Stuart (Beverley and Holderness) (Con): I am delighted to have secured this debate and to have an opportunity to shine a light on and raise the profile of the corridor from Hull to York—often known as the 1079 corridor because of the A1079, which unfortunately is famous more for its accident record, congestion and failure to support a powerful and dynamic growth area than for any other reason. I am grateful to the Minister for being here today and I am glad to welcome her to her new post.

The issue is of growing importance to many of my constituents in Beverley and Holderness, in respect of not only car transport but transport of freight and public transport. First, I plan to discuss the economic and social transformation that has taken place in the region over the past decade and the growing demand for a viable, expanding transport infrastructure that is commensurate with and supportive of that growth. I plan then to concentrate on two specific issues: the A1079, which runs between Hull and York; and the proposed reopening of the Hull to York railway line, including the section that no longer exists between Beverley and York. I shall then focus on the relatively poor funding that the East Riding of Yorkshire receives from central Government for local transport and conclude by making a plea to the Minister to work on correcting all those injustices.

The East Riding of Yorkshire is performing strongly. The local economy is doing well, business investment has increased significantly in recent years and more people are moving to the area than ever before. Population growth in the region is now the second fastest outside London. People are attracted to the area by its relatively high standards of living, excellent leisure opportunities and an education system which, despite being one of the lowest funded in the country, continues to achieve year-on-year improvements under the guidance of the East Riding of Yorkshire council.

Meanwhile, the two cities of Hull and York remain powerful economic regional players. Hull is currently one of the largest cities in the country, with a population approaching 330,000. It hopes to take strides towards becoming one of the country's top 10 cities. It is recognised as an international leader in telecommunications and is an important gateway to mainland Europe, with a successful port that caters for more than 1 million passengers a year. The port of Hull on the north side of the River Humber is a regional priority and has had more than £94 million-worth of investment in the past 15 years alone. It is the leading timber port in the country, and it is estimated that up to 16,000 jobs have been generated in Hull directly from the operation of the port itself or from the presence of local businesses that have established themselves in the area because of relatively easy access to the continent.

It would be fair to say that Hull is a sleeping giant. Like many of the great football teams that languished in the old second division or the current championship but year after year hoped for life and premiership performance to come their way, Hull is working to make that happen. In fact, this year the people of Hull showed at the ballot box their preparedness for change. Whoever is in power, it is hoped that Hull city council will provide fresher and more dynamic leadership. There are real prospects for future premiership performance for the city of Hull.

That strong regional performance has been achieved in spite of, not because of, a regional transport infrastructure that has grown increasingly inadequate. The cities of Hull and, in particular, York continue to be let down by the sorry state of local transport links. At present, there is no direct rail link between Hull and York. Instead, rail passengers must travel three sides of a triangle via Brough and Selby, which can take the best part of 90 minutes. The main road linking the two cities, the A1079, is certainly not fit for purpose. It runs through the urban centres of Beverley, Market Weighton and Pocklington and is predominantly rural in nature. It is used by an estimated 15,000-plus vehicles a day. That number increased by 9 per cent. in just four years up to 2003. However, only 4.5 km of the road is dual carriageway, with the remaining 39.5 km single carriageway. As hon. Members can imagine, journey times can be long indeed, especially in the morning and evening rush hours.

We all recognise the progress that has been made in reducing road casualties and accidents over the past years, but that road has a dreadful safety record. According to Government figures, there have been more than 275 accidents in the past five years alone. Sixteen people have lost their lives, including three people in a single incident in November 2004. That is undoubtedly an issue of major concern to my constituents. As one local resident said in a recent local authority consultation exercise, there is almost no margin for error when driving on the A1079. Martin Ward, a Market Weighton resident, was involved in two accidents on the road last year. He recently stated:

> "There are too many junctions without slip-roads that are opposite one another, which leaves every motivation for people to dash across the carriageway."

For motorcyclists such as Mr. Ward, the road is unacceptably unsafe.

Put simply, the road is crying out for a major programme of improvement. The East Riding of Yorkshire council, which prepared a position statement to assess congestion levels on the A1079, concluded that the road is operating

> "near to its theoretical capacity for a single carriageway of its width and characteristics."

It is simply not sustainable in the long term to promote significant migration into a region without taking steps simultaneously to invest in local infrastructure, especially transport infrastructure.

Realistically, we must start thinking about widening the A1079 to cope with the growing demand. However, that will not come cheaply. For example, the published target cost for widening the A453, which is predominantly a rural road, is £90 million for a 12 km stretch. That is based on an estimated cost of some £8 million per kilometre. Given that the A1079 currently has 40 km of single carriageway, widening it clearly will involve a major investment and almost certainly will require significant Government assistance.

The Yorkshire and Humber regional transport strategy identified the A1079 as an important link and a main public transport corridor. The analysis deals with the importance of Hull and the port, but the assessment of local transport links is focused too much on improving the M62-A63 transport corridor, which, as Members may be aware, is the main route into Hull from the west of the city. The strategy goes no further than to acknowledge that

"Access between Hull and York is also poor",

which is an understatement if ever there was one.

Moreover, the Minister may be aware that the Department for Transport de-trunked the A1079 in 2003 and handed it over to the local authority to maintain. With growing traffic on that road, it is easy to understand why local people believe that that was a cop-out. An important regional road that was already running over capacity was de-trunked and, most importantly—I shall return to this issue—funding was not provided to go with that de-trunking. In effect, the Department left the road to the local authority without offering support. I would be interested to hear the Minister's thoughts on that point. If she cannot offer a guarantee that the Department will review the local funding arrangement, will she pledge to consider taking the road back?

Serious attention should also be given to the proposed reopening of the Hull to York railway line. The Hull to Beverley line is still in existence, but the extension from Beverley to York was axed in 1965 as part of the Beeching cuts and has never been reopened. Recently, however, there has been growing political pressure—people pressure, from the ground up—for its return. A local interest group, the Minsters Rail Campaign, was set up two years ago to put pressure on local council leaders and others to consider reopening the line. As a result, East Riding of Yorkshire council responded in March 2004 by appointing a consultancy group to carry out a feasibility study. The results were positive.

The group estimated that 2004 passenger figures would total 395,000 journeys per annum, based on the running of one train an hour; 584,000 journeys per annum for two trains an hour; and 622,000 journeys per annum for two trains an hour, with one journey extended to and from Leeds. A point worth making in that context is that transport in the region, particularly at the northern end of the A1079, is about not just reaching York but accessing Leeds and other areas. Any changes and improvements should recognise that, by providing east Yorkshire with access to other places and other markets.

Moreover, basing its analysis on a series of roadside interview surveys that took place in March 2004, the consultancy group Carl Bro estimated that 15 per cent. of users of the A1079 would be likely to switch to the train if a decent, reliable service linking Hull, Beverley and York were provided. That could result in the removal of large numbers of vehicles a day from the A1079, which would undoubtedly help to reduce congestion on the road, meet Government targets on reducing the use of the car, and reduce the number of accidents from the current unacceptable level.

The sticking point is cost, which was estimated in 2004 to be in the region of £239 million. That included a £28 million risk allowance and a 15 per cent. optimism bias allocation—an excellent idea to put into the funding of any project—as required by the Department for Transport. Carl Bro considered a number of different scenarios, including the running of the line as a community rail project—again, in line with Government thinking—which, according to that expert transport consultancy, would increase revenues and reduce costs. As a result, the economic assessment over a 60-year period shows a benefit-cost ratio of between 1.26 and 2.04, with the non-revenue benefits boosting the economic situation to provide a positive net present value in all cases.

Despite taking that into account, however, the initial assessment based on current costs and fares is that the operation would not be financially self-supporting from fare income alone and would require ongoing financial support. That is one reason for this debate. It has become increasingly clear that if East Riding is to sustain current growth and investment levels and establish a transport infrastructure that will allow it to compete with other regions, it will require a level of Government support far higher than it currently receives.

There is growing evidence of a systematic lack of investment in integrated transport in the Yorkshire region as a whole and specifically in East Riding. The *Yorkshire Post* recently launched a campaign, "Road to Ruin", which aims to highlight the huge discrepancy between regions in funding for transport. It has pointed out that, for example, Yorkshire receives just £224.21 a person in transport funding overall, as compared with the staggering £667 a person handed out to transport projects in London.

Like other Yorkshire MPs, I recognise the special case of London and would not suggest that the comparison is entirely valid. None the less, the discrepancy cannot be justified. According to research by the passenger transport executive group, Yorkshire receives just 7.6 per cent of the total transport budget for England, while London receives almost 34 per cent. That is a huge discrepancy, especially when one takes into account population growth in Yorkshire and the Humber, where nearly 5 million people now reside.

The unfairness of the current funding system can be seen more clearly at an even more local level. Recent data from East Riding of Yorkshire council show that the area receives just £9.12 a person a year from central Government to spend on integrated transport. That compares with a regional average of £14.47 a person and with the £19.13 a person that is distributed to York. That level of underfunding could have a devastating impact on local businesses, stop the regeneration of the area and prevent the effective meeting of Government targets and aims.

Mr. John Grogan (Selby) (Lab): I have listened with interest to the hon. Gentleman. On regeneration and links between Hull and York, does he agree that one of the main drivers of that regeneration is the increasing collaboration between the two universities on projects such as a joint medical school, but that that is increasingly hampered by the transport situation that he has described?

Mr. Stuart: The hon. Gentleman is right and speaks from his constituency perspective. There are growing connections, but unfortunately the Hull-York bid for the dental school was not successful. However, that effort and the way in which the bid was put together, which was widely praised, was symbolic of growing work between the universities and the cities. The hon. Gentleman is right to focus on that work, which forms one of a number of strands that link the two cities together, involving local communities along the route, so I am grateful for his intervention.

The level of underfunding could have a devastating impact on local businesses. Terry Hodgkinson, who was chairman of Yorkshire Forward, the regional development agency, said recently:

> "I am very optimistic that our region's future is bright, but ultimately, how well we do will depend on our success in securing these improvements"—

meaning the infrastructure improvements necessary to deliver. As the new chief executive of Yorkshire Forward also said recently, it is not regional development agencies that create wealth, but businesses. The fundamental role of Government is to create a framework and an environment that is conducive to entrepreneurialism and success, if we are to deliver Government aspirations and those of the people whom we represent.

To conclude, East Riding of Yorkshire is the second fastest growing region in the country outside London. Its economic, social and environmental performance depends on the strength of its transport infrastructure. Critical to that is the corridor between Hull and York, but it is simply not up to scratch. The main road running between the two cities is running at above its design capacity and has a bad history of accidents. The old railway line is for the most part still available, and according to a local consultancy—if Leeds counts as local—can be reopened and, although requiring some support, be run at a passenger subsidy well below that needed for many other lines, while offering a positive cost-benefit ratio that could be supported by the Government.

The region has been systematically underfunded for too long. I urge the Minister to look into the matter and to come forward with funding to support the dualling of the A1079 road and the proposed reopening of the Hull to York rail link, which has the support of a number of MPs in the region. I am glad to the see the hon. Member for Selby (Mr. Grogan) in the Chamber and I have spoken at length to other hon. Members, including my right hon. Friend the Member for East Yorkshire (Mr. Knight), who supports the main arguments that I have put forward.

East Riding has taken great strides forward in recent years, but that development is at serious risk because of a transport infrastructure that remains unfit for purpose in this new century. I and other hon. Members from all parties recognise the pressures on Government funding and, although I might be optimistic in hoping for a positive response in all respects to this debate, I hope at least that the Minister will take on board the arguments. I am grateful for the opportunity to highlight the issue and hope that this debate can play a part in our long-term analysis of how to deliver improvements for the benefit of constituents and the country.

11.18 am

The Parliamentary Under-Secretary of State for Transport (Gillian Merron): I congratulate the hon. Member for Beverley and Holderness (Mr. Stuart) on securing this debate, to which I have listened carefully. I also thank him for his kind remarks welcoming me to my new post.

Before dealing with the specific concerns raised, I shall make some general but important points to give some context to my response to the hon. Gentleman. The Government and my Department certainly recognise the importance of good transport links for economic and social regeneration, and for improving access to jobs and key services. Better access to and from urban centres such as Hull and York, whether by bus, rail or car, is crucial to achieving that.

The pressures on the transport system are well known and familiar to us all. We have a legacy of under-investment that goes back decades, and as our economy has grown and prospered, that has brought further pressures on all modes of transport. That is why the Government are committed to sustained long-term investment in transport and have doubled transport spending in the past few years.

Our transport strategy is about reducing social exclusion, tackling congestion and pollution and enhancing people's quality of life by improving all types of transport in ways that increase choice and as an investment for the future. In all of this, however, there is a need for realism. We cannot satisfy every demand for transport infrastructure enhancements, whether road or rail, as the hon. Gentleman said. Major infrastructure improvements are expensive, which he acknowledged, and they take time to deliver. Our job is to prioritise and to be realistic.

Partly because of that experience, we have introduced a much more transparent system for seeking the regions' views on their transport investment priorities within regional funding allocations. Regional and local bodies now have a much clearer picture of the resources that are likely to be available to their region in the next 10 years, and we have given them the opportunity to advise the Government on how they believe those resources should be allocated to best serve the region's needs and objectives. That advice, which included the Beverley integrated transport scheme, was received from the regions at the end of January, and we plan to respond to it shortly.

I agree with the hon. Gentleman that good local transport is fundamental to building thriving and prosperous communities. However, I should like to clarify for him the truth of the financial situation. Since 2000-01, we have more than doubled the funding to local authorities for transport in every region, taking it up to more than £1.6 billion in 2006-07. Funding for local transport in the Yorkshire and Humber region has increased from £75 million to £160 million in 2006-07. The East Riding of Yorkshire alone will benefit from £11 million for local transport this year—a significant increase from £2.9 million in 2000-01.

The hon. Gentleman raised two specific issues. I shall deal first with the question of highways investment in his area and, in particular, the A1079. That road provides

a regionally significant link between Hull and York and the urban centres of Beverley, Market Weighton and Pocklington in between. On 1 April 2003, the remaining sections of the A1079 between Kexby Bridge and Barmston drain were detrunked, and the responsibility for maintenance was taken over by East Riding of Yorkshire council. The full route, between the York city boundary and the Hull city boundary, is some 44 km in length and is now part of the authority's primary route network.

I advise the hon. Gentleman that, contrary to his suggestion, the local authority wished to take on that responsibility. I can assure him and his constituents that, as part of the detrunking agreement, the Highways Agency made a settlement of more than £500,000 per year to East Riding of Yorkshire council to fund works that otherwise would have been undertaken by the agency. In addition, since detrunking, more than £4m has been provided for carriageway maintenance and £1m for bridge maintenance on the A1079 in recognition of its status as an important corridor on the primary route network.

Mr. Graham Stuart: Obviously, all funding that has been provided is welcome, but does the Minister accept that the funding is still inadequate and that the number of fatalities that have occurred on the road—16 in five years—is not good enough on a road such as that? As she says, East Riding of Yorkshire council is happy to look after the road, but only if it is provided with sufficient funds, and the council's opinion is that the funding is not sufficient to provide the quality of road and the safety standards that both the council and the Government want.

Gillian Merron: In its second local transport plan, East Riding of Yorkshire council has considered further dualling of the A1079 north of Hull to address the safety issues that arise, particularly when drivers are overtaking. It is exploring the prospects of dualling schemes for the highway between Killingwoldgraves roundabout and Dunswell and between Shiptonthorpe and Pocklington. My Department will consider those ideas if and when firm proposals are made and they receive regional support through the regional funding allocations process.

Without a doubt, safety on the A1079 is a major concern. I am pleased to say that the Humberside safety camera partnership is installing six safety cameras on Market Weighton's Arras hill. A further seven cameras will be installed on Beverley bypass by the end of this month. Judging by the record of the Humberside safety camera partnership so far, that should, I would hope, halve the number of accidents and save the pain and misery suffered by many families each year.

In view of the time, I shall now discuss the York to Beverley railway line. Before its closure, the line served a number of settlements, and in recent years there has been interest in reopening the line. The most recent local transport plan refers to the potential for reopening, bearing in mind the need for careful evaluation and the realities of funding constraints. I am aware of a study commissioned by the Countryside Agency and published in 2003, which examined the possibility of reopening disused railway lines in Yorkshire and the Humber. The study identified a number of potential benefits of reopening the line in question, but it also highlighted several major obstacles in the form of development across the track bed. It suggested that those might be dealt with through new alignments, but it also noted that at Stamford Bridge and Market Weighton, creating new alignments would be more difficult due to the level of development that has occurred. The study concluded that although the York to Beverley line should be considered for reopening in the longer term—10 years or more into the future—it should be protected from further development in the meantime.

As the hon. Gentleman said, a further study was undertaken by the consultants at Carl Bro for East Riding of Yorkshire council, and I was pleased to have the opportunity to consider it. As he also said, it reported that the operation would not be financially self-supporting from fare income and would require ongoing public subsidy.

The decision to protect a section of railway is a matter for local planning authorities, in line with national, regional and local planning policies. I would expect such decisions to be based on discussion with relevant stakeholders, including Network Rail, and consideration of the costs involved.

It is important to note that, although the railways are growing faster than ever and we have not closed our mind to the expansion of rail, the Government's investment priorities must be driven by an objective assessment of where the greatest benefit, economic and environmental, is to be delivered. Generally, that follows strong patterns of established demand.

For that reason and because of the poor historical performance of a range of branch lines and experimental services, it would be unfair of me to suggest that consideration of the proposal outlined by the hon. Gentleman is likely to be a realistic priority for the Government in the immediate future. Of course, it is always open to local planning authorities to produce their own proposals on the basis of their own committed funding, but such a proposal must also be subject to rigorous scrutiny, starting with consideration of whether it offers the most effective transport option. The production of a business case involves a considerable investment of time and resources, and any authority would consider carefully its own priorities in the context of local, regional and national plans, just as central Government do.

This year, the Government are spending £110 million every week to improve the railways. That commitment to our rail network is helping to bring in further substantial investment from the private sector. In addition, there have been significant improvements in the railways in recent years, which have led to a considerable increase in the number of rail passenger journeys. For example, in 2003-04, for the first time since 1961, more than 1 billion rail journeys were made. Importantly, the Government recently announced £370 million to deliver access improvements to stations across the network in line with the new provisions of the Disability Discrimination Act 1995.

I confirm that we are working to improve transport connectivity in east Yorkshire as a whole. The local transport plan system has provided more certainty of

[Gillian Merron]

funding for local authorities, so that they can tackle local issues. We are making progress on improving transport and we are committed to continuing to do so.

11.30 am

Sitting suspended until half-past Two o'clock.

Middle East

2.30 pm

Frank Cook (in the Chair): I should point out that the debate is very well attended. Six hon. Members have already indicated that they want to catch my eye, and there are also the three Front Benchers. That is a fair number in 90 minutes, so contributions, interventions and reactions to them should be brief.

Mr. Iain Wright (Hartlepool) (Lab): I thank Mr. Speaker and your good self, Mr. Cook, my parliamentary neighbour, for giving me the opportunity to discuss the vital issue of the middle east peace process. This is a crucial time, and 2006 could well be seen as a key year in the peace process. Of course, every year could be seen as key, given the frustrating nature of the Israeli-Palestinian conflict and the wider middle east peace process. I could, for example, mention 1993, when the Oslo accords were signed, 2000, when the Camp David summit was held and the second intifada started, or 2003, when the international Quartet's road map was published, Prime Minister Sharon commented that Israeli occupation of Palestinian territories must end and the Israeli disengagement policy was unveiled. However, 2006 seems to be emerging as a landmark year in the peace process, with the removal of Sharon from active Israeli politics on 4 January, the Palestinian elections, which brought Hamas into government, and the Israeli elections in March. I shall first discuss those two hugely significant elections—one in Israel and one in Palestine—and then, if possible, widen the scope of the debate to encompass the security barrier and the behaviour of Iran.

The middle east peace process remains full of problems, paradoxes and controversies. Last week, I was privileged to introduce Ambassador Dennis Ross at a meeting of the Labour Friends of Israel, which I chair. As right hon. and hon. Members will know, Ambassador Ross is a distinguished expert on the middle east, who played a leading role in the first Bush Administration and the Clinton Administration and who has dealt directly with Israel and the Palestinians. At last week's meeting, he stated:

"today we are not in the peacemaking business".

Instead, there is a pressing need to control and improve the situation on the ground.

The Israeli elections in March saw the formation of a new coalition, led by Kadima, with the Israeli Labour party as senior partner. I congratulate the Labour party leader, Amir Peretz, on that success. I met Labour Members of the Knesset when I led an LFI delegation to Israel and Palestine in February and I was impressed by the party's domestic social agenda, which had a familiar ring. The party was even using footage from the British Labour party's 1997 and 2001 election broadcasts to promote their key policy—a minimum wage. That is incredibly encouraging. The success of the Labour party in March demonstrates a willingness among Israelis to debate what sort of society they want theirs to be, and it is clear that that society will be more socially inclusive and embrace a greater redistribution of wealth.

The Israeli Labour party is also progressive and innovative on security matters. It is committed to a two-state solution and a negotiated final status settlement.

It has emphasised the importance of sustaining talks with President Abbas's office and is determined to heighten his status. The appointment of Mr. Peretz as Minister of Defence is also a positive development, and I hope that the Labour party's leading role in the coalition will see a greater push towards negotiation. In his own words, Peretz is committed to a

"policy to continue waging war on terrorists while trying to ease restrictions on the Palestinian people"

wherever possible.

There is much to support elsewhere in the coalition. The new Israeli Prime Minister, Ehud Olmert, will visit the Palace of Westminster next week for an open meeting with Members of this House and the other place. At that meeting, I hope that he will explain how he will implement the clear mandate that the Israeli people gave him in the March elections to continue withdrawals from the west bank. What is known as the convergence plan involves withdrawing from all settlements east of the fence, dismantling illegal outposts and potentially resettling 70,000 settlers from the west bank. The policy, which is still in its formative stages, would establish provisional borders in accordance with the road map and would not deviate wildly from the map drawn up under the Geneva accords.

Right hon. and hon. Members would be right to have reservations. Obviously, a unilateral plan is far from ideal, and we should continue to strive for negotiation, but we are where we are, and in the absence of a partnership for peace, unilateralism remains the only option. If we are to keep the peace process moving, we should recognise that fact and reluctantly and cautiously welcome that unilateralism. Concessions on the Israeli side could, I hope, catalyse similar developments on the Palestinian side to produce a state of what some commentators have called, perhaps oxymoronically, parallel unilateralism.

That brings me to the Palestinians and specifically Hamas. On the one hand, the fact that there were free and fair elections in January—an event matched in the region only in Israel—is to be welcomed and is a cause for optimism. On the other hand, the fact that Hamas was the victor is a setback. Clearly, the Palestinian Authority, whatever its political complexion, needs to address severe domestic challenges, such as severe economic hardship, the need for social, education and health care improvements and the need to tackle corruption. When I was in Palestine in February, it was evident that it would take time for Fatah really to come to terms with the fact that Hamas was simply better organised politically on the ground, with a shrewd and sophisticated awareness of the simple need to get out the vote. There are domestic challenges, but perhaps parallel unilateralism will allow progress to be made.

However, the election of Hamas remains extremely worrying. The organisation unequivocally calls for the destruction of the state of Israel, which is simply unacceptable in a governing party.

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Gentleman on securing this important debate and on his speech so far. Are not the Israelis absolutely right to concentrate on doing their best to support President Mahmoud Abbas and ensure that his view, even if he takes it directly to the people through a further referendum, prevails over that of Hamas, which, as the hon. Gentleman rightly says, cannot be part of the solution to this difficult situation?

Mr. Wright: I thank the hon. Gentleman for his comments. He has had Adjournment debates in Westminster Hall about this very issue and has spoken eloquently and decisively about it. I shall talk about the referendum in a moment.

The international community, which provides £1 billion a year in funding to the Palestinian Authority, has asked Hamas to meet three basic conditions for the funding to continue, and I know from reading the report of one of the hon. Gentleman's Adjournment debates that he mentioned this very issue. The three conditions are that Hamas should recognise Israel, renounce terror and respect existing international agreements. In the past 24 hours, President Abbas has extended by a number of days the time that he has given Hamas to accept his offer implicitly to recognise Israel, which is part of the 18-point prisoners' document.

Richard Burden (Birmingham, Northfield) (Lab): Which borders of Israel does my hon. Friend want Hamas to recognise?

Mr. Wright: I shall come to that later.

I mentioned three conditions, but Hamas has yet to make any moves towards meeting them.

Mr. James Clappison (Hertsmere) (Con): I am grateful to the hon. Gentleman for giving way, because time is short. Would it not represent some progress if Hamas recognised the right of Israel to exist at all, given that its charter calls explicitly for Israel's destruction?

Mr. Wright: I agree absolutely. As I said, time is running out, not only in this debate, but on that wider, more fundamental point.

When a suicide bomber attacked the busy streets of Tel Aviv over the Passover holidays in April, killing nine people and injuring nearly 100 others, Hamas leaders condoned the attack. What could possibly be gained from that? However, I am struck by the recent comments by Rashid abu Shabak, a Fatah leader whom President Abbas appointed in April 2006—against Hamas's wishes—to the post of security director for the west bank and Gaza. He said:

"Hamas is acting as if it is isolated on the moon and can keep two identities, government and opposition. Hamas jumped overnight from being the group that attacked Israel to the government that has to arrest people who do that."

In the meantime, the Palestinian people have the most to lose. Regimes that are committed to religious fundamentalism have dangerous consequences for the populations over which they rule—not least for women, minorities and political activists.

Furthermore, there has been the danger that the necessary sanctions may lead to an economic crisis. The international donor community has had to tackle a serious dilemma because of the need to continue to provide aid and assistance to ordinary, decent and innocent Palestinians while bypassing, at the moment, the Palestinian Authority.

[Mr. Iain Wright]

A way has been found to do that. On 9 May the international Quartet agreed on a new funding mechanism to be administered by the EU, whereby money can go directly to humanitarian causes such as schools and hospitals. Individual state donors have also increased their humanitarian budgets. That includes the UK, led by my right hon. Friend the Secretary of State for International Development, whose Department has pledged an extra £15 million to the United Nations Relief and Works Agency for humanitarian funding.

I draw right hon. and hon. Members' attention to the document "Aiding Peace" produced by Labour Friends of Israel, which was submitted to the Treasury as part of the consultation on the economic aspects of the peace process, led by my right hon. Friend the Chancellor of the Exchequer and my hon. Friend the Economic Secretary to the Treasury. It details other crucial elements needed for peace, including political stability; improving access to markets and supplies; stimulating employment and building up the Palestinian private sector; and establishing microfinance for Palestinian small and medium-sized enterprises, thereby strengthening the business environment and improving economic competitiveness.

Arguments persist that economic improvement cannot be addressed until Israeli security restrictions are addressed too. I urge understanding, however, that such restrictions are a consequence of the conflict. At last week's meeting, Ambassador Ross made the point that Israel daily faces about 60 security threats; I shall return to that point shortly. The reason why there are so few suicide bombings is that the Israeli defence force pre-empts many of them. I hope that the reduction in Israeli security restrictions and an increase in Palestinian economic activity and prosperity can, with the right leadership, occur in tandem.

The debate on security must now take in Hamas as well. It may have come to power by democratic means but it has not embraced the democratic tradition and responsibilities of a democracy. Hamas has allowed the streets of Gaza, which was fully evacuated by Israel last year, to be controlled by militant factions engaged in running battles. Members of the Palestinian press reporting on those clashes have received death threats from Hamas because of their critical reporting of the Government and their sympathies with Mahmoud Abbas's office. Meanwhile, rocket attacks from Gaza on civilian targets in small Israeli towns have continued. Those attacks are crude and relatively inaccurate and therefore, thankfully, unsuccessful, but crucially they add to the Israeli sense of insecurity, especially because of the fear that a hit on the Ashkelon industrial zone, with its fuel and chemical depots and power station, would cause a major disaster. The attacks have provoked retaliation from Israel and the re-spinning of the cycle of violence.

I believe that those daily rocket attacks by Palestinian militants are the biggest short-term obstacle to peace. The Israelis fear that if the attacks cannot be stopped in Gaza, from which they have withdrawn, they will spread to the west bank, from where every major town and population centre in Israel will be a target.

Mr. David Burrowes (Enfield, Southgate) (Con): Does the hon. Gentleman share my concern about something that is one of my abiding memories of Israel, from a visit earlier in the year with the Conservative Friends of Israel—a Hezbollah terrorist guarding the border of south Lebanon and presenting the organisation as the legitimate authority in Lebanon? Is that not an example of a dangerous precedent: a terrorist organisation seeking legitimacy as a political party when it is responsible for the murders of innocent citizens?

Mr. Wright: I agree with those points, and although the hon. Gentleman and I did not go on the same visit, we probably stood in the same place and witnessed the same sort of thing.

Against the background that I have been describing, the new coalition Government in Israel face big, but not insurmountable, challenges as they build their governing momentum following the election. Perhaps the most immediate challenges are domestic security and the barrier, which I shall discuss next, and the wider context of regional security and the threat from Iran, which I hope to mention later.

The security barrier is an unfortunate but sadly necessary consequence of the conflict. Its route and the impact that it has on Palestinians are contentious and the Israelis are conscious of that, but please let us remember why it is there. A few years ago, no one in Israel wanted it. The left opposed it on humanitarian and political grounds. The right opposed it on ideological grounds, fearing, as the Palestinians do, that it represented a border in contrast to their territorial dreams. For many, the financial cost also seemed prohibitive. Then in March 2002, in a single month, there were 37 suicide bomb attacks, claiming 135 lives. The frame of the argument changed dramatically, and changed again when the barrier proved so effective and suicide bombings dropped down the graphs. There has been a 90 per cent. reduction in attacks by terrorists and a 70 per cent. decrease in the number of Israelis killed per year.

I am not going to say that the barrier is welcome. I have seen it myself and have experienced in a very minor manner some of the discomfort and frustration of waiting for hours trying to cross the security barrier. I had to endure it only for an afternoon, so I fully sympathise with those people who have to endure that situation for hours, daily—twice a day—to go to work, take goods to market or see their families. I have seen at first hand the disruption that it causes to people's lives.

One cannot dismiss fears about the barrier's status. The international community needs to understand its physical and psychological importance. I mentioned earlier that the Israeli defence force is pre-empting many attempted suicide attacks. The primary reason for that success is the barrier. It slows attackers down, aids their detection and deters their attempts.

Roger Berry (Kingswood) (Lab): The location of the barrier, which seemed to me during an Inter-Parliamentary Union visit in November to be more like a very large wall, is the contentious point. Why must it be drawn so as to confiscate so much Palestinian land?

Mr. Wright: It would be wrong to say that no consideration has been given to Palestinian territorial claims or human rights. Israel's Supreme Court, for example, which is open to Israelis and Palestinians alike, has taken a major role in determining the route of

the barrier. Israeli judges made a landmark ruling in 2004—this is, I think, the crucial point in response to my hon. Friend—that the fence is legal only if the courts determine it to be proportionate in balancing Israel's responsibility to keep its people safe with its responsibility to safeguard the rights of Palestinians. In Jerusalem, which is, I accept, where the barrier is at its most controversial, construction is on hold in many areas, pending further rulings from the Supreme Court.

Mr. David Anderson (Blaydon) (Lab): Does my hon. Friend agree that both the Labour party and the trade union movement in Israel have taken the clear view that, for reasons of security, the wall should stay, albeit that they want it within pre-1967 borders?

Mr. Wright: My hon. Friend and I went on the same visit and saw together, at first hand, the wall and its ugliness—in all senses of the word—but we also saw how it provides security and reassurance to Israelis. I certainly accept my hon. Friend's point.

In effect, the Israeli courts have had a veto over the route of the fence, and as a result, since February 2005, the proposed route has run for much of its length along the 1967 border, as my hon. Friend mentioned, and is much closer to that line than it previously was in other areas. Where the fence deviates from the green line its aim is as a tactical restriction to fulfil the aims of hindrance, detection and deterrence.

Let me be blunt. In the end, armies can be negotiated to armistice and walls and fences can be negotiated back or down. The victims of terrorism cannot be negotiated back to life. It is the success of the barrier and its halting of the cycle of violence that created the political space for the Gaza withdrawal to take place and, from that, for the concept of territorial concessions to become the consensus approach to the peace process.

The checkpoints and road blocks around the west bank have made it extremely difficult for Palestinians to travel in and around towns in the west bank—a reality that has, as I have said, had a detrimental effect on their trade and business. Israel continues to assess its road blocks policy but has found it hard to reduce restrictions when armed Palestinians are stopped on a regular basis and terrorist networks continue to operate. Similarly, Palestinians have found the Gaza-Israel border crossing at Karni closed for, so far, nearly half of 2006, which means that they have lost millions of dollars in wasted agricultural exports that were unable to leave Gaza. Peretz has promised to try to seek a solution to keep that area open more frequently, but there is apprehension from the security forces, which continue to thwart potential terrorist attacks from militants who hope to use the area to gain access to Israel.

I stress that Israel needs to ensure that all its security measures are proportionate and in accordance with the rights of ordinary, decent and innocent Palestinians. We should continue to press for that, but that pressure will be more effective if there is greater acknowledgement of the concerns of both sides, of the dilemmas Israel faces, and of the effectiveness of constructive, contextual, case-by-case criticism rather than the sometimes hysterical and uniquely disproportionate commentary that the conflict often receives.

Practical work can also be done. The deal agreed in November 2005 on the Rafah border between the Gaza strip and Egypt is an example of how the international community can make a difference not only in wide and impersonal regional politics but in humanitarian issues.

Barbara Keeley (Worsley) (Lab): I would like briefly to draw attention to the relaunch on 3 May 2006 of the international women's commission for a just and sustainable peace between Israel and Palestine, which is welcomed by many. I understand that women have been meeting across the political divide for many years, even when there was no discussion and debate elsewhere and talks had completely stalled. All women Members of this House, particularly the new ones, hope to work with women elected to both the Knesset and the Palestinian Authority to support them as they move forward with the commission.

Mr. Wright: I thank my hon. Friend for that contribution. She is far too modest to tell the Chamber that she plays a leading role in this House in creating awareness and co-operation between women MPs here and those in Israel and Palestine. I pay tribute to her in that regard.

The international community has a role to play. It is hugely important that the situation is not allowed to stagnate into entrenched positions. The newly formed Israeli Government plan further withdrawals to ensure that that does not happen. The UK Government should support that initiative and ensure that the plan is executed in consultation with Mahmoud Abbas who remains in control of Palestinian security policy.

The international community must remain engaged in the conflict. The role of honest broker remains crucial. The UK has embraced that role in the past and must do so again. The London meetings on Palestinian reform in March 2005 were forward-thinking and totally opened the debate into Palestinian self-governance, security and economic policy. The UK also enjoys a fruitful relationship with Israel. As I said, the Israeli Prime Minister will be in London next week, when he will meet my right hon. Friend the Prime Minister. No doubt they will engage in an open and productive dialogue.

The UK Government have firmly shown their commitment to the road map and the peace process, but when considering the middle east peace process, we must be careful not to look at the conflict only through the narrow prism of Israel and Palestine. The dispute is being played out on a regional and international stage. The conflict between Israelis and Palestinians is largely determined by the actions of neighbouring countries. Finally, and perhaps most ominously, I move to the issue of Iran.

Iran's contribution to the conflict comes in the form of state-sponsored terror, existential threats against Israel, holocaust denial, rhetorical incitement and nuclear proliferation.

Jeremy Corbyn (Islington, North) (Lab): Will my hon. Friend confirm that Israel is not a signatory to the non-proliferation treaty, and that it has nuclear weapons and a delivery system with which to use them?

Mr. Wright: Yes, I can confirm that. I am not certain how that advances the argument, but I can confirm those facts.

[Mr. Iain Wright]

The regimes in Iran and Syria continue to support, fund and train terrorist organisations that operate in the middle east and threaten regional security. Groups supported, bankrolled, armed and, in some cases, even controlled by Iran and Syria include Hezbollah, Palestinian Islamic Jihad and Hamas. State-sponsored terrorism undermines prospects for peace in the middle east peace process and the UK's commitment to regional reform, and threatens the UK directly where there are troops stationed in Iraq and Afghanistan. Hezbollah, which the hon. Member for Enfield, Southgate (Mr. Burrowes) mentioned, receives most of its funding from Iran. It continues to threaten Israel's security along its northern border, and only last week it launched attacks against Israel.

Iran's rhetorical attacks against Israel, together with its attempted procurement of nuclear weapons pose, an existential threat to Israel. There have been calls from right hon. and hon. Members for a nuclear-free middle east, but there have also been calls for a middle east stabilised by nuclear deterrence. I suggest that neither is possible when the president of one nation is unrelenting in his call for another to be wiped off the face of the map.

Once again, the UK has led the international community with patience and innovation, led first by my right hon. Friend the Leader of the House, and lately by my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs. The latter carries with her, in her first few weeks in the job, the support, wishes and hopes of this House and all hon. Members' constituents in her current endeavours with our European and international partners.

Over the years, we have all seen the ebb and flow of progression and setback which has characterised conflict in the middle east. With each progression, it is easy to become over-optimistic, and with each setback, it is all too easy to slide back into pessimism. I have tried to demonstrate to right hon. and hon. Members that whatever stage we may find ourselves at in that cycle—as I said at the start, 2006 is a key year in this process—the overall trend is and always should be towards democratic negotiation, resolution and peace.

Frank Cook (in the Chair): Order. I remind the Chamber that the Chair is required to call the first of the three Front-Bench speakers for winding-up speeches at 3.30 pm. A glance at the clock will tell you that we have very little time between now and then, so I ask all contributors to bear that in mind when making their speeches or accepting interventions.

2.57 pm

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): I begin by congratulating the hon. Member for Hartlepool (Mr. Wright) on securing the debate. The sheer attendance illustrates the importance of this issue.

It is easy for people here and in the middle east to get depressed about the situation given that the state of Israel has existed for 60 years and it has been 90 years since the Balfour decoration. It is almost like a new 100 years' war that never comes to an end. However, when one looks beyond those bald statistics, one sees that there has been enormous change in that period: the Israel-Egypt peace treaty, which has held; an exchange of ambassadors and a peaceful relationship; the Jordan-Israel peace treaty, which is an equally important treaty with Israel's second neighbour; and, most significantly, both Israel and the Palestinians have accepted that there should be a two-state solution. That would have been inconceivable for the Palestinians and many Israelis until relatively recently.

What made those things possible? One should not underestimate the significance of national leaders. It is rather like the situation in South Africa with the end of apartheid: it needed not only Mandela, but de Clerk—two leaders from each community who were able to look to the future, not just the past. In relation to the middle east, considerations such as Anwar Sadat's flight to Israel to address the Knesset, King Hussein's courage with the Jordan treaty, and Yitzhak Rabin becoming a peacemaker having been a warrior all show what can be achieved. The challenge is whether Olmert and Abbas can both come up to those important standards.

Clearly, a negotiated solution is the best way forward. I almost hope that Hamas will reject what has been put to it so that a referendum can go ahead. I can think of nothing more important and significant than a referendum of the Palestinian people endorsing Abbas's call for a two-state solution, so that thereafter discussions and negotiations could take place with that clearly being the will of the Palestinian people, and Hamas being clearly sidelined on that issue at least. If that turns out not to be possible, for whatever reason, we should not reject out of hand the Israeli commitment to a unilateral approach, because it reflects two fundamental changes that have taken place in Israeli thinking among those who are traditionally on the hard-line right of Israeli politics.

The first change is the recognition that, given the demographic changes taking place, Israel as a democratic society simply cannot hold on permanently to the whole of the west bank and Gaza. In a sense, the Israelis have concluded that in future the state of Israel will not be the same as the land of Israel. The land of Israel may be a biblical concept, but the state of Israel will have to have more modest aspirations.

The second change in Israeli thinking is strategically very important. For many years Israel said, and reminded anyone who went there, "Security requires us to occupy the west bank. Look how small Israel is; look how quickly we could be overcome if a conflict broke out", but the reality is that it no longer has any fear from conventional Arab armies. Egypt and Jordan are at peace with Israel and there is no Arab state that could conventionally defeat it, and the Israelis are comfortable with that.

Israel faces two kinds of threat: the demographic threat if it holds on to the whole of the west bank and ceases to lose its Jewish identity, and, perhaps more important, a missile threat. Whether nuclear or otherwise, missiles can attack Israel, which is not protected from that simply by holding on to the west bank. For that reason, even those on the right of Israeli politics are now prepared to contemplate a unilateral withdrawal from the west bank, should it prove necessary. That offers a major new opportunity for a peaceful solution to the crisis, which we have not had in the past.

Given the time limit, I shall just make some brief points. I hope that the Israelis will take them on board should the negotiations go forward, or should they not and a unilateral solution is required. The first is that they should not feel too guilty about the wall or fence. It is not aimed at keeping people in, like the Berlin wall was; it is to keep terrorists out. That is a pretty fundamental distinction. However, as part of any ultimate agreement, unilateral or otherwise, the fence will have to go, because the economic future of the region requires close economic co-operation between Palestine, Israel and Jordan. Such co-operation is not possible with the long-term existence of the wall.

Secondly, the 1967 boundaries cannot be an absolute determinant of where the new frontier will lie. If the Israelis want, for understandable reasons, to hold on to some settlement areas, they must be willing to contemplate exchanges of territory, so that the overall Palestinian territory is not seriously diminished as a consequence.

Thirdly, nobody in their right mind wants a new barrier through the middle of Jerusalem. There are solutions to this. The Vatican-type status in Rome does not detract from the sovereignty or security of Italy any more than recognition of the holy places in east Jerusalem as non-Israeli territory would in any way damage any fundamental interest.

Fourthly, the right of return is very important from the point of view of Hamas and some Palestinians. The Israelis cannot be expected to concede that, but they can be expected, perhaps with American help, to offer generous financial compensation as part of an overall package. The current plans of the Israeli Government appear to envisage holding on not just to settlement areas, but to a whole section of the Jordan valley. I do not see any military need from them to do so. I believe, and hope, that that is simply a negotiating ploy so that they will have something extra to concede as part of an overall peaceful solution. They cannot expect to hold on to the Jordan valley; it has to be part of a Palestinian state, although a demilitarised valley should clearly meet Israeli requirements.

Given the time pressures, I should just like to make one final point. Although Israel and Palestine can be a source of deep worry and depression, we should never lose sight of the fact that there is a fundamental difference between the Israeli-Palestinian dispute, despite the length of time that it has existed, and other disputes, such as those over Kashmir and Cyprus or the Tamil problem. The difference is that we already know what the final structure will be: the Israelis and Palestinians will each end up having their own state. Therefore, the problem is not what kind of ultimate structure there will be; it is exactly how we get there and what the details should be. That is different from any of the other problems that bedevil the world as a whole, and it is a source of hope and confidence rather than one of worry and depression.

3.3 pm

Richard Burden (Birmingham, Northfield) (Lab): I shall be as brief as possible. I congratulate my hon. Friend the Member for Hartlepool (Mr. Wright) on securing the debate and the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) on his contribution.

Although I am sure there will be differences of opinion on the substantive issues involved, today's attendance indicates something. This has been one of several Westminster Hall debates on this subject in recent months, but we have not had one on the Floor of the House for as long as I can remember. It is time that such a debate was held. I think that we all agree that it should take place.

My hon. Friend mentioned that we need to examine the situation on the ground and keep it in mind. He is right about that. Although this is an area where statistics hit us from all angles, we must understand, at this stage more than at perhaps any other time, the grinding poverty that is affecting the Palestinians. We are talking about unemployment levels of 31 per cent.; in Gaza the figure is 40 per cent. Poverty levels are rising. Food insecurity has risen by 14 per cent. in the past 10 months, and the United Nations is predicting that it could reach 51 per cent. this month.

Access for Palestinians in the occupied territories has got worse in the past 12 months. Three ambulances were attacked by Israeli troops in the last week in May. There were 376 road blocks and checkpoints prior to disengagement from Gaza in September and there were 515 by mid May this year. Karni, which is a lifeline of goods going in and out of Gaza, has been closed for 44 per cent. of the time since the start of 2006.

I give those statistics not only because they are part of the reality on the ground that we need to bear in mind, but to say to my right hon. Friend the Minister that, while I understand and have a good deal of sympathy with the international community's demands on Hamas, it is not a simple thing to say, "Cut off assistance from the Palestinian Authority and somehow you can protect the Palestinians anyway." The Palestinian Authority runs 75 per cent. of all schools, and 62 per cent. of primary health care clinics are run by the Ministry of Health. We are talking about hitting essential operations: water, maintenance of refuse services, sewage collection, and so on. When the Minister sums up this debate, will he say how the alternative mechanisms that will somehow get assistance through to the Palestinians, while bypassing the Palestinian Authority, will work? The statistics that I cited are not from February or March; they are published in a United Nations report from the end of May, after the Quartet's announcement of the alternative mechanisms.

This week, Mahmoud Abbas, the Palestinian President, engaged in a brave proposal. I believe that Hamas should recognise Israel. I do not say that Hamas should accept the two-state solution, because one thing that my hon. Friend the Member for Hartlepool should understand is that, to all intents and purposes, it has already done so. There are legion comments from its spokespeople—most recently, the BBC reported one such comment yesterday by the parliamentary speaker—saying that Hamas accepts the two-state solution. Recognition is a different issue, and it has some way to go on that.

If we are to ask Hamas to recognise Israel, the point that I made to my hon. Friend about which borders was not one simply of academic significance. It is of real significance. People are living under occupation. If at this stage there are no guarantees about what their state will be and what the Israelis will recognise, what are we asking them to recognise? The deal might be to recognise

[Richard Burden]

the 1967 borders, although there needs to be negotiation about whether that ends up to be the final settlement. Let us accept that international law is the kernel of a settlement. Such a deal would mean that Israel withdraws from land it occupies and it means that the Palestinians accept the internationally recognised borders of Israel based on the 1967 borders. That would be something real, but it is not the situation that we are in.

This issue is of more than academic significance, because if we are to say vote for recognition to Palestinians, who are suffering the poverty that I was describing, we must be as clear as possible that when the referendum or whatever is used comes, they will vote for that. They should not see, one more time, the international community adopting one set of standards for them and another set for the Israelis. If they were to get that impression, given that they are faced with that grinding poverty, we will probably be heading not for an acceptance of the two-state solution but for greater conflict, with all the tragedies that that will mean for Palestinians and Israelis.

I ask the Minister again to clarify whether, when he is asking the Palestinians to recognise Israel, he is saying that they should recognise Israel within its internationally recognised 1967 borders or within somewhere else? If he is saying the former, does he accept that it is only reasonable also to say to Israel that it should recognise a state of Palestine on those 1967 borders? For good measure, if we are asking the Palestinians to have a referendum, perhaps there could be one in Israel as well.

Will the Minister clarify a couple of other things? The first is about the dividing up of the west bank. It is being split into different "Bantustans"—to use a term that some employ—which are segregated from each other, with no proper transport continuity let alone territorial continuity. That is a real barrier to a settlement. That process, through settlements and the wall, is almost complete. One area is standing in the way of that happening: the E1 area, which is part of the so-called Jerusalem bubble. Israel has said that it will build on E1, but it is illegal and is regarded so by the United States, the British Government and the European Union. Does my right hon. Friend the Minister attach the significance that I attach to the E1 plan and what will Britain do to ensure that it does not go ahead?

I want to make two further points. First, while we demand, rightly, that the Palestinians end the violence, will we make the same demand on the Israelis? Can we at least suggest to them—or perhaps more than suggest—that it might be a good idea if they committed themselves unambiguously to abiding by the provisions of the fourth Geneva convention in the occupied territories, because they are not doing so at the moment? In that context, can my right hon. Friend update the House on what is happening in the Hurndall and Miller cases following the decisions of the coroner here?

Secondly, on the humanitarian crisis, I have asked my right hon. Friend to clarify the alternative mechanisms, but will he also explain how Britain intends to respond to the UN appeal? It is estimated that the emergency needs of the Palestinians require approximately $385 million extra. Are we going to respond to that and, if so, how?

Mr. Siôn Simon (Birmingham, Erdington) (Lab): We all take the point absolutely about the grinding poverty and no one wants this terribly difficult position concerning Palestinian aid. Can my hon. Friend tell us from his perspective what the Israeli Government, the international community and the United Kingdom Government are doing about negotiating with, aiding and dealing with a Government who will not recognise the existence of the state of Israel and will not renounce terrorism? How do we deal with that?

Richard Burden: When I was in Gaza three or four years ago with my hon. Friend the Member for Islington, North (Jeremy Corbyn), we met a number of Palestinian groups and happened to meet the person who is now the Foreign Minister of the Palestinian Authority and a member of Hamas. Most of the discussion involved us saying why suicide bombings were morally wrong and why they did no good for the Palestinian cause. That discussion led to a dialogue. I am not suggesting that we should say anything other than that Hamas should recognise Israel and give up violence, but my experience indicates that fostering a dialogue would be much more effective than pushing Hamas into a corner. I think Mahmoud Abbas would agree with that.

The final point that I would like my right hon. Friend to address is Karni, and the customs dues and levies that Israel is still withholding and the restrictions on trade to the Palestinian Authority that Israel is still imposing. What are we going to do about that?

3.13 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I congratulate the hon. Member for Hartlepool (Mr. Wright) on securing this timely debate. He is right to say that this is a crucial time for the middle east and an appropriate moment to consider what steps Her Majesty's Government can take to help to resuscitate and support the peace process involving Israel and the Palestinians—the conclusion of which would, of course, send a powerful message to the wider region that peace and democracy are the future, as well as providing the conditions for safety and prosperity for their own populations. In recent months and years it has been difficult to identify any clear chinks of light in a rather gloomy scenario, but they are there and I want to focus on a few of them in my brief contribution.

It is important to recognise that although unilateral disengagement by Israel, including withdrawal from certain settlements, the continuation of the security fence and the fixing of its borders, will not amount to a peace settlement, it does represent a courageous and vital attempt to achieve some lasting security for its citizens and an end to occupation of the Palestinian territory. In the current scenario, that is a logical course of action and deserves the active support of the international community, but it is not a peace settlement. Even more so than in the final years of Yasser Arafat's leadership, which was characterised by broken promises and missed opportunities, Israel does not currently have a partner in the peace process, and it needs one. If there were any doubt about that, the election of Hamas in January settled it.

In no sense can Hamas be described as freedom fighter turned statesman. It is a terrorist organisation that speaks the language of bloodshed, both against Israel and within the occupied territories. Between 1989 and 2005, Hamas was deemed responsible for murdering 579 and wounding more than 3,200 Israeli men, women and children, 93 per cent. of whom were innocent civilians. The Hamas leadership condones that record and refuses to condemn the attacks that have been carried out since its election. In fact, all the signs are that it sees no incompatibility between being a democratically elected Administration and encouraging terrorist atrocities.

Indeed, Hamas has set up a new 3,000-strong security force led by a former commander of the popular resistance committee. The violent clashes in Gaza city in recent days between Fatah-dominated security forces and Hamas forces have again left the Palestinian leadership with innocent blood on its hands. The United Kingdom and the EU cannot and must not do business with Hamas. Yet we cannot turn our backs on the Palestinian people. We must do everything we can to isolate Hamas and encourage a strong constituency for peace and democracy within the occupied territories—a constituency that will recognise the fundamental need for peaceful co-existence with the Jewish state.

The Palestinian elections represented something of a paradox. On one hand, they brought about the election of an anti-democratic terrorist organisation and, on the other, it must be recognised that they were something of a victory for democracy. They reaffirmed the overwhelming commitment by the Palestinian people to determine their political future by democratic means. In a region where Israel has traditionally stood out starkly as the only real democratic nation, the relatively trouble-free elections sent a signal that there is a strong appetite within the troubled Palestinian territories for democratic solutions. That represents an important chink of light that we must do all we can to foster.

Having read the European Union election observation mission's report on the January elections, one cannot fail to be impressed with the exercise of democracy in the Palestinian territories. As the report concludes, the elections amounted to

"an open and fairly-contested electoral process that was efficiently administered"

by the Palestinian Central Elections Commission. I strongly encourage the Minister to read the recommendations in the report to see what extra support his Department can give to improving electoral arrangements for Palestinians in future.

Another significant chink of light is President Mahmoud Abbas's intention to call a referendum on Palestinian statehood that would implicitly recognise Israel's right to exist if Hamas will not directly accept his two-state proposal. His dialogue with Hamas on the matter seems to be failing, but all the opinion polling in recent days seems to suggest that if he takes his call for a referendum directly to the Palestinian streets he will win, and that support for Hamas is declining. I have huge sympathy with the powerful point made by my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) who wants Hamas's destructionist view to be buried by popular opinion.

The border plan drawn up by Palestinian prisoners from Fatah, Hamas and Islamic Jihad, who are being held in Israeli prisons, forms the basis for the Abbas proposal, but may not represent a final peace settlement with Israel. However, it could at least provide the bedrock for a united Palestinian approach which is committed to peaceful co-existence and which can engage with a meaningful peace process. The Israeli Prime Minister said again at the weekend that his country wants to talk with Abbas and to restart the peace negotiations, but that will bear fruit only when Hamas accepts the three conditions set out by the Quartet.

I am conscious that I have focused overwhelmingly on the Palestinian side of the peace equation, because I believe that the next substantive steps towards peace must come, and can only come, from the Palestinians, whose people have been impoverished and betrayed yet again by bad leadership.

3.19 pm

Jeremy Corbyn (Islington, North) (Lab): I shall be brief so that other right hon. and hon. Members can speak. I congratulate my hon. Friend the Member for Hartlepool (Mr. Wright) on securing this debate, but I note that he was unable to reply to the intervention from my hon. Friend the Member for Birmingham, Northfield (Richard Burden) about the final borders of the state of Israel. Clearly that is the kernel of the issue.

Many Members of the House have visited Israel or Palestine or both at various times. No one can go there without realising that the disparity of wealth and power between Israel and Palestine, the sheer misery of daily life for Palestinians and the sense of being in an open prison by merely existing in Gaza must be a cause for concern and must drive people into Hamas and other such organisations. Crossing from Israel into Gaza means crossing from the first world to the third world or worse. It means crossing from tarmac roads to potholes, from cars to donkeys and from prosperity to utter misery.

It is not as if that is a recent phenomenon. Talking to older people in Gaza, I found that their whole life has been one of either getting driven out of their own homes when Israel was established in 1948, or, if they are slightly younger, growing up in refugee camps and relying on the United Nations for food, water and work all the time. If they are lucky enough to be able to get out of Gaza daily to work in Israel, they are required to get up at literally 3 o'clock in the morning to queue at the checkpoint to get through into Israel to do a day's work on a building site. They then have to go through the same performance again to get home late at night. Is it surprising that the ordinary people of Palestine get very angry about what goes on in their lives?

Dr. Julian Lewis (New Forest, East) (Con): I agree that that situation has been ongoing ever since the foundation of the state of Israel, but will the hon. Gentleman explain to the House why rich Arab states have not done more to alleviate the poverty in the Palestinian lands?

Jeremy Corbyn: I cannot explain that and I do not intend to. The reality is that Palestine is imprisoned by Israel. It is imprisoned by a wall around the west bank

[Jeremy Corbyn]

and by border checkpoints all around Gaza, and as my hon. Friend the Member for Birmingham, Northfield said, there are now 500 checkpoints and their number has increased in the past few months. It is simply not acceptable to assume that the struggle is between equals and that Israel equals Palestine. It does not. One side has nuclear weapons and F-16 jets, and is high-security in every sense, while the other has very little indeed. Is it surprising that some people are driven to terrorism?

I remember very well a discussion that my hon. Friend and I had when we visited Gaza a few years ago. I have been there since, but on that visit, we put it plainly that we thought that suicide bombing was crazy, counter-productive, immoral and wrong. We then launched into what turned out to be an interesting discussion between various Palestinian groups and ourselves. All felt a sense of isolation, because they were not being taken seriously by the rest of the world. If Israel wants to achieve a long-term peace, it must do a number of things. First, it must recognise the state of Palestine, and secondly, it should decide what its borders proposal actually is. Israel has never done that.

As to the idea that the security fence is a benign fence between neighbours, it is at least 25 ft high, it has razor wire on top and surveillance cameras all along it, and it has been built beyond the 1967 borders, taking a further 10 per cent. of Palestinian land. How many more concessions do the Palestinians have to make? Every time talks come around, the idea is that the Palestinians must give up more land. They have suffered enough poverty and they have had enough land taken away from them, and although it is true that there has been unilateral withdrawal from settlements in Gaza, there has been an increase in many illegal settlements in the west bank and Israel has made it clear that it will not halt the settlement policy there.

The Palestinian Authority have tried with great difficulty to run affairs in Palestine. They rely on aid, trade and tax income. Who is Israel to decide that the tax income, to which the Palestinian Authority are legally entitled, should be withheld?

Mr. Mark Harper (Forest of Dean) (Con): On that point, the tax revenue is due according to agreements that the previous Palestinian Authority and Israel entered into. If the current Palestinian regime will not even recognise Israel or those agreements, it can hardly expect the Israelis to hand over money in compliance with them.

Jeremy Corbyn: Frankly, that is utter nonsense, as the hon. Gentleman knows perfectly well. If the money is due to Palestinians and has been collected by Israel, it should be paid to them. What are the political consequences of not paying them, and what is the likely reaction? Does it benefit anybody to increase unemployment in Gaza from 40 per cent. to 70 per cent., or to increase yet further infant mortality and all the misery that goes with it? I think not.

We need Israel and those outside to continue the aid to ensure that the Palestinian people can live a reasonable life, and we need to move forward to try to achieve a long-term, permanent peace settlement. That requires a recognition that Mahmoud Abbas was democratically elected in difficult circumstances. Along with my hon. Friend the Member for Birmingham, Northfield, I was an observer at that election, and I chose to be an observer in Rafah in Gaza. It was a strange election, because we had great difficulty getting through the settlements to the polling stations for the Palestinian people, and on one occasion, the Israeli watchtowers decided to shoot at the polling stations in Rafah. That was hardly a recognition of an independent, democratic process. Nevertheless, the election took place and Mahmoud Abbas was elected to the presidency.

We have now seen the election of a majority of Hamas members to the Palestinian Authority. I do not agree with suicide bombings or violence, and rapid steps must be taken towards a two-state solution. However, one does not engender a sense of safety or security by not talking to the people who are elected. We must talk to people even if we do not agree with or like them. We must have that debate.

I hope that through the Government's approach, we can maintain the aid that is essential to the Palestinian people, put as much pressure as we can on the United States and others to promote a peace dialogue and process, and above all, recognise that a democratic process is alive and well in Palestine. We must consider what will happen if we allow the policy of Palestinian impoverishment to continue. We should put ourselves in the position of a young Palestinian whose grandparents were thrown out of their homes and whose parents have lived in refugee camps, and for whom life is security checkpoints, barbed wire, walls and the inability to travel anywhere. What attitude does that place in somebody's mind? What benign feelings does that give them towards the rest of the world?

If we want peace and we need to get on with our neighbours, that will be best achieved not by building a wall with barbed wire on top, but by talking to them, understanding them and working with them. Israel must remember that it is part of the middle east. It is not an extension of the USA or western Europe.

3.27 pm

Mr. Mark Harper (Forest of Dean) (Con): I shall be extremely brief and pick up on two points. First, I agree with my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) and the hon. Member for Birmingham, Northfield (Richard Burden) about the importance of the economic difficulties. It is simply impossible, however, for Israel to have free economic relations if that is at the expense of the killing of hundreds of Israeli citizens. The fence is a reaction to that security situation, and it has been effective. It can be removed only when the security threat is removed.

My right hon. and learned Friend made his most important point when he spoke about the importance of political leaders. The tragedy of the Palestinian situation and part of the reason why it has gone on so long is that for many years, the Palestinians were led by someone who had a singular skill in missing every opportunity that was presented to him. He let down the people whom he was supposed to lead. The Palestinians now have an opportunity with their new leadership under President Abbas and the Israelis have elected a

new Government, which presents them with an opportunity. What we need to do, and what I hope the Government will be able to do, is to give those two leaders the best support from outside the area in order to take the brave and imaginative steps that will allow a two-state solution to succeed. That is the single most important way in which we can help to deal with the security situation and move forward the economic situation, which I agree will help to enable the two sides to live together in peace.

3.28 pm

Mr. Jeremy Browne (Taunton) (LD): I start, as is obligatory but highly appropriate on this occasion, by congratulating the hon. Member for Hartlepool (Mr. Wright) on securing the debate. This is the highest attendance I have ever seen for a debate in this Chamber, and it reflects not only the interest in the subject, but, regrettably, the entrenched views in this House, which perhaps mirror the entrenched views of people in the area that we are discussing.

It was a privilege to listen to the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), who drew on his expertise as a former Foreign Secretary and, before that, Defence Secretary. In six minutes, he encapsulated the kernel of our entire debate.

Drawing on the contributions, I want to touch on four subjects. First, my party and I strongly believe in the necessity for a two-state solution. The right hon. and learned Gentleman's most telling point was that this conflict, unlike others, has an end point, on which almost everybody, regardless of their opinion, can agree. For the Israelis, that end point is security and being seen as legitimate by their neighbours, by people across the middle east and by the world. To balance that, for the Palestinians, it is having a viable state.

Politicians can be so immersed in conflict resolution, especially in troubled areas of the world, that they lose sight of what much of day-to-day politics is about. I was particularly struck by what the hon. Member for Hartlepool said about the minimum wage in Israel and about the elections, in which some slogans and themes of Labour's 1997 and 2001 campaigns were drawn on, perhaps unwisely—well, given the success of the outcome, perhaps it was wise. Relating politics to people's day-to-day concerns is extremely important; politics needs to address people's concerns. Ultimately, politicians should not be judged solely on their ability to strike poses and negotiate settlements in protracted disagreements that have lasted for many decades. They also have to be able to bring tangible economic and social benefits to the people whom they serve.

My second point is on Israel's place in the wider middle east. It is extremely welcome news that Israel continues to enjoy cordial relations with Egypt and Jordan. That points the way forward for mature relationships with other parts of the middle east. Everyone would agree that the Iranian president's rhetoric about the existence of Israel is alarming, but there is some cause for optimism even there, although I do not want to exaggerate it. We should not underestimate the leap that the Americans have made in the past week or two in offering to have dialogue with the Iranians. Also, interestingly, the Iranians have shown imagination—something that is not always displayed—by at least engaging in that process. I do not wish to overstate the progress made, but nor do I wish to understate it.

My third point is about the security wall, which has been touched on in nearly every contribution so far. People disagree on how to describe it, but let us call it a wall for the time being. I well understand the reasons why that wall was built. We need only go back to events in London just under a year ago to understand the threat and the terror that suicide bombers pose to people going about their normal business, and we should never lose sight of that concern and that menace. However, it is also reasonable to observe that the wall is aggressively placed, and that it divides communities both economically and socially. I do not particularly wish to make a judgment, other than to say that no wall has ever offered a lasting solution to a political problem, whether it is in Northern Ireland, Berlin or elsewhere. Some people may take the view that it is necessary in the short term, but I caution anyone against thinking that it is anything other than a short-term measure.

Jane Kennedy (Liverpool, Wavertree) (Lab): I am grateful to the hon. Gentleman for giving way because I am conscious of the pressure on time. It is precisely on that point that I wanted to speak. Does he accept that people who comment on the security fence or wall that has been developed in the middle east ought to visit Northern Ireland to see precisely the same abomination in Belfast? No matter where a wall is put, it is an aggressive intrusion into communities, but in Northern Ireland, where both Conservative and Labour Governments have built these abominations, the experience of communities on either side is that the immediate relief that a wall brings from snipers, bombs and stonings means that people can begin to refocus on their economic circumstances, on their education and on local well-being. It allows breathing space. I agree with the hon. Gentleman that a wall is short term. In Northern Ireland, they have been there too many years—

Frank Cook (In the Chair): Briefly.

Jane Kennedy: For the middle east, the wall may be a solution that will be of some benefit in the short term.

Mr. Browne: I am grateful for that intervention, because it essentially, and eloquently, reinforces the point that I was seeking to make, which is that one can understand why the wall is located there. If one puts oneself in the position of someone who feels under threat, one can understand that even more; but also, if we take a step back, we can see that there is no long-term viability in a political settlement that includes literal barriers between people.

My final point is on Hamas and the government of Palestinians. People can interpret the result of the elections differently, but I would like to think that some of Hamas's support—perhaps even the bulk of it—was more the result of a social cry than a political statement. By that I mean that one should never underestimate the desire of people voting in elections to concentrate on the basics—on jobs, prosperity and the future of their families. That is a point that I tried to make earlier, and that the hon. Member for

[Mr. Jeremy Browne]

Hartlepool also made. Sometimes, people feel the need to make a dramatic statement in order to underline their desire or desperation.

To draw on a point made by the hon. Member for Islington, North (Jeremy Corbyn) and others, it is important that we continue to recognise that there is huge social deprivation in the Palestinian territories, and it is potentially perverse for us to make that worse, or to cause ourselves greater difficulties, by making the situation more problematic. Even if we see that as a potential political solution, the likelihood is that it will turn out to be quite the opposite, and that it will lead to greater militancy and a greater desire on the part of rank-and-file Palestinians to seek more radical solutions to their problems.

My party and I agree that Hamas should renounce violence against the Israelis and should recognise Israel as a state. Indeed, it is in the Palestinian interest to do both those things; it is not just of benefit to the Israelis, because the scope for politics and a political solution is very limited until the Palestinians put themselves in a position with which the Israelis can more reasonably negotiate. They will inevitably find that easier if both those concessions are made.

In summary, my party and I—and, I think, people across the parties in the House—favour negotiation. Imposed solutions are likely to be short-term solutions, particularly with regard to borders and land. Although there is not often cause for optimism in that part of the world, we hope that at least with the rapid political change that is taking place there, there may be more reason for being optimistic looking forward, than there has been looking backwards.

3.37 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I congratulate the hon. Member for Hartlepool (Mr. Wright) on securing the debate. He has spoken in similar debates over the past six months with great eloquence and commitment. The one thing on which we can all agree is that, in a period in which so many political commentators—and, indeed, political leaders—in the United Kingdom say that politics is dead and that it is all about packaging, spin and a feel-good factor, one need only come to Westminster Hall for a debate such as this to hear real issues being debated with real passion by people who believe in what they say and take a line that may not be consensual, because this is not a subject on which it is easy to find consensus.

In this debate, I am struck, as was my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind), by the historical anniversaries: this year is the 90th anniversary of the Arab revolt and the 50th anniversary of the Suez operation. The point about that—and we can draw other historical analogies—is that Britain had, and still has, a deep, important role in the middle east. At least some of the things happening today are a direct consequence of actions taken by previous Governments, so Britain has an interest and, to a certain extent, a responsibility.

Another point that I draw from this debate has already been made by a number of Members. I suspect that the actions of the Israeli Government, in terms of their security policy—what they refer to as defendable frontiers—and the election of Kadima, have bought a period of negotiations. The Israelis believe that they have established security against terrorism in the short term, and that they have placed themselves in a strong negotiating situation. I agree with Members who say that those who have suffered terrorist activities within their borders will feel a powerful motivation for anything that can prevent those activities. However, that is not a long-term political solution. Israeli security officials tell us, as my right hon. and learned Friend the Member for Kensington and Chelsea said, that people will undoubtedly find other ways of directly attacking Israel in the medium term. A political solution is likely to be the only answer.

Several hon. Members referred to the plight of the Palestinians—I and many people in this Room have seen it—and brought it graphically to life. There is no doubt that the plight of the Palestinians is not just related to the fact that, compared with Israel, they appear to be a poor people, as the hon. Member for Islington, North (Jeremy Corbyn) said. Their plight is not just a result of actions taken by the Israelis, the United States of America or any of the other western powers. It is also a direct result of a failure of their own leadership and corruption on a scale that makes that in many other parts of the world look puny. When I went to Palestine, I was struck by the large number of people wandering around wearing designer clothing and driving modern cars. There is a lot of money in Palestine and the ordinary people are being cheated, not just by outside organisations but by the Palestinian authorities.

Dan Norris (Wansdyke) (Lab): Will the hon. Gentleman give way?

Mr. Simpson: I will not because I have very little time, and I want to keep my comments short so that the Minister has time to speak.

The crucial question that I draw from the debate and similar previous ones is simple, but it is the most difficult one to answer—I do not expect the Minister to answer it. What is Israel, and what is Palestine? It is almost impossible to agree immediately on what the definable borders of Israel and Palestine are. That will be the most difficult problem to resolve. The question the Minister has to face is what role the British Government have in keeping those negotiations open and persuading the two sides to come together. I suggest that we do so in the following way. We have a responsibility in the historical context. We also have one because we have been—and still are—directly in contact, both formally and informally, with a wide range of those involved in the conflict. We still have tremendous influence among the bordering states, and I would like more action to be taken by the neighbours of Israel and the Palestinian Authority. Many of them stand on the sideline criticising what is going on, but they could make a much greater effort. It is a question not just of providing money, but of political support for dialogue as well.

In addition, we have influence on the United States of America. It seems that the United States is sometimes very heavily engaged in this area, but at other times, it seems totally disinterested and not engaged at all. We have a responsibility and duty to encourage the US,

whatever the Administration, to continue direct engagement, showing the sort of imagination it has shown recently in giving diplomacy a chance in negotiations with Iran. The United Kingdom also has a responsibility to continue direct practical support, which has taken place under this Government and previous ones, to Israel and Palestine. We do so by giving advice, supplying officials, assisting security and through United Nations and other humanitarian aid.

Sometimes, we hear colleagues say that Westminster Hall debates are irrelevant. After all, we are out of sight. Who sees us? It would seem only a few people sitting at the back of the Room. But most of us know, from talking to those directly involved in Israel and Palestine, that they watch, listen and hear what is said. I urge the Government to continue their good offices in bringing the sides together, as far as possible, to seek a solution. That will not be found in the next few months, but there is a window of opportunity because of the actions taken by the Israeli Government.

3.44 pm

The Minister for Europe (Mr. Geoffrey Hoon): I add my thanks to my hon. Friend the Member for Hartlepool (Mr. Wright) for raising this issue for discussion in the House. It is appropriate to examine the way forward in the middle east at this time, four months after the election of the Hamas-led Government in the Palestinian territories and two months after the Israeli elections.

Others have reflected on their visits to the region, and I shall do so as well. Nearly seven years ago, I went to Israel and Gaza to negotiate final status issues. Negotiations took place on borders, water rights, the status of Jerusalem and refugees. I hope that the hon. Member for Taunton (Mr. Browne) is right to be optimistic because it is clear that the actions of the two new Governments will determine whether the path of peace in the middle east, which we all want to see taken, is actually pursued.

Jane Kennedy: While listening to the debate, I was greatly struck by the number of Members in all parties who have recently visited the middle east. The Minister has described his own, not-so-recent visit. However, I would like to put on the record that it is a long time since I was able to visit the middle east. There may be people listening to this debate who are able to change that.

Mr. Hoon: I am not entirely sure how to respond to that. *[Laughter.]* Unfortunately, I am not one of those people.

The British government have consistently made it clear that Hamas came to power as a result of free and fair elections and that, as a consequence, it has a democratic mandate. However, those who take part in the democratic process must play by the rules of democracy. Democracy is about more than elections: it is about assuming the responsibilities of government. We expect the Hamas-led Palestinian Authority to assume their prime responsibility to the Palestinian people by working actively towards a lasting peace with the state of Israel. Peace remains indispensable for the creation of the vibrant, fully functioning Palestine that we all want to help to develop.

The way towards that is set out in the road map, endorsed in 2003 by both the Israeli and Palestinian Governments of the day. It sets out clear steps to be taken by both sides and the international community, culminating in the creation of an independent and viable Palestinian state, living side by side with Israel in peace and security. We and our international partners are profoundly attached to that vision, and we regard it as the best possible means of achieving the two-state solution.

However, we cannot advance the agenda for peace—the road map—as long as one party refuses to recognise the other. It is essential that the Hamas-led Government commit themselves to non-violence, recognise Israel, and accept previous agreements and obligations, including the road map. Those are the principles set out by the Quartet on 30 January, and endorsed by Palestinian President Abbas and most of the international community. We are firmly committed to them. We are asking nothing more than we asked of the previous Palestinian Government, but so far Hamas has not signalled a readiness to accept the principles.

We naturally welcome the process of national dialogue launched by President Abbas on 25 May. We are encouraged by the President's clear desire to establish himself as the international representative of the Palestinian people, and we recognise him as such. I sincerely hope the outcome of the national dialogue is positive for the Palestinians, and positive for the peace process. The UK is certainly eager for Israel and the Palestinians to re-engage with the peace process as soon as possible.

Barbara Keeley: On the point of trying to bring forward that re-engagement, I mentioned earlier the international women's commission, which is convened by Unifem—the United Nations Development Fund for Women—and supported by European countries, particularly Belgium. Given that women MPs in our party and throughout the House are interested in supporting both that initiative and elected women in Israel and Palestine, will my right hon. Friend advance possible membership and support of that organisation from the UK? We have been asked to support it, but that matter has not been resolved yet. Given the interest from women MPs, now is a suitable time to do something about it.

Mr. Hoon: We welcome any practical way of furthering dialogue and understanding. If my hon. Friend would care to write to me or the Minister directly responsible, we can consider that in more detail.

We welcome President Abbas's call on the Hamas Government to endorse the prisoners' accord. Their doing so would be a step in the right direction towards meeting the Quartet's three principles.

The UK, along with most of the international donor community, continues to provide assistance to the Palestinian people. Along with our EU partners, we have a strong record of support for the Palestinian people. On 25 April, the Department for International Development announced a £15 million payment to the United Nations Relief and Works Agency. The UK

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alone has given £147 million to the Palestinian people since 2001, and we continue to be one of their largest donors.

Jeremy Corbyn: Will the Minister give way?

Mr. Hoon: I anticipate that my hon. Friend will want to intervene after I have made my next point. If I may make it first, I shall certainly give way to him once I have done so.

In the present circumstances, the UK and the international community cannot renew direct assistance to the Palestinian Authority institutions. Given Hamas's position and, in particular, its support for terrorism, we simply have no choice. We are, however, determined to continue to support the Palestinian people and to help to provide for their basic needs. We have been at the forefront of the debate on how best to do that. The international funding mechanism endorsed by the Quartet and now being worked up by the EU was based on a UK proposal on how to channel funding to meet the Palestinians' basic needs while bypassing the Palestinian Authority. The mechanism should be in place soon and the United Kingdom is, of course, willing to contribute funding.

Jeremy Corbyn: Can the Minister confirm that pressure will be placed on Israel to pay the tax due to the Palestinian Authority, to which it is clearly legally entitled? In his discussions through the UN work, has he received any assurances from the Israeli Government that they will no longer prevent the United Nations from moving around by impounding vehicles and by doing all the other things that they do that make life impossible for the UN administration?

Mr. Hoon: I shall deal with those points in due course, if my hon. Friend will bear with me.

We are concerned about the deterioration of the Palestinian economy. We continue to press Israel to open crossings into the Gaza strip to enable Palestinian goods to be exported. We want to do more, but it is a fact that the true regeneration of the Palestinian economy—which would require public and private international investment and access to regional and international markets, and would make a sustainable difference to Palestinian living standards—can be achieved only through a lasting peace.

Israeli Prime Minister Ehud Olmert has spoken on several occasions about his ideas for further withdrawals from the west bank, although those ideas have yet to be set out in detail. We certainly support the principle of further withdrawals, just as we supported disengagement from Gaza last summer, as a step in the right direction, but we and international partners, including the US Secretary of State and the UN Secretary-General, have been clear that the final status issues, such as borders, must be determined through a process of negotiation.

The UK and the international community have on numerous occasions set out their strong views that there should be a negotiated solution. President Bush repeated that to the Israeli Prime Minister in Washington two weeks ago. We are encouraged by Prime Minister Olmert's and President Abbas's commitment to negotiations. We hope to see those two leaders act on their commitment in the near future.

To encourage such a solution, Israel must stop any action, such as settlement activity and the construction of the separation barrier on Palestinian land, that is contrary to international law and threatens the viability of an agreed two-state solution. All final status issues—including borders—are for both parties to negotiate. The Israeli Government should not take any actions that might prejudice these negotiations.

Richard Burden: My right hon. Friend has clearly outlined well established UK policy. Given that Israel continues to build settlements and says that it will go ahead with the E1 plan, what, in practical terms, can Britain and the international community do to try to ensure that the objectives that my right hon. Friend wants to be achieved will be achieved, rather than precluded by further settlement building, particularly in E1?

Mr. Hoon: We have continued to set out the clear view in international law as well as getting the two parties into negotiation. In the end, the history of this tragic situation demonstrates that only the Israelis and Palestinians can reach conclusions. They might have help, assistance and guidance from the international community, but only if they sit down together and negotiate the issues—including the question of settlements—can there be real and lasting progress.

We believe that the Israelis should adhere to international law and we remain concerned by Israeli policies on settlements, the barrier and access to Jerusalem, all of which threaten to cut off Palestinian East Jerusalem from the west bank. Those policies will have serious economic, social and humanitarian consequences for the Palestinian people, and risk reducing the possibility of reaching a final status agreement on Jerusalem. The Government have therefore called on both parties to implement the 15 November agreement on movement and access and for Israel to take steps to improve the humanitarian and economic situation of the Palestinians, including by resuming transfers of the withheld Palestinian tax and customs revenues.

The Karni crossing is the only access point for Palestinian goods from the Gaza strip and is the major point for the import of goods. The Israel defence forces closed Karni on 26 April following a suicide bomb attempt that was foiled by Palestinian security, and reopened it on 21 May. We continue to raise the importance of crossing points with the Israeli authorities at all levels.

We remain concerned at the worsening security situation in Gaza and parts of the west bank. The Palestinian Authority must take action to stop the rocket attacks from Gaza on nearby Israeli villages. We also urge the Israeli Government to act with restraint in response to those attacks. The impact of Israel's military operations in the occupied territories continues to cause concern. Israel, like all states, has the absolute right to defend itself against terrorism but it must respect international humanitarian law. IDF operations have resulted in Palestinian civilian deaths, including those of children. Such civilian casualties are unacceptable. In addition, the destruction of infrastructure only deepens Palestinians'

despair and hinders efforts to achieve a comprehensive settlement. The conflict cannot be solved by military means alone.

We are also concerned about the increase in intra-Palestinian violence, the effects that has on people's daily lives, and the potential repercussions on the delivery of aid and on the political process. Legally constituted security services must take action to maintain law and order in the Gaza strip and the west bank.

My hon. Friend the Member for Birmingham, Northfield (Richard Burden) raised two consular cases. Tom Hurndall's family met the Attorney-General on 5 May 2006 and will meet the Foreign Secretary shortly. We will decide on future actions once the Foreign Secretary has been able to discuss the case with the family. In relation to James Miller's case, the Foreign Secretary met the Miller family on 11 May 2006 and is considering follow-up action in consultation with the Attorney-General.

In conclusion, the UK Government remain committed to a two-state solution to the middle east conflict and are eager to work with Israelis and Palestinians to achieve that. The only solution, as I have made clear repeatedly, remains a secure Israel and a viable, independent Palestinian state living side by side in peace and security. We are encouraged that Prime Minister Olmert and President Abbas have made commitments to negotiations and look forward to early progress. We and the international community stand ready to support them in any way we can. We also look to the Hamas-led Palestinian Government to commit to the Quartet's three principles and thereby come into line with the international community's views on how to make progress towards a lasting and permanent settlement.

Genocide (Armenia and Assyria)

3.57 pm

Stephen Pound (Ealing, North) (Lab): It is a pleasure to appear before you this afternoon, Mr. Cook, and a particular honour that my right hon. Friend the Minister for Europe will be responding for the Government. Few Ministers, if any, know more about the subject and I could not have chosen a better Minister to respond.

I start with a minor point. The subject of this Adjournment debate appears on the Order Paper as "Genocide in Armenia and Assyria". I am not seeking to apportion blame, but that is not the title that was submitted. The original title was "Recognition of the genocide of Armenians and Assyrians". It would be obvious to you, Mr. Cook, and to many people, that to talk about genocide in Armenia, a country that has existed in its present form for a comparatively short time, and Assyria, a country that might have a millennia-old history but is not recognised in international boundaries, would be superfluous.

I wish to speak about the incidents in the then Ottoman empire, particularly in the spring of and throughout 1915, that led, I hope indisputably, to the planned, calculated genocide of the Christian community, which consisted principally of Armenians, Assyrians and Greeks. I shall seek to persuade my right hon. Friend that the time has finally come for Her Majesty's Government to join so many other countries, Parliaments and legislatures in recognising the genocide that occurred in that year.

I hope that it will be comparatively uncontentious to state a few basic facts. One and a half million Armenian residents of the former Ottoman empire died between 1915 and 1923 as a result of calculated genocide. I hope that it is not contentious to say that 3.5 million of the historic Christian population of Assyrians, Armenians and Greeks then living in the Ottoman empire had been murdered—starved to death or slaughtered—or exiled by 1923. I hope that those are not contentious points. I hope that no one would seek to deny that the process started on 24 April 1915 in Constantinople, where 1,000 Armenians were identified, taken from their homes and murdered. I hope that it is not contentious to reaffirm that 300,000 Armenian males were then conscripted into the Turkish army, unarmed and then murdered, and that death marches into the Syrian desert took place.

Mr. Andrew Dismore (Hendon) (Lab): I do not wish to contest what my hon. Friend says, but I point out that the oppression of the Armenians started much earlier, in the 19th century, particularly under the reign of Sultan Hamid, who was one of the really evil people in this history.

Stephen Pound: Were I to attempt to address the history of the Armenian and Assyrian peoples, I would require far longer than the time that Mr. Speaker and you, Mr. Cook, have allocated to me. I shall refer later to the Caliph Sultan Abdul Hamid. For the record, I confirm that my hon. Friend is correct—massacres took place in 1895 and 1909, and throughout this period—but I am concentrating on 1915, because it is

[Stephen Pound]

the first example of ethnic cleansing and genocide in the 20th century. For that reason, it is vital that we identify the full horror of what occurred.

I say that the events are uncontentious, yet Turkey's greatest living writer, Orhan Pamuk, is currently the subject of attack and vilification, and even a court order, for stating that the Armenian and Assyrian genocides took place. The modern Turkish Government, of whom I am no enemy and who are not entirely responsible for their precursor Ottoman empire, deny to this day that genocide took place.

Mr. Dismore: The real problem is that article 301 of the Turkish penal code makes it an offence to insult Turkishness, and that is what Orhan Pamuk has been charged with. During the past year, 29 other journalists have been charged under that article, and eight have been convicted. Article 305 talks of acts against the fundamental national interest—

Frank Cook (in the Chair): Briefly.

Mr. Dismore: It applies in respect of the Armenian genocide and, of course, advocating troops going out of Cyprus. Article 318 is being used to oppress journalists in a similar fashion.

Stephen Pound: I freely and publicly admit that there are few in the House who have a deeper knowledge of the Turkish penal code than my hon. Friend. He is absolutely correct. To deny genocide is bad enough, but for a state to structure within its legal framework a formal legalistic denial of it seems to be taking us into another area.

I said earlier that I hoped that what I was saying was not contentious, but we have heard that it is. I put to the House the simple question, "Did it happen?" There are those in modern Turkey who would say that there was no genocide—that there was inter-communal fighting, and that a movement of people chose of their own free will to march into the desert and die; and that the decision was freely taken by people in the eastern Ottoman empire to leave their homes, in which their families had lived for hundreds of years, and to move away from their livelihoods and their ancestral lands and to choose instead a lonely death.

I find that view unconvincing, and I cite as evidence one of the most remarkable books that I have ever read. It is by Viscount Bryce and Arnold Toynbee. That book was published during the first world war at the express instigation of the then Foreign Secretary in order to respond to the reports that were then reaching Her Majesty's Government, particularly via the United States Ambassador Morgenthau, of what appeared to be a systematic programme of genocide.

Toynbee, a distinguished Oxford historian, produced one of the most thoroughly researched and empirically backed volumes that I have ever read. Over and over again, it lists evidence from people who were there at the time. The original version was censored, because it did not name the witnesses. I am grateful, as is the House, to Ara Sarafian, who has published the full uncensored edition of "The Treatment of Armenians in the Ottoman Empire, 1915-1916: Documents Presented to Viscount Grey of Fallodon", which identifies those who were there at the time—those who witnessed with their own eyes the horrors to which I refer.

I give credit to Lord Avebury, known to many of us as Eric Lubbock, who with me and the tireless campaigner Odette Bazil, presented a copy of the book to Downing street last year. We know that Lord Avebury is not well, and I am sure that we all send our best wishes to him. I also pay credit to Ninos Warda, whose famous book "Seyfo: the Assyrian Genocide in International Law" was recently published.

I also cite as evidence the "Blue Book"—provable, substantiated and sustained evidence. It contains 102 specific eye-witness reports by neutral or belligerent nationals—neutrals such as the United States, and belligerent nationals such as German missionaries. It also contains 10 full statements by missionaries and missionary societies and 66 reports from Armenian clergy, local residents and refugees, as well as the extraordinary documents released by the American State Department—the state papers of Edward Nathan, the US Consul in Mersina. To read his reaction to the unfolding horrors is to realise that this truly was the first genocide of the 20th century.

We have from the then Ottoman empire the evidence of the orders of the Minister of the Interior, Talaat Pasha, to the man whose position might roughly be described as analogous to that of a deportation Minister, Abdulahad Nuri, in which the Minister of the Interior orders Nuri to increase deportation and destruction finally to "solve the Eastern Question".

Genocide did happen—3.5 million people were killed or died in the desert. Why did it happen? Armenians, Greeks and Assyrians had lived in the Ottoman empire for many hundreds of years, and some for even longer; and there was not a systematic programme or pogrom until late in the 19th century. Without doubt there were isolated incidents, but something changed, particularly during the caliphate of Sultan Abdul Hamid, and especially with the election of the Committee for Union and Progress.

Ittihadve Terakki, normally referred to now as the Young Turks, were heavily influenced by ideologues such as Via Gokalp and Behaeddin Shakir, and created an ideology of Turkification. They harked back to an earlier Turkish empire, which they wanted to see freed of those who were not Muslims and not Turkish speakers. The Christians were the obvious target.

On 12 November 1914, the sultan-caliph addressed an imperial declaration to the Turkish army and navy, demanding their participation in what he described as a "jihad"—a word that few of us knew 10 or 15 years ago, but which now sadly resonates throughout Westminster and the city. "Jihad" was the word that he used on that day. The ruling triumvirate of Talaat Pasha, Jemal Pasha and Enver Pasha were all enthusiastic supporters of the process of Turkification.

If one asks modern Turks why they still deny it, in addition to giving the theory that people willingly wandered to their deaths, they will say that the Armenians in particular were traitors. The Turks will refer to the huge Armenian community around Van lake in Van province, and the fact that some Armenians fought with General Nicolaieff, who led the Russian troops south to the Van lake and the vilayets in the area. This is an argument that constantly arises. General Nicolaieff's fighting took

place in July, long after the massacres had started. By May 1915, despite strong border censorship, reports were already being taken outside the Ottoman empire by travellers, missionaries and particularly employees of the Baghdad railway. Ambassador Morgenthau received a report that the River Euphrates was so choked with bodies that the water was breaking the banks and flowing beyond its course.

At that time, further evidence was identified. Previously, forced conversions to Islam had been demanded to spare people's lives, but the rule was changed so that, to be spared, families could convert only in groups of no fewer than 100, or they would not be allowed the protection of Islam. By late May and early June, wounded orphans and widows were arriving in Aleppo, Marash, Aintab, Tarsus, Adana, Sivas, Konia and Smyrna. Refugee bodies throughout the world were begged to help those people, who were arriving in such huge numbers.

I have referred to the slaughter in Van, one of the traditional Armenian centres. That was matched, if not exceeded, by the genocide that took place in Cilicia in the vilayet of Adana and sandjak of Marash. That population had already endured a massacre as recently as 1909. Despite that, the population had increased and it was a stable community that had established its own churches and schools. There was little unemployment and a strong tradition of arable land and animal husbandry. Yet that community had the great misfortune to live on a strategic route through the empire and, more than that, to be the chosen target for Muslim refugees from the Roumelian vilayets that had been ceded by Turkey in 1913 as a consequence of the Balkan war. Those refugees wanted the area around Cilicia, and they got it—over the dead bodies of the established local community.

Zeitoun was ethnically cleansed from April 1915; its inhabitants were driven into the Anatolian desert to die. Those who did not were harried to Sultania and beyond; we do not know where they ended up nor what happened to them. We have records of who they were, but none about what happened to them. We know only that they ceased to be.

It is intensely difficult even to describe what was happening in the Ottoman empire at that time. Typically, the pattern was that Turkish regular army troops—I underscore that; they were regular army troops—would surround a village or community such as Ourfa. The local community would defend itself, as Ourfa's did for a month. Then, inevitably, through force majeure, the Turkish regulars would surround, overcome and kill.

The one exception to that horrific repetition of slaughter was in Jibal Mousa in the vilayet of Aleppo. A French naval squadron lying offshore witnessed the inhabitants' defence of Jibal Mousa, aware of the horror—the certain death—that awaited them should the Turkish regular army manage to breach their defences. The squadron rescued the inhabitants and carried them to Port Said, where they came under British protection.

Mr. Dismore: That account was very moving. It is a pity that when the same happened in Smyrna in 1923, the navies of the world stood by and let that city burn to the ground with the slaughter of hundreds of thousands of its inhabitants—Greek, Armenian and other Christian minorities. Ultimately, that led to an exchange of populations. My hon. Friend mentioned an example of when something was done by the rest of the world. Since then, however, the rest of the world has stood by and allowed the Armenians to suffer.

Stephen Pound: As I said, if I took right hon. and hon. Members down every bloodstained byway of the 20th century, I would exceed the time that I am allowed, Mr. Cook. My hon. Friend mentions the sacking of Smyrna and its replacement by Izmir. That is a scar on the history of our globe and our people. We know that.

I seek recognition of the genocide that occurred in the Ottoman empire. One might think that that ideologically motivated, militarily enforced genocide was so horrific, appalling and awful that recognition would be almost an irrelevance; after all, it would not bring anyone back to life. However, the relatives of those who suffered have experienced what they see as a double death: the deaths of their relatives and the death—the pain and agony—that they feel, knowing that those deaths are denied by those responsible. When we take those feelings into account, we begin to understand why recognition is so crucial and important.

I am massively indebted to the work of people whom I am proud to call my friends, such as Dr. Harry Hagopian, Raffi Sarkissian, Ninab Lamasso, Andy Dharmoo and so many others. They tell me over and again that until there can be recognition of the genocide, there can be no peace. Only when the denial has been confronted and the reasons for it analysed, and when the modern, secular Turkish Government finally understand what their ancestor Government did, can there be peace.

The friends whom I mentioned make that demand for the sake of remembrance, recognition, respect, redemption—and, yes, recompense. How otherwise can a people move on? The Armenian and Assyrian community has now spread to France, San Francisco, Australia and to our islands, where its people provide a service as ideal, model citizens. They are hard-working decent people, whom we are proud to call British and our brothers and sisters. Every time we look them in the eye, we see reflected the pain of the denial of their history. We simply cannot allow that situation to pertain.

I understand how difficult matters diplomatic are, and how Turkey is becoming increasingly important in the European context. It is a country for which I have no enmity; I have affection and respect for modern Turkey and only hope that it can do as this country has in respect of the crimes committed by our ancestors in centuries past. I hope that modern Turkey can accept what happened in its name and bring some peace.

Since 1965, many countries and bodies have recognised genocide: Uruguay, Cyprus, Argentina, Russia, Greece, the United States House of Representatives, Belgium, Sweden, Lebanon, the European Parliament, the Italian Parliament, the French Assembly, the Council of Europe Parliamentary Assembly, the Swiss Parliament, the Canadian House of Commons, the Slovakian Parliament, the Dutch Parliament, the Polish Parliament, the German Bundestag, the Venezuelan Parliament, the Lithuanian

[Stephen Pound]

Parliament and recently even bodies such as Edinburgh city council and the legislative body of British Columbia. The Holy See recognised genocide on 10 November 2000. They have all recognised that genocide occurred, and I cannot see how we can fail to follow where they lead.

Mr. Dismore: There is another reason why we should remember that first genocide of the last century: to be able to look to the future. I remind my hon. Friend of what Adolf Hitler said some 30 years after that genocide: "Who remembers the Armenians now?" That was one of his justifications for what he was doing to the Jewish community during the second world war.

Stephen Pound: My hon. Friend's words are so prescient and important that I almost felt like pausing when I heard them. I remember standing on the steps of Downing street with the noble Lord Avebury, who repeated those words in the original German. As we know, when people said to Hitler, "You will never be forgiven for the genocide of the Jews", he said, "Who remembers the Armenians now?"

Genocide was the new horror of the 20th century. Technology had progressed in such a way that whole populations could be slaughtered. The 1915 Armenian and Assyrian genocide in the Ottoman empire was the first; sadly it was not to be the last, either in the last century or this one. Now no one seeks to deny that genocide took place.

I hope that we can be realistic, because only when we accept that ethnic cleansing and genocide take place can we confront their horrors. We owe that not only to our Armenian, Assyrian and Greek friends, or only to our Christian friends from the former Ottoman empire, but to ourselves. How can we seek to combat the evil of genocide when the very existence of such a major example is denied?

My hon. Friend the Member for Hendon (Mr. Dismore) quoted Adolf Hitler. I would like to close by quoting a contemporary of Hitler's, but a man who walked in the light rather than the darkness. In 1929, Winston Churchill stated:

> "In 1915 the Turkish Government began and ruthlessly carried out the infamous general massacre and deportation of Armenians in Asia Minor...There is no reasonable doubt that this crime was planned and executed for political reasons."

Churchill was right then, and he is right now. I look to my right hon. Friend the Minister and to this Government and this country to play their part in assuaging the agony of those whose relatives died so horribly by recognising in this country the fact that genocide took place. I hope that by such recognition in this House of Commons, in this Parliament, ultimately we may influence the Turkish Government, because as long as we refuse to recognise that genocide took place, they have the perfect excuse for denial.

Frank Cook (in the Chair): Mr. Hoon, you have nine minutes in which to reply.

4.21 pm

The Minister for Europe (Mr. Geoffrey Hoon): Thank you, Mr. Cook. It is obvious from the passionate presentation of my hon. Friend the Member for Ealing, North (Stephen Pound) that he has a thorough and detailed interest in this difficult and painful subject, and we are all grateful to him for setting out his arguments with such clarity and, indeed, for securing this debate.

This matter has been debated in this House on many occasions, not least, as I am sure my hon. Friend is aware, in the immediate aftermath of the 1915-16 massacres that left so many dead and forced survivors into exile. What happened to ethnic Armenians and other smaller Christian minorities living in the Ottoman empire, including the Assyrians, was roundly and rightly condemned at the time. I extend the Government's deepest sympathies to the relatives and descendants of the victims.

That the events took place, and that the then rulers of what is now Turkey should bear some degree of responsibility for encouraging, allowing or failing to prevent them, is not a matter of dispute in this House, but the main concern of this Government is not what we call such horrific events but ensuring that the lessons are learned, and that relationships are rebuilt to ensure a peaceful and secure future for everyone living in the region. To that end, we shall continue to encourage the Governments of Armenia and Turkey to improve co-operation and understanding between their countries.

I want to deal with my hon. Friend's call for the United Kingdom legally to recognise the events of 1915-16 as genocide. The fact is that the legal offence of genocide had not been named or defined at the time when the atrocities were committed. The United Nations convention on genocide came into force in 1948, so it was not possible at the time of the events that we are considering legally to label the massacres as genocide within the terms of the convention.

I recognise that it is perfectly possible intellectually to try to apply the definitions of genocide from the convention to appalling tragedies that occurred, in this case, some 30 years before. The common practice in law is not to apply such judgments retrospectively. It is not possible for us properly to provide a substitute today for the submission of evidence, cross-examination or arguments that necessarily would have arisen in mitigation in a court of law, whether a local or international one, had there been one with the necessary jurisdiction and had the crime already been recognised and defined. Not least would be the issue of who should be charged with the offence in the circumstances. That is why I hope that my hon. Friend will accept that the legal process that he is asking for would not necessarily be appropriate at this stage.

In any event, as I hope he will accept, historians question each other's accounts of what took place. The debate has primarily been about the causes of the events, those responsible for them and the extent to which the wartime security context may have been a factor, perhaps obscuring the motives of those who were involved. As a result, neither this Government nor previous British Governments have judged that the evidence is sufficiently unequivocal to persuade us that the events could be categorised as genocide, as defined by the 1948 UN convention on the subject.

However, I emphasise that that in no way diminishes the scale of the terrible individual and mass tragedies that occurred between 1915-16 and both before and

after, as my hon. Friends the Members for Ealing, North and for Hendon (Mr. Dismore) have made clear. The key now is to ensure that the full truth about those events is brought to light and that both Armenia and Turkey look to the future.

In that context, my right hon. Friend the Member for Rotherham (Mr. MacShane), my distinguished predecessor as Minister for Europe, raised the need for an independent inquiry on the events of 1915-16 at a European Union ministerial meeting with Turkey in March 2005, in an attempt to promote a truth and reconciliation process. I share the view that the work of establishing truth, if it is indeed to help towards reconciliation, must be conducted as a joint exercise by the parties directly involved. Outsiders can commend the idea to them, but they should not try to do the work for them, as the doing of the work by the parties themselves is an important part of the confidence-building and reconciliation process.

Last year, shortly after that idea was proposed, Turkish Prime Minister Erdogan and the leader of the main Turkish opposition party joined forces to call for an impartial investigation by Armenian and Turkish historians of the allegations. I understand that the Armenians felt unable to accept the proposal at that time, but we believe the Turkish proposal to be a welcome signal that Turkey wishes to engage with its neighbour and re-examine the issue. My conclusion is that the idea, or some variant of it, is not at an end, but that further developments in the international situation will be needed before the idea can be explored again and constructively developed.

Obviously, I cannot give the House an absolute assurance that Armenia and Turkey will undertake to move relations forward this year or even the next, although I certainly hope that they will, but I commend to the House the idea that the resolution of the questions raised by my hon. Friend should be pursued through some kind of truth and reconciliation process undertaken by the people of Armenia and Turkey. This Government will continue to encourage the parties to embark on such a process. In the meantime, we should resist the temptation to pre-empt its conclusions.

MOD Search and Rescue Services

4.27 pm

Andrew George (St. Ives) (LD): I am delighted to have secured this important debate, given the joint announcement on 9 May by the Department for Transport and the Ministry of Defence of the proposal to move forward with the part-privatisation, as I interpret it, of the search and rescue helicopter service provided variously by the Maritime and Coastguard Agency through private providers, by the Ministry of Defence through a branch of the RAF and by the Royal Navy. In my constituency, in which the Royal Navy air station Culdrose is based, there is, as I am sure the Minister will understand, a significant sensitivity about the impact that the proposal will have not only on the base, but on those who have enjoyed the safety and security of knowing that such an excellent search and rescue service is available. Indeed, it is a vital service. The capability of the Ministry of Defence both on land and at sea provides significant reassurance to mariners and to those who have enjoyed the benefits of the search and rescue service and whose life has been saved by it.

In a written answer to questions that I asked the Minister about the future of the 771 Squadron at Culdrose, he stated:

> "In contributing to Search and Rescue (SAR) in the coastal waters of the south west extending 200 miles out to sea, 771 Squadron of the Royal Navy was scrambled 211 times last year and rescued 154 people."—[*Official Report*, 10 May 2006; Vol. 446, c. 293W.]

The importance of the service is known to many, and certainly from my consultations prior to this debate with the Royal National Lifeboat Institution, the National Coastwatch Institution, the Maritime and Coastguard Agency, the National Federation of Fishermen's Organisations and many other voluntary organisations, I know that there is widespread recognition of its significance and importance. I am sure that, when considering any change to any service, the Minister will be quite used to the expression—I think it is American—"If it ain't broke, don't fix it." That phrase will surely be ringing in his ears when he considers what changes are appropriate to such an important service and the potentially detrimental impact if any decision is wrong. Those are the issues on which I seek reassurances from him today.

The 771 Squadron at Culdrose provides two Sea King Mk 5 aircraft, which are primarily located on site, although sometimes the aircraft on duty can be taken up to five hours' flying time away from the base. A back-up aircraft is therefore needed. In providing the important search and rescue service—going as far out as 200 miles off the west coast of Cornwall and the Isles of Scilly, as mentioned in the written answer that I quoted—the squadron needs a greater capacity than one aircraft with a back-up.

As the Minister is also aware, the service fulfils an important maritime anti-terrorism function, to which he referred in his letter to me on 26 May this year:

> "Additionally, the new UK SAR-H will not undertake the counter-terrorism role currently undertaken by 771 squadron. This is a military role, the continued requirement for which will be assessed in due course."

[Andrew George]

Both he and the Minister of State, Department for Transport, have written to me about the new opportunity to bring the service together, but I am concerned, as I am sure many others are, about the possible break-up of the service and the potential for it to be salami-sliced, instead of brought together as a more harmonised service. If the maritime counter-terrorism role is taken away from the search and rescue capability, that is another service that the Ministry of Defence will need to consider how best to provide.

In my area, as I believe in many others, the search and rescue service also doubles up as the night-time air ambulance. The air ambulance in my constituency, which is very much appreciated and is supported largely through voluntary contributions from the local community, can fly only during daylight hours. The service can be provided out of hours because 771 Squadron backs it up, providing an excellent service itself.

The search and rescue service also provides a medevac service. For example, my constituents on the Isles of Scilly are 30 miles out to the sea and cannot get to the main acute hospital at Treliske, in Truro, very quickly. They are sometimes evacuated from the isles when there is an emergency and that service is very much appreciated. The search and rescue service also provides other medevac services in other situations and a casevac service—in other words, a service for casualties, for instance in road traffic accidents. Where the air ambulance cannot get in, the 771 Squadron search and rescue service will come in and provide an important service.

The search and rescue service also provides important support in major incidents, with its standby helicopter and its back-up helicopter. However, if there were a major incident, more helicopters would be required than those two. For instance, on 16 August 2004 there was catastrophically heavy rainfall in the constituency of my hon. Friend the Member for North Cornwall (Mr. Rogerson), particularly in the Boscastle area. Many people know the name of Boscastle because it has been etched on their memories from that day, when 50 or more cars were washed away from the village and out to sea. Many buildings were also washed away, because of the torrential rain and flooding that hit the village. Some 91 people were saved by the helicopter services, with three helicopters from RAF Culdrose and three from RAF Chivenor. If we simply have a search and rescue service but we do not have the capability, training and back-up of the military service, we will not have the capacity to provide that level of flexibility and respond to such catastrophic major incidents, for which we clearly need to ensure that the service is available.

There are other important dimensions to the service. The significance of the training for military pilots, crew and divers is often overlooked. Surely it is better for them to have real-life experience, rather than simulation exercises. If pilots, crew and divers are to be engaged in combat situations or combat search and rescue, it is surely far better for them to have had the opportunity of experiencing those real-life situations rather than—I should like the Minister to clarify how firm the Government's plans are on this—finding themselves taken away from the many civilian situations to which they are currently scrambled.

There is also the question of the tests necessary for the capability of future aircraft. In a letter of 15 June 2005, written in answer to questions from me, the Minister said:

"With regard to the training concerns you raise, whilst it is true that 771 squadron currently conduct residual Sea King training for Sea Kings Mks 5/6 and 7, the planned withdrawal of these aircraft types, in the years 2014 and 2018 respectively, means by definition that the requirement for this training will diminish and eventually disappear. That said, whatever optimum method is ultimately identified for the provision of future SAR coverage, this will of course encompass full delivery of the necessary training for the aircraft types involved."

The problem, however, as I indicated in a letter to which the Minister replied on 1 June, is that all the evidence seems to suggest the Merlins that have been brought into base to replace the Sea Kings have neither the capability nor the flexibility to perform the search and rescue function, despite costing £104 million an airframe. The question remains: what aircraft will be used to perform those important functions, despite all the expense and investment going into the Merlin project?

The Sea Kings have been excellent workhorses, for the Royal Navy in particular, and they have been much appreciated at Culdrose since they were first brought into commission in the 1960s. They are being phased out in coming years, but the Ministry must surely consider what aircraft will replace them before it engages in such an exercise and considers the part privatisation of the service. How will those aircraft be provided and can we be sure that they will be sufficiently tested and proven capable of providing such a service?

I have mentioned combat search and rescue. I am sure that the Minister will also have reflected on the experience that civilian search and rescue can provide for personnel who are then engaged in combat search and rescue. My noble Friend Lord Garden tabled a written question about what plans the Government had for

"development of combat search and rescue capabilities."

Lord Drayson answered:

"The UK is developing a combat recovery operations capability, of which combat search and rescue is a subset. This will be achieved through the utilisation of existing support helicopter assets from within Joint Helicopter Command."—[*Official Report, House of Lords*, 17 May 2006; Vol. 682, c. WA35.]

4.40 pm

Sitting suspended for a Division in the House.

4.53 pm

On resuming—

Andrew George: During the break I found a quote from the Minister of State, Department for Transport, which I failed to lay my hands on earlier. The quote is from a letter dated 5 June 2006, in which he responds to a letter of mine. He says:

"The decision to proceed to this next stage, however, gives an opportunity to bring together the current Search and Rescue helicopter providers into one harmonised service under a single contract providing the taxpayer with a service that is better value for money whilst remaining as effective as the current one…Indeed newer airframes, optimised training opportunities and greater harmonisation between the providers, will enhance the service."

He goes on to say something that has been repeated in a number of responses and statements from both the Department for Transport and the Ministry of Defence: that the new service will

"continue to use a high proportion of military aircrew alongside civilian aircrew".

Certain questions arise from this type of situation. In his letter to me of 15 June 2005, the Minister now present said that in incidents such as that at Boscastle, which I mentioned earlier,

"the military will always be able to be called upon to support the Civilian Emergency Services".

That raises questions about how the military can provide such support after the only airframe left in the service is the Merlin, which has shown itself not to be capable of providing such a service.

In relation to the points made by the Minister of State, Department for Transport, in his letter of 5 June, I would like to know how a more harmonised service will be provided if the maritime and counter-terrorism service is being taken away from the search and rescue service. We still do not know how a service including the air ambulance, medevac, casevac and other functions provided by 711 Squadron—I can talk only about that service, but this no doubt applies to many other MOD-based services—that are not part of the core search and rescue function can be said to be part of a harmonised service if they are not included in the cost-benefit analysis of the proposal brought forward by both Departments.

In order properly to inform those who are most concerned about this—many Members from across the country will be concerned about this—both Departments must give us more information on costs and savings, and on how they will underpin the maritime, counter-terrorism, medical air ambulance, RTA and other roles for which the search and rescue service currently provides services.

In cases in which civilian services are provided by Bristows, such as in the Solent, for example, how often have such services failed to respond because of unserviceable aircrafts? What proportion of jobs have they failed to attend for which the MOD has provided back-up? I understand that that has happened on a number of occasions. How will the training that I mentioned earlier be provided, especially given that it is important that the civilian function provided by the MOD provides that essential real-life experience for the combat search and rescue situation? How will it perform its combat search and rescue? Which aircraft will be used if the Sea King is coming out of commission in total by 2018? What will be put in its place, and on the basis of what training and experience will that combat search and rescue service be provided? How will the Government—I suppose it will have to be done across Government—deal with major incidents such as those that I mentioned? How will they scramble those aircraft and make sure that the service is a harmonised service of the type that the Minister envisioned in his letter to me? What preparation and training will be given? Which aircraft will perform those duties?

I am sure that the Minister understands that the future of the 711 Squadron is close to my heart and those of my constituents. It is interesting that in his letter to me of 26 May 2006, he says:

"No decisions have yet been taken on the future bases for this service. The PFI process will identify any gaps and risks, and only after full consideration of all these will decisions be taken."

From that, I presume that he is saying that there is potential for the present search and rescue services to be moved off-base in future. He says that the military crew should be used, but there is no guarantee or surety in his response, given that it is unclear which bases the services will operate from and whether many, if any, of the services will be based on MOD sites such as RNAS Culdrose. I hope that the Minister will take on board my concerns, and appreciate that I want to engage constructively with him on this matter. I look forward to hearing his response.

4.59 pm

The Minister of State, Ministry of Defence (Mr. Adam Ingram): I congratulate the hon. Member for St. Ives (Andrew George) on securing this debate and on providing me with the chance to speak on an unquestionably important issue. From his opening and closing comments, I know that he shares my appreciation of the excellent search and rescue helicopter service provided by the Royal Air Force and the Royal Navy under the Ministry of Defence, and the Maritime and Coastguard Agency under the Department for Transport. I hope that he accepts that it is our intention to maintain the current high standard of service. I want to touch on how that has been approached.

The hon. Gentleman correctly referred to the written ministerial statement laid before the House on 9 May by the Minister of State, Department for Transport, which said that the Ministry of Defence and the Department for Transport are moving forward together to ensure that we continue to have an excellent service. That is a very positive step and we were able to announce it jointly.

It may be helpful if I were to set out the background to that recent statement. The organisation of search and rescue in the United Kingdom is an amalgam of separate Departments, the emergency services and other organisations, all of which play a vital part. The Ministry of Defence and the Maritime and Coastguard Agency together provide a 24-hour military and civil search and rescue helicopter service.

We cover the United Kingdom search and rescue region from 12 bases around the United Kingdom. Currently, the service is provided by the RAF from six bases—at Boulmer, Chivenor, Leconfield, Lossiemouth, Valley and Wattisham—and by the Royal Navy from two bases, which are at Culdrose and Prestwick, using Sea King helicopters. The Maritime and Coastguard Agency service is provided from its four bases, which are at Lee-on-Solent, Portland, Stornoway and Sumburgh, through a contractor, as it has been for many years. That is re-competed for regularly, approximately every five years.

Over the next decade, the Ministry of Defence search and rescue Sea Kings, which, as the hon. Gentleman said, have given us good service since the 1970s, will come to the end of their useful life. I sense that he wanted them to continue in some shape or form, but they will come to the end of their useful life. The

[Mr. Adam Ingram]

Maritime and Coastguard Agency service contract will also come up for renewal in 2012. It was therefore essential for us to decide the best way to ensure the continuation of that important service well into the future and to work together even more closely. We needed to ensure that the best possible service was delivered, while ensuring that it demonstrated value for money. That was the overriding priority.

The hon. Gentleman made the point that if it ain't broke, don't fix it. As the Sea Kings are going out of service, they will not be available, so we need to replace them. Therefore, it is right, at this point, to consider what will replace them and what the replacement will do. He began to allude to that.

As a result of that, a joint Ministry of Defence and Maritime and Coastguard Agency procurement team was set up under an inter-departmental steering group to assess options. Over the past three years, a rigorous joint assessment has been carried out. It concluded that we should move to a harmonised service, and that a service under the private finance initiative has the best potential to deliver the capability we need at maximum value for money.

The decision is very much in line with the plan outlined in the defence industrial strategy, which states that the majority of search and rescue helicopters in the UK currently are provided by the RAF and the Royal Navy. The remainder are provided by civilian helicopters under contract to the Maritime and Coastguard Agency. It is planned to replace that capability with a single contract that retains a proportion of military aircrews to enable operational readiness of deployed search and rescue crews in the middle of the next decade. I understood that the hon. Gentleman's party supported the DIS. I suggest that he perhaps reads what we set out and his party supported in the construct of that document.

The next stage is what do we do now that we have set out that definition, and we are moving forward to the joint search and rescue helicopter project as a competition under the private finance initiative. The decision to proceed to that next stage provides the opportunity to bring together the current search and rescue helicopter provision.

We intend to provide a service that is at least as effective as the current one. We also anticipate additional benefits from the flexibility that harmonisation brings, from the improved capability and sustainability that modern aircraft and technology will deliver, and from military and civilian aircrew being trained to the same high standard. We believe that that will enhance the service and provide an excellent service that offers value for money for the taxpayer.

Andrew George: I am grateful for the Minister's reassuring comments. Will he address the question of which aircraft he believes will perform this function? Will he reassure me that the additional roles that Ministry of Defence search and rescue services provide with regard to the air ambulance and so on will be contained in the contract proposed?

Mr. Ingram: I was moving on to the process. Hopefully, the hon. Gentleman understands that it will be a thorough process. We do not enter such a process by being prescriptive. We must see what is out there and what the options are. We must test the range of opportunities that exist. I shall explain how that is approached, and hopefully that will deal with some, if not all, of his points.

The competition is being carried out in accordance with the European Union procurement regulations and was launched through a notice in the European Union journal on 12 May. It will benefit from the new European Union competitive dialogue procedure, which has been designed to deal with PFI projects. The process, in partnership with industry, promotes full evaluation of customer requirements and industry responses prior to selecting a preferred bidder. We will use it to establish a robust contract with industry and to ensure that we deliver an excellent service for the taxpayer. The first step will be to ensure that companies wishing to take part in the competition have the appropriate capability. That will be done by thorough assessment of their pre-qualification questionnaires later this year.

The hon. Gentleman asked me which aircraft will be involved and how things will be delivered. Is he therefore asking me not to go through a procurement process, and not to have rigorous examination and to be definitive before we see what the market has available and how things should be delivered? Given his strong European credentials, there seems to be a contradiction. We should ensure best value for money for the taxpayer.

There has been some speculation about the implications of that decision for the standard of service. I shall provide reassurance on the issue and bring out two key points. First, the Ministry of Defence and the Maritime and Coastguard Agency will continue jointly to manage and task the service. In particular, the search and rescue tasking, which is currently carried out by the aeronautical rescue co-ordination centre at Kinloss and the appropriate maritime rescue co-ordination centres, will continue to be jointly managed.

Secondly, the principle that the service will be no less effective than the current one will underpin the detailed requirement specification against which the competition will be conducted and performance will be measured. Key performance indicators will be set to ensure that all aspects of the service are met.

As with the current service, military crews will play a key part in the future delivery of the search and rescue helicopter service. This is not, as some have said, privatisation. People should not set hares running, because there is no evidence for the assertion. People should not raise it, because what has been said will not happen at the end of the process. We will ensure that a high proportion of aircrew from the RAF and Royal Navy will continue to form part of the future service. We will continue to develop and maintain those valuable search and rescue skills in the military. That is in line with current policy, which seeks to transfer search and rescue skills to our deployable military helicopter fleets. There is an essential defence role in all that we do, and we have no intention of moving away from that, because we need the skill capability for all the reasons mentioned by the hon. Gentleman, and for some others.

I shall address three other areas where I am aware that there has been considerable interest: the specific aircraft, which the hon. Gentleman mentioned; basing arrangements; and contract duration for the future service. The very nature of a service provision competition places the incentive on industry to propose the optimum means of delivering the service. That will include consideration of many issues, such as basing, operational capability, safety and the ability of airframes and crew to cover simultaneous incidents. The specific parameters will be established through the competition, and all aircraft proposed by industry will be rigorously assessed to ensure that they are capable of delivering the level of service we require. Only once that process is completed will any decisions be made.

The hon. Gentleman mentioned Merlin helicopters. He is right in saying that although those based at Culdrose are not designed for search and rescue purposes, they are used by other nations in a search and rescue role. It is for providers to decide whether they want an adapted airframe for that purpose. The hon. Gentleman seems to be writing off the Merlin, but that is not desirable given the importance of the airframe, so let us see whether it can be adapted for that use and whether it can meet our rigorous testing, against which it would be measured.

Clearly, the hon. Gentleman has a particular interest in the Royal Navy air station at Culdrose. The future use of Culdrose as a search and rescue base will be fully assessed during the competitive phase. He set out various reasons why it should be retained and I assure him that all those factors will be taken into account. We are not setting out to close stations; we want to see how best we can continue to deliver where there is demand.

The hon. Gentleman mentioned the maritime and counter-terrorism role of 771 Squadron, which will be unaffected by the future helicopter search and rescue plans. The maritime counter-terrorism role of the squadron, which is based at RNAS Culdrose, will be transferred to an alternative, equally capable military unit in due course and where it is best placed. I am sure that he recognises that. The squadron needs to remain at Culdrose because its function is UK-wide, so let us see where it is required.

Another issue that must be addressed is the duration of the contract, which will be established following dialogue with industry during the competition phase. The duration must provide a solid assurance of the future search and rescue service and is likely to relate to the potential lifespan of the new aircraft. It is anticipated that that will result in a duration of between 20 and 30 years, so when a determination has been made it will be for two or three decades, which is significant. It will depend on the airframes and other component parts selected. None of that has been fixed and will be subject to full and proper evaluation.

Our plans for the future are of course relevant to the wider search and rescue community. There is no question about that and we shall continue to keep the UK search and rescue strategic committee and its operators group informed. They are a key aspect of delivery and monitoring because they bring together Departments, emergency services, charities and voluntary organisations that contribute to search and rescue in the United Kingdom. The wider public will be able to keep abreast of progress through the Maritime and Coastguard Agency's website. The process will be integrated. As each stage is reached, it will be defined and set out—

It being thirteen minutes past Five o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Thursday 8 June 2006

[ANN WINTERTON *in the Chair*]

Economic Partnership Agreements

[Relevant documents: Sixth Report from the International Development Committee, Session 2004-05, Fair trade? The European Union's trade agreements with African, Caribbean and Pacific countries, HC 68; and the Government's response thereto, Cm 6605.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Thomas.]*

2.30 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I am grateful for the opportunity to debate this issue under your chairmanship, Lady Winterton. It is an important topic that has concerned many in our constituencies, many of whom have been part of the Make Poverty History campaign, and it is of considerable importance to the developing countries that are part of the African, Caribbean and Pacific grouping.

Increasing trade will be essential to achieving the economic growth that is necessary to meet the millennium development goals and lift millions out of poverty. Trade Minister after trade Minister from developing countries emphasised that exact point at the World Trade Organisation talks in Hong Kong in December. Ghana's trade Minister, for example, said:

"It is no longer a matter of public debate anywhere in the world that trade is indeed the most powerful engine of growth, particularly for poor countries."

A further example to support that point is the case of Malawi, which has a total Government budget of some $730 million. Donors provide a further $500 million. Realistically, that is nowhere near enough money if Malawi is to deliver the better health and education that its citizens deserve and which its Government want to provide for them. While donors can, and no doubt will, increase their aid budgets for Malawi, what it really needs in the long term is sustained economic growth to generate taxation revenues. To do that it needs the trading opportunities that are fundamental to economic growth. Clearly, economic growth and more trade are not enough. The distribution of the benefits of the economic growth and making sure that the growth is sustainable, are essential elements, too. However, greater trade will be fundamental if we are to see the progress that we want towards the millennium development goals.

An ambitious pro-development Doha round could of course also play a key role in increasing global trade, potentially by hundreds of billions of dollars. Work on the multilateral trade negotiations—the Doha development agenda—continues, as the House will be more than aware. The Government continue to press for the deadline for the Doha development agenda to be met, and for an ambitious pro-development outcome to the current round of talks. We continue, in particular, to urge all WTO members to play their part in ensuring that that opportunity to help developing countries will be seized.

Although the Doha round has generated most attention in recent months, the contribution that economic partnership agreements—EPAs, as they are affectionately known—could make to development and poverty reduction in African, Caribbean and Pacific countries must not be underestimated. Last year, the Make Poverty History campaign rightly highlighted the economic and social dislocation that poorly designed and over-speedy trade liberalisation can lead to. The Government have made it clear that we will not force trade liberalisation on developing countries, either through trade negotiations or aid conditionality. I believe, however, that for developing countries, trade reform that is carried out under the right conditions and is well integrated with poverty reduction strategies or national development plans can bring considerable growth opportunities and benefits for the world's poor.

Economic partnership agreements between the EU and ACP countries are not simply regional trade agreements. They have the potential to be much more—to be genuine tools for development. The Cotonou agreement, which sets the framework for the EPAs, clearly states that the EU-ACP partnership will focus on the objectives of poverty reduction, sustainable development and the gradual integration of the ACP countries into the world economy.

Agreements in the different ACP regions are likely to take different shapes and forms. Countries, obviously, have varied interests, and national development plans have different focuses on occasion. To return to the example of Malawi, EPAs offer it the immediate prospect of greater regional trading links with its neighbours and, as a result, larger markets in which its business people and private sector can sell their produce. Malawi could also benefit from an agreement, as part of the EPA negotiations, making it less difficult to comply with the EU's non-tariff barriers, such as high standards; or, indeed, it could perhaps benefit from relaxed restrictions on where its producers are allowed to source inputs for products that they are already good at exporting to the EU—the so-called rules of origin. A country such as Jamaica, which is in the Caribbean group, has strong interest in access to the service markets of the European Union, for example. Such access has the potential to increase the incomes of people employed in those sectors in Jamaica.

If the full potential of EPAs for development and poverty reduction is to be realised, it will be essential to negotiate them with the full co-operation of the Governments of the ACP countries and their regional bodies. They should be able to decide what is or is not included in their EPA, through analysis of what they can do in their own contexts, appropriate policy dialogue and consultation and informed choices.

When we made clear our position on EPAs in March last year, our position paper did not reflect, by any stretch of the imagination, the views of all European member states or indeed the Commission. However, more than a year later, I believe that our position paper has had a significant impact. By taking a strong public stance, we have brought much needed-attention in the

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European Union to the negotiations. Just over a year ago, EPAs hardly figured on the radar of most EU member states. That is not true now. We have raised the profile and importance of the negotiations. During our presidency, EPAs were discussed regularly in several different European groups, including a new technical expert group dedicated to EPAs alone. Those discussions, both formal and informal, have led to results in the form of Council conclusions on EPAs, which were agreed on 10 April by all 25 EU member states.

The conclusions highlighted again the need for the Commission to take into account the choices of the ACP countries in negotiating the agreements. That includes choice about any aspect, such as whether investment, services or competition should be included. The conclusions reiterated the need for flexibility to be built into the agreements and for the ACP countries, crucially, to receive substantial improvements in access to EU markets. They suggested concrete ways to take forward discussions on development assistance for supporting the implementation of EPAs. They also gave a steer on how the critical review of EPAs that is due this year should be conducted to be most effective. The motivation of all member states to put development at the heart of EPAs has now been made clear to all stakeholders in the ACP countries and in the European Union and, crucially, the Commission.

We are not complacent and do not think that those conclusions alone will deal with people's concerns about the way in which the negotiations are going. We are working on other areas to ensure that the EPA process moves in a positive direction. First, we are using all the opportunities that we have to maintain close contacts with the ACP grouping and to hear from it directly its views and concerns about the process. My right hon. Friend the Secretary of State has met chief ACP negotiators, and I too have discussed EPAs with ACP Ministers—most recently on a visit to the Caribbean.

Our overseas posts also stay in close contact with their ACP hosts to ensure that we understand in detail how the negotiations are seen in developing country capitals and that we can identify and act on any particular needs that they have. For example, we recognise the concern about the capacity of ACP countries to engage in the negotiations. Through the in-country offices of the Department for International Development, we are supporting significant numbers of technical assistance programmes for many of the ACP countries and regions. We are supporting independent experts in the Caribbean region in deciding which goods are of interest to them in the EPA negotiations. That will include preparing analysis and facilitating technical discussions between regional negotiators and each of the Governments in the region. That will help the region as a whole, because Ministers will be presented with options and be able to make informed decisions about the negotiating positions that they should take.

I should make it clear that in providing support across the ACP regions, we are acting very much at the request of the countries involved. We will continue to make sure that our assistance is co-ordinated with what other donors are doing to support the EPA process.

Secondly, we continue to build the evidence base for the negotiations. We are supporting good, high-quality and impartial research that helps to inform the approach taken by the ACP countries and the European Union to the negotiations on key development issues, and that has made a difference to the policy debate on EPAs. One recent piece of research that we supported, for example, highlighted the potential difficulties faced by ACP countries in each region in agreeing which EU imports are sensitive to them. As a result of that research, ACP negotiators are now working on how to take each other's sensitivities into account in a way that will not undermine their goals for greater regional integration.

Thirdly, we will continue to press our position with the Commission and other European Union member states, particularly those with forthcoming presidencies, to build support for our position on EPAs. Fourthly, we are working closely with ACP countries, EU member states and the Commission to focus on the key milestone for the negotiations this year—the review process. Until 10 April, we were worried that some wanted only a brief technical review of the negotiations, but the Council conclusions that I mentioned earlier directed the Commission to use the review as the basis for a wider discussion of the challenges posed by all the trade and development aspects of EPAs, and that is a key success. The review is a key opportunity for the ACP countries to voice their concerns and for the European Community and member states to recognise and act on them well before the finalisation of any agreements. Clearly, addressing those concerns will be paramount if the negotiations are to be successful.

I should outline our three particular concerns about the state of play in the discussions. As yet, there is no cross-EC agreement on what could be offered to the ACP countries on rules of origin. Similarly, there is as yet no agreement on offering duty-free and quota-free access to all EPA groups—something that we continue to argue should be offered immediately to all ACP groupings. Our third concern is that negotiations have proceeded particularly slowly in the four African blocks, although, frankly, they are not racing ahead in the Caribbean or Pacific groupings. It is obviously important that we get the process right, but we need to bear in mind the consequences of not reaching agreement on EPAs or, indeed, an alternative, given that the WTO waiver comes to an end at the beginning of 2008.

Another key issue will be establishing whether any of the ACP countries will decide not to join an EPA and to request an alternative trade regime. If any ACP country does seek an alternative, we will work to ensure that that alternative meets the criteria set out by the Cotonou agreement and that no worse market access should be provided for that country. That will mean ensuring that the level of EU tariffs and preferential rules of origin, in EPAs or any alternative, are the same as, or indeed better than, those currently offered to the ACP.

Finally, it is also critical that we ensure that there is a productive partnership after the agreements are signed;

we cannot just walk away from the EPA process when negotiations are finally concluded. We will therefore work with the European Union—particularly the Commission—and ACP countries to design the monitoring mechanism for EPAs that both sides have called for to ensure that the process is effectively implemented.

That was just an overview of the work ahead on EPAs for the Government and, more broadly, the Commission and member states. I hope that it provides hon. Members with a sense of the depth of our commitment to ensuring that EPAs are effectively designed and are genuine tools for development. They will help a large group of developing countries with which the EU has had a long-standing relationship to reap the benefits of participation in the global economy. I shall of course attempt to answer any questions that hon. Members raise.

2.45 pm

Mark Simmonds (Boston and Skegness) (Con): Like the Minister, let me say how pleased I am to serve under you guidance yet again, Lady Winterton.

The first thing that needs to be highlighted about economic partnership agreements is the ambitious nature of the proposals that have been put together. They are immensely complex, and the aim is to redefine the trade regime between different regional groups of ACP countries around the world. Most ACP countries—there are 78 in total in Africa, the Caribbean and the Pacific—need significantly increased trade to improve their economic growth rates and the well-being of many of their citizens.

As the Minister mentioned, it was recognised that many ACP countries were unable to profit from the Lomé agreements, which were redefined under Cotonou four or five years ago. In 2002, the ACP countries were at the top of the pyramid of advantages offered by the EU to its development partners, but they were none the less at the bottom of the list when it came to exports to European markets. Indeed, the situation was getting worse, not better. In 2003, just 3 per cent. of the EU's imports came from ACP countries, compared with 6.7 per cent. in 1976.

Before I go into the specific questions that I hope the Minister will be able to answer, it is important that I put on record the Conservative party's position and beliefs as regards international trade mechanisms. We obviously believe, as I think the whole House does, that aid and debt relief are important and make significant contributions, but they are not sufficient in themselves totally to alleviate poverty across the world, as we would like. If the least developed nations are to see a step change in their fortunes, there must be major reform of world trade rules. My hon. Friends and I agree with the World Bank, which states:

> "Current trade restrictions are the biggest impediment to economic advancement and poverty reduction in the developing world".

It must also be said that international trade has lifted millions of people out of poverty, particularly in south-east Asia and China. Tragically, Africa has been left behind, and its share of world trade has fallen from 6 to 2 per cent. in the past decade, despite the significant aid and assistance that has flowed into the continent.

The economic benefits of greater openness and freer trade are immense. Trade leads to faster growth rates, cheaper imports, new technologies and stronger political ties, and, as the Minister rightly said, it enables Governments in developing nations to generate revenue, which they can plough back into their public services, improving health and education for the very people whom they represent.

It must also be said that history is littered with protectionist follies. For every £1 that is given to developing nations, they lose £2 through protectionism. Development is hindered by protectionism—matching one protectionist bloc with another is not the solution. Currently, we have nothing like free trade in the world. When protectionism is removed, those industries that have been protected fail to compete internationally, and there are many examples from the past 40 or 50 years, including businesses in Latin America and the heavy steel industry in India. Countries that pursued a freer trade agenda grew faster than those that pursued protectionist agendas

Conservative Members understand that there needs to be a transition period, because total free trade cannot be established overnight. It must also be said that tariffs can be beneficial for developing nations, assisting the development of industry and generating revenue. The World Bank has estimated that offering the EU duty-free access would incur losses to sub-Saharan economies of 1 per cent. of their GDP and up to 10 per cent. of Government revenue, which would clearly be disastrous and not help sub-Saharan Governments to stand on their own two feet.

The Conservative party welcomes the objectives of EPAs. They are defined as the sustainable development of the ACP states—to which I shall return later in my remarks—their smooth and gradual integration in the world market, and the eradication of poverty. If all that can be achieved—as I said, there is tremendous ambition behind the proposals—EPAs will be of great benefit to least developed countries.

The World Bank believes that EPAs would encourage the

> "liberalisation of services, provide for common product standards, and set up the negotiation of investor protections, based on state-to-state ad hoc arbitration of disputes."

I hope that the Minister will say a little more about the arbitration of disputes and what discussions have taken place, between the EU and the regional blocs, and within those blocs. Clearly, different countries have different aspirations and priorities.

The United Nations Economic Commission for Africa has estimated that if EPAs were implemented as outlined in the Commission's report, the gains to sub-Saharan Africa alone from regional integration could be as high as $1.2 billion. EPAs have attracted a great deal of criticism, particularly from non-governmental organisations and other organisations. Much of it is not justified, but several issues rightly raised by the NGO community and others who have an interest in this area require clarification.

It has been argued that EPAs have been criticised for not being development-focused enough, despite

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the fact that the negotiations include all but nine of the world's LDCs. The European Commissioner for Development and Humanitarian Aid highlighted the importance of sustainable impact assessments alongside EPAs. Will the Minister explain the relationship between SIAs and EPAs, and whether the knowledge and evidence gained through SIAs is being used to forge and mould the EPA negotiations? Will he provide an update on their work and their effectiveness in ensuring that development remains at the heart of the negotiations? They should not just go down the road of liberalising as fast as possible. There needs to be a mechanism that ensures that the extra economic growth and wealth creation cascades down to the maximum number of people in the regions and the individual countries, thereby providing much needed poverty alleviation.

The other issue that was missing from the original EPA discussions concerned the mechanisms that are used to ensure monitoring of the negotiations. It would be helpful if the Minister said where the monitoring mechanisms have got to. It is also clear that the negotiations are significantly behind schedule. He rightly mentioned that in his opening remarks. It is alleged that there is no way that the target date of mid-2007—1 January 2008 at the latest—will be met. Will he say how far behind the negotiations are? What structures and thought processes have been put in place to speed them up? Of course, they must not be rushed through, and both they and the agreements that are reached must be right, particularly for the developing nations.

I shall now explore the subject of the ACP countries that do not specifically have negotiating capacity. Many of them are reliant on EU aid and funding for their negotiating teams, which may impact on their ability to negotiate objectively. There are also concerns about the ability of ACP countries simultaneously to participate with limited resources in negotiations for the Doha round, EPAs and the "Everything but Arms" agreements, which are still going on. As the Minister knows, in LDCs and ACP countries the same individual or small group of individuals who are responsible for international negotiations are often also responsible for internal trade. Many of them are much more focused on improving trade within their country—trying to get the infrastructure in place so that people can bring their produce to the markets—and, rightly, on inter-regional trade rather than necessarily on the global issues relating to the World Trade Organisation.

How will the EU ensure that ACP countries get a deal that benefits them? That does not necessarily occur, as was shown by the lack of take-up of the "Everything but Arms" agreements, where the Cotonou preferences were clearly better or easier to meet, and of greater significance and importance to the developing nations. That was primarily but not solely because of the rules of origin that were in place, which the Minister rightly mentioned. I was disappointed to hear him say that there were still disagreements within the European Union and that rules of origin preferences were not being resolved. Hopefully, the UK Government will continue to push for the UK view of the way that the rules of origin need to move.

Mr. Thomas: Let me be clear about why we believe that there has not yet been progress on the rules of origin. It has been because there is an impact assessment being made of the rules of origin in the review process which the European Commission has rightly put in place. Frankly, that has taken longer than we would have liked. We believe that we need to move forward with other member states and with all the different bits of the Commission to reach agreement on the negotiating position for the Commission on the issue. I hope that that additional clarity is helpful.

Mark Simmonds: As always, the Minister is helpful and constructive in his intervention. He will be aware of the urgent need for us to find a resolution to the issue. It is hindering both development from within the developing nations and inward investment by the developed nations that wish to invest in those countries that they deem suitable.

I was interested in the Minister's choice of words when he mentioned the Doha development round. There seems little doubt that it is faltering—to put it politely. Many in the trade world believe that there is little chance of reaching a comprehensive agreement, even within the new time scale, which keeps being pushed back. I think that our deadline is now either the beginning or end of July. Indeed, some countries have begun negotiating bilateral trade agreements outside the mechanism of the Doha trade round. The Asian countries are doing that, as is the United States. The Minister and his colleagues in the Department of Trade and Industry seem to be confident that they will reach a solution, so why is the EU Trade Commissioner announcing that he has ambitions to start negotiations for agreements with the countries in the Association of South East Asian Nations, which I understand is conditional on Burma's rightly being excluded?

What does the Minister think are the chances of success for the Doha development round, given the EU's reluctance to lower its steep barriers against trade in farm products? I know that the Minister does not agree with those; nor do the UK Government. There is still an enormous amount of resistance from other European countries on that matter.

One of the drivers for reform of the Lomé and Cotonou conventions was to ensure that EU-ACP trade agreements were compatible with the WTO. However, as I said, it looks like the Doha round will fail in some areas, if not in totality. Is it possible that the EU-ACP agreement may exceed, in terms of liberalisation, what was agreed by the WTO? That would cause problems elsewhere in multilateral trade agreements.

Two sets of negotiations are taking place simultaneously, despite the fact that it has been generally agreed that it would be desirable to complete the Doha round before beginning the EPA negotiations and discussions. If the WTO round fails, would it be possible to build on where we have got to on Doha—even if there has not been a total agreement—rather than try to pre-empt and second-guess the conclusions? Does the Minister think that there is a potential conflict between the Doha WTO round and the EPA negotiations, and to which one do the Government give priority?

The Minister will hopefully be aware that there has been concern that the Cancun WTO negotiations broke down because of the so-called Singapore issues: competition policy; transparency in Government procedure; trade and investment; and trade facilitation. The EU has rightly been criticised for trying to include those issues in EPAs. Will the Minister assure us that they will not be included in any form and that they will be removed from the EPA negotiations?

Mr. Thomas: We have made clear our view that unless the six negotiating blocs want the Singapore issues to be part of the negotiations, they should not be part of them. It is clear that all the negotiating blocs are keen to discuss trade facilitation, which is one of the Singapore issues, and that at least one bloc—the Caribbean—wants a discussion about investment. It must be for the negotiating teams of the six blocs to decide whether they want to discuss the so-called Singapore issues. If they do not, we are clear that they should not be forced to have those discussions. That is the position that, increasingly, other member states are taking. However, when negotiating teams are up for those discussions—and given the benefits that agreement on those issues could bring to their economies—they should be supported in their negotiations. It is for the negotiating teams to make that call.

Mark Simmonds: I am grateful for the Minister's clarification, but it is interesting that not all EU countries in the new structure that must be brought on board are in agreement with what the Minister said about the Government's position. We agree with the Government's position and hope that the Minister and his colleagues will continue to try to persuade those in the EU who require persuading to follow the Government's position rather than their own agendas.

The Trade Commissioner said that there will be a new monitoring mechanism to oversee capacity-building, technical expertise and logistics projects that are part of the EPAs. Again, it would be helpful if the Minister could say when those monitoring mechanisms will be established, what sort of bodies will have an input, and whether they will be independent. Hopefully, the monitoring bodies will have significant input from the developing nations. How will the Government ensure that they identify areas where eradication of poverty has been hindered rather than helped by the issues that I mentioned earlier and about which the Trade Commissioner talked?

The Trade Commissioner also said that EPAs will include significant development aid and technical assistance both from the EU budget and individual member states. It would be helpful to know whether that is the case and, if so, what funds DFID intends to put into the EPA system for the development aid proposals. Will it be an increasing programme over a number of years—the thought process may still be going on—and what will be the time scale? Will it begin in 2008 and will it happen prior to the agreements being reached, if they are reached?

I want to explore one or two other areas and the first is asymmetric liberalisation. The EU has stated that the opening of ACP markets to EU goods and services will be on an asymmetric basis, which means that ACP countries will be able to open their markets to the EU at a slower rate than the EU will open their markets to ACP countries. How will that rate be decided and on what time scale will the markets be opened up? Does the Minister have a view on how that should be done? Will it be industry by industry, region by region or country by country?

Every country will have different industries that they want to benefit from the proposal. It will be an enormously complex challenge to reach an agreement between countries in a region and for them to agree on their relationship with the EU. Clearly, that must be evidence-based, but the original time scale is challenging. Five years from 2002 is the end of 2007, although I understand that the Trade Commissioner has said, ambitiously, that he wants agreement prior to that date, so that means the summer of 2007. It will be extremely challenging to get that agreement by then.

We recognise that "Everything but Arms" is a non-reciprocal agreement, unlike EPAs, but the two agreements affect many of the same countries and the EBA agreements cut across the EPA regions, offering countries within EPA regions different deals. Where have the thought processes got to in unravelling that complexity? The best explanation that I heard was the Trade Commissioner's describing the complexities as a Russian doll—when one layer is removed, another appears underneath. Does the Minister agree that EPAs and EBA agreements could cause conflict and confusion, or is there a strategy to try to unravel those two areas of trade negotiation and agreement?

The ACP countries must create the conditions in which a market economy can develop and thrive: the rule of law, stable Governments and the establishment of private property rights. In our view, EPAs hold great promise and could be extremely beneficial to the ACP countries involved. However, the success of EPAs depends on negotiating a fair deal that does not disadvantage developing nations and creates a system in which developing ACP nations have confidence. It is necessary to wrap up within the EPAs targeted aid aimed at building trade capacity and infrastructure, such as reliable energy sources, well maintained transport networks and increasing technical expertise. All are essential if the trade agreements are to work.

The Conservatives support the objectives of EPAs, but they must be used to help ACP countries access world markets while maintaining their individual developmental and economic priorities, especially facilitating and enabling inter-regional trade, which is one of the main areas that has not been focused on sufficiently to date.

Poverty around the world is at unacceptable levels. Nearly half the world's population live on less than a dollar a day, 1 billion people do not have access to clean water, 100 million children do not go to school, and 40 million people live with HIV/AIDS. All of us in the House have a moral duty to take action. Trade is the best means of alleviating poverty in a sustainable way in the developing world. If the Government lobby hard to ensure that the developing world gets the best deal from the proposed agreements, they will have our support.

3.7 pm

Mr. Jeremy Browne (Taunton) (LD): Thank you for calling me, Lady Winterton. It is great pleasure to participate in this important debate.

I start by saying on behalf of the Liberal Democrats that there is a lot of consensus on this subject, and the Government, and perhaps the Opposition parties, deserve some credit for approaching it in that frame of mind. In many ways, Britain has taken a lead among developed countries in promoting the agenda. That is to our collective credit as a group of politicians here in Parliament.

The Liberal Democrats instinctively support free trade. We have done so for many decades and generations and do so today. It is the best means of lifting people out of poverty because it increases prosperity through increasing production.

Clarks shoe company, near my constituency in Somerset, has closed down its production facility, although it still has people in administrative positions there. All its production facilities have been exported to other parts of the world and, sadly in many ways, no Clarks shoes are produced here in Britain. Someone who supports more being done to alleviate poverty in the developing world said to me recently that that is terrible—that it is exploitation. I replied that I was not so sure, because it cannot be bad for Somerset that we have lost the jobs and bad for the countries where factories are opening. It must be good for someone, and I think that it is probably good for the countries to which the jobs have gone, because it has given people new opportunities and prospects for prosperity in relative terms to what they enjoyed before.

Globalisation is often given a bad press and many features of it cause discomfort, but the story is not uniformly bleak—far from it. Globalisation and free trade in goods and services has provided opportunities for people, most notably in big and expanding developing economies such as China and India, to gain access to income and prospects that are far better than those that their parents and grandparents enjoyed. My party starts from the assumption that free trade is a beneficial consequence of political activity, and we seek to promote it as far as that is possible.

In that regard, I have much sympathy with the position put forward jointly by the Department for International Development and the Department for Trade and Industry in their submission to the International Development Committee's inquiry. The Government said:

> "The Government's view is that in the longer-term, prospects for economic growth and development in ACP countries will be boosted if they open their own markets. Poor consumers in ACP countries stand to benefit from cheaper imports, from other ACP countries as well as from the EU, as do ACP businesses. These gains will not accrue if ACP states fail to liberalise their economies."

That is a clear-cut position, reflecting a reasonable consensus in this House. The Departments continue:

> "However, neither will they materialise if liberalisation is implemented without careful consideration of the poverty and social impact of trade reforms. Social safety nets and transitional assistance will be essential to cushion the most vulnerable and to assist ACP producers exploit new trading opportunities."

The reason I mentioned the second part of that submission is that it brings us to the nub of the debate. We accept that free trade is beneficial and that it is a route to greater prosperity for people in the poorer parts of the world as well as those in more advanced countries. However, there are many caveats and qualifications to that, and I shall run through some of them.

The British Government and the European Union have a variety of objectives that can conflict, or at least do not always align. The EU, rightly, has a goal of trying to increase the prosperity and well-being of people who live in the European Union. The EU's share of world prosperity, projecting decades ahead, is to fall dramatically. Within a few decades, the EU is likely to enjoy only half of its current percentage of the world's overall wealth. That must be important, and even of concern, to Governments within the EU and to the EU collectively.

Part of the European Union's business must be to ensure that we improve living standards in Europe. That is an EU objective. Another EU objective is, rightly, to try to foster and assist poverty alleviation in parts of the world where, relative to us, people live in desperate straits, and to be an outward-looking rather than an inward-looking organisation. Those two objectives do not always align.

It is also important for the EU to recognise that when it interacts and deals with other countries throughout the world, that is not a partnership of equals, because those countries are far less likely to be able to bring weight to bear on proceedings than member states, especially when we work collectively. In support of that, I shall quote a telling passage from the Committee's report:

> "There appears to be an assumption within the UK Government and the European Commission that the ACP can sign up to, or reject, whatever they wish. This is not the case. The ACP states remain recipients of EU aid, some of which funds ACP negotiating capacity. The ACP nevertheless lacks the negotiating capacity of the EU and is stretched to negotiate simultaneously in the WTO and other regional negotiations. The ACP is also economically weak compared to the EU: it has very little to offer the EU and potentially much to gain from the negotiations. The collective ACP stake in the partnership negotiations is therefore significant. The negotiating process should be undertaken with this disparity in power in mind."

We are entering a process to find a good deal and a mutually beneficial deal, but we are not doing so as though we were negotiating with a partner that has equal presence in that debate. A balance needs to be struck, and it requires skill and political sensitivity.

I should like the Minister to touch on a few other areas when he winds up the debate. The transitional period was what the Conservative spokesman, the hon. Member for Boston and Skegness (Mark Simmonds), called the time between the current arrangements and absolute free trade. Most people, even the most enthusiastic exponents of free trade, would accept that if one opens the markets in one go, one potentially swamps the countries that, as part of one's policy, one seeks to assist. The consequences might be the opposite of what one intended when one embarked on that policy.

Will the Minister provide us with an accurate timetable for the transition? As I understand it, some

people have talked about 10 years, and others 20 years. We might not be able to be definitive, but it would be interesting to receive an indication of how long the process will run. Some people might be concerned that it will never end, and that we will end up with a halfway-house arrangement. In many ways that might be beneficial for a long period, but I should be interested to know the end point that the Minister seeks to reach, and how long he anticipates it will take to reach it. I should also be interested to know what progress the Government have made on the issue in discussions with other EU member states, and whether there is any consensus in the EU about how long the transitional arrangements will ideally exist.

On a separate point, it is also important that we in the developing world do not think of opening up free markets as a solution in itself. When I talk to people with considerable expertise in the field, I am always struck that countries with low GDP have difficulty developing their economy's infrastructure, a proper banking system and proper accountancy methods. They all involve professions that countries such as Britain occasionally take for granted—in fact, we occasionally scorn those who undertake such jobs, considering them to be mundane. However, they are important for any economy to function effectively, and without those procedures, legal frameworks, and banking systems, and without people having property rights, it is difficult for them to borrow money and get companies up and running.

Too often, when we discuss developing countries, people's first idea is farming and agriculture. In many countries farming is important, and for anybody with a low income, it is the most important industry of all; however, no country will prosper in the long term if it thinks of its economy in those terms. We must also try to develop a range of economic sectors—wealth-generating parts of their economy that require more than subsistence farming, but instead require people to invest and borrow money, employ staff, pay their taxes and administer themselves effectively, so that they are in a position to export and produce goods and services that we in more prosperous countries throughout the world wish to buy. Often, the benefits that the EU, the United States and elsewhere can bring to bear take the form of expertise rather than the other skills that we might seek to export instead.

I do not know whether the Minister would like to touch on this final point, but about a year ago there was much debate about the role of good governance in the increasing prosperity of countries with low GDP. In the past few weeks the inflation rate in Zimbabwe, to pick the most obvious example, has reached 1,000 per cent., and unemployment, by some estimates, is as much as 70 per cent. By any criteria, that is an economy that is in total and utter disarray.

I have a personal interest, because I lived in Zimbabwe for a year and a half when I was a child of 10 and 11, so I have an emotional attachment to the county. In every way, it ought to be a successful country. The arguments have been rehearsed in this Chamber many times, and I shall not rehearse them again, but my point is that there can be as much free trade, as much export of expertise and skills in the areas that I mentioned, such as banking and accountancy, and as much direct financial aid as possible, but if it is squandered, the likelihood is that people in that country will not benefit. In Zimbabwe, where, according to all indicators, people are living in wretched circumstances and abject poverty directly as a result of the actions of their own Government, we have a moral duty to intervene. In the case of Zimbabwe, I appreciate that that is easier said than done; it is difficult to bring pressure to bear on Zimbabwe in a meaningfuf way, as there are all kind of practical obstacles.

None the less, there is a wider point about encouraging good governance, not only in countries that are resistant, such as Zimbabwe, but in the many other countries that would actually like assistance with their infrastructure, administration and government. We in this country may be able to assist in making sure that the money that they raise through improving trade—or through aid, for that matter—is spent more effectively and is more likely to benefit the recipient. That would be a valuable aspect of Government policy.

I conclude with the thought that we in this country have a duty to provide aid for countries that need our assistance; everyone accepts that. The Government are to be congratulated on establishing a Department devoted purely to that task. The issue has been afforded much more attention than was the case five or 10 years ago. I have been a Member of Parliament only for just over a year, and I am struck by the amount of correspondence that I receive on the subject. I have also met a lot of delegations, made up of people who take a keen interest in this area of government, who have come to Parliament all the way from my constituency, 150 or so miles away. The Government deserve to be congratulated on having played a part in raising those levels of consciousness and stimulating them further, for being imaginative in their support for aid policy, and for trying to progress the debate on trade and growth.

I wish the Minister and the Government well in their dealings with the European Union. I hope that they will continue to take what it is reasonable to describe as a leadership role, but will also take some of the points raised in this debate, and use them to be still more effective in future.

3.23 pm

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): This is indeed an important debate on an important subject, particularly for developing countries. It is fair to say that if a network of economic partnership agreements is eventually established, it will be probably be more significant for relations between the EU and ACP countries than the original Lomé convention, which was drawn up some decades ago.

I agree with everything that has been said about the potential gain for developing countries, including the poorest, from an expansion of trade. There is no doubt that developing countries stand to make a particular gain from an expansion of trade, and such expansion will be important if we are to have any hope of reaching the millennium development goals. Free trade can be an immense opportunity for developing countries, but as has been mentioned, free trade also has to be fair trade, and the relationship must have beneficial, not negative, consequences for developing countries.

[Mark Lazarowicz]

In some of the time available this afternoon, I want to put on record issues that, as I am sure that the Minister and the various Front-Bench spokesmen will be aware, have been raised by developing countries and non-governmental organisations concerned with these matters. I hope to get a response in those areas, and some expansion as to Government policy in them.

Let us not forget what is being asking for. Ultimately, we are asking producers in ACP countries to put themselves in direct competition with European competitors, who in many cases will have had decades of subsidies, support and protections from their Governments, in which they have been able to build up strong, competitive industries. We want ACP countries to be able to compete on fair terms with those producers, and it is important that the transition to that new trading relationship benefits the ACP countries. We are all aware of the danger that, if we simply open up markets in developing countries, products from Europe will flood those markets, and even existing industries and producers in ACP countries will lose out; it will be a question not of benefit to those developing countries, but of actually setting the relationship back.

The issues about which many developing countries and NGOs are concerned have been made well known to Members of the House, so I shall not set them out in great detail, but will describe them in headline terms. There is concern in some quarters that even the loss of tariff income could be important for some ACP countries, because it would have an effect on their Governments' expenditure on social provision, particularly health and education. There is a concern that once ACP countries have entered into economic partnership agreements, their ability to change their own trade and development strategies in future to take account of changing circumstances will be limited.

Above all, I have already referred to the concern that ACP countries could find themselves unable to protect their domestic producers and infant industries from EU imports—not just imports without any EU subsidy or assistance, but imports that are actually subsidised in various ways, whether indirectly or directly, by EU countries. The consequences for infant industries and domestic producers in ACP countries could be severe.

Concerns have been expressed about what can be described as the premature lowering of import tariffs in Ghana and Senegal on products such as tomato paste, chicken parts and meat. It is suggested that there was a subsequent flood of cheap European products undercutting locally produced goods, causing factories that added value to local produce to close, and causing hardship in poor rural communities where livelihoods depended on the sale of surplus food.

Concern has already been raised about the Singapore issues. I certainly welcome the Government's clear statement that they will not take an approach that insists on the Singapore issues as part of negotiations, but I am sure that the Minister will appreciate that it is one thing to make that statement at European Council meetings, and another for it to be immediately put into effect. When a series of detailed negotiations is taking place, the Singapore issues can be pressed much more strongly than the Government would wish, through the back door.

Concerns about the capacity and ability of some trade negotiators, including regional secretariats and ACP trade negotiators, to engage in equal negotiations with the EU have already been mentioned. I know that the Government and the EU have given some support to try to level the playing field for those negotiations, but more needs to be done. It would be interesting to hear today what steps the Minister thinks can be taken to secure a level playing field in the negotiations not only for the EPAs but for the World Trade Organisation, and to hear how some levelling of the playing field can be achieved by providing resources to the negotiators from the ACP fund.

It has already been suggested from across the Floor that one of the issues is who leads for the EU in negotiations. The suggestion has certainly been made by some in the development lobby that the development wing in the EU institutions—to put it in those terms—does not have the same input as those concerned with trade policy. Those are important concerns, which mean a substantial review is required of the approach taken to the EPA to date. That is why I welcome what the Minister has said regarding the review of the EPA negotiation process and it would be interesting to hear—either today or later—about the terms that the Government think the review must comprehend to ensure that it is not just a "light" review, as the European Commission originally described it. We want to know a bit more about how extensive that review process can be.

It is a difficulty in all negotiations about the EU's relationships with ACP countries and the developing world more generally that there is a tendency for the Government or others in the EU to take a position about the direction in which they want to go, only for it to change somewhat when it comes to detailed negotiations. We then have to wait for an intervention by the Secretary of State or someone else to get the negotiations back on course. I am interested to hear how the Minister envisages the development of the review process. Will he reassure us that as far as possible, the Government, along with our European partners, will keep a grip on the review process?

I shall make my final point briefly because some of my original points have already been made. I would like to know how we can meet the objective of the Cotonou process to ensure that the development of the new relationship between the EU and the ACP countries involves not just Governments and institutions, but civil society and parliamentarians at all levels—particularly those in the developing countries, but those in the EU as well. That is an area where some progress still has to be made.

Britain is perhaps an exception as far as the involvement of civil society in debates on this issue are concerned. Like the hon. Member for Taunton (Mr. Browne) and most other hon. Members, I know that the public's interest in these issues is deep, wide ranging and considerable, and it forms one of the largest single elements of the correspondence and contact I have with constituents. That is not the case in all EU countries, and an important task must therefore

be undertaken to ensure that these discussions and negotiations involve wider civil society.

I shall make one further point, if I may, given that there is a bit of time available, about the process that we take part in during such debates, and the involvement of wider civil society in the terms to which I referred. I am not sure at whom my comments should be directed—the Government or even the Chairmen's Panel—but I note that our position in discussing this Select Committee report is not untypical. The report began in the Select Committee in November 2004 and reached the end of the Committee process in March 2005. The Government responded quickly in June 2005, but for all sorts of reasons, we have finally got round to debating it in the House in June 2006.

As it happens, that may have caused a problem—not a substantial one, because, fortuitously, there is already a debate on the issues. I have raised concerns elsewhere about the way in which we ought properly to discuss such matters. I will not press the point further, but if we are talking about involving parliamentarians in the wider process, as well as Government, it may well be salutary for us, as parliamentarians, to consider that.

3.34 pm

Mr. Thomas: With the leave of the House, I shall try to answer some of the questions and points raised during the debate. I hope both Opposition spokesmen will forgive me if I start with the contribution of my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz), because he articulated a number of the underlying fears of many of our constituents—particularly in the NGO community—about how EPAs might turn out in practice. I hope to mention one or two things that will address the perhaps understandable scepticism about the direction of travel of EPA negotiations.

One of the reasons why the Government sought this debate—I am grateful to Mr. Speaker for allowing it to take place—is to allow the House to understand and discuss the way in which negotiations have developed since our position paper was published in March last year. Given that the Doha round of negotiations has understandably taken considerable precedence in media, NGO and Government activity, we wanted to use the debate to set out the considerable amount of work that has been going on, often behind the scenes, to ensure that the EPA negotiations genuinely deliver the development outcome that we think they can.

I shall give some additional reassurance on Singapore issues. I have made clear our position up front. We sought to persuade the vast majority of EU member states and the Commission that forcing the discussion of Singapore issues would not be possible, and would not be desirable in any case. I believe that we have been successful in that. Our officials who tracked the negotiations across Government—whether in the Department for International Development, the Foreign and Commonwealth Office or the Department of Trade and Industry—and the Ministers with responsibilities for the negotiations in those Departments, are monitoring whether there has been any attempt to force discussion of Singapore issues by a back-door mechanism. If there were, we would oppose it. Our position, which I believe has prevailed, is that it is genuinely for the negotiating teams of the six blocs to decide which, if any, of the Singapore issues they want to be discussed. As I say, trade facilitation is being discussed in all groups at their request, and the Caribbean and the Pacific groups want to discuss investment, too.

My hon. Friend the Member for Edinburgh, North and Leith is right to say that there was a genuine concern that some wanted just a light-touch review of how negotiations have gone, as I outlined earlier. We made it clear that we wanted a much fuller review of the negotiations, and the EU Council conclusions from 10 April have made it clear that it wants a much fuller review. Our position led to that genuine success and I welcome the support that we have had throughout all member states.

Regarding how the review might progress, it is for ACP regional blocs, member states and the Commission to feed in their assessments of it. One of the things we discussed with at least one regional negotiating bloc country, which might help in the review process, is the carrying out of independent work in each of the different regional areas—if the negotiating blocs want it—to feed into the review so that no one can say that it is simply a further negotiating position by the regional bloc or the EU. It will be genuinely independent. If the regional negotiating teams want that, we are willing to consider supporting such a process.

I hope that that provides further reassurance about the seriousness of our intent in relation to the importance of the review. It is a cross-Government position, so my right hon. Friends the Minister for Trade and the Secretary of State for Trade and Industry, as well as Ministers in the Foreign and Commonwealth Office, are also engaged in watching how the negotiations proceed.

I come to the usual battery of questions from the hon. Member for Boston and Skegness (Mark Simmonds). His first concerned how—and, indeed, whether—arbitration of disputes would be needed. Let me be clear that, to date, there are no such apparently intractable differences of opinion between the EU and the ACP. If there were, we would think that the best way to resolve them would be through independent negotiation, perhaps facilitated by an independent arbitrator. I bring the hon. Gentleman back to the review that will take place this year, which will again provide an opportunity to see how matters are moving forward. I hope to continue to build consensus around the direction so that there will be no need to resolve such disputes.

The hon. Gentleman also asked about the relationship between sustainable impact assessments and economic partnership agreements. He may be aware that the need for sustainable impact assessments is specifically mentioned in the Council conclusions to which I have referred. Some such assessments have been conducted. Those that were done for the ACP are confidential to the ACP grouping, and neither we nor the Commission have seen their results. They are clearly designed to inform the negotiating position of the ACP grouping. Some have been done for member states and the Commission, which we have seen but which, frankly, were not terribly informative. We are

[Mr. Thomas]

trying to work with the Commission to come up with a more effective methodology for further such assessments for precisely the reasons outlined by the hon. Gentleman, so that we can properly understand what certain negotiating positions and agreements might mean.

The hon. Gentleman also asked how we will ensure that the benefits of the extra trade that EPAs might deliver will be spread down to the very poorest. Obviously, in the context of the specific EPA negotiations, it is difficult to put in particular benchmarks. That is where the wider context of development discussions with each developing country becomes important and where work on national development plans and poverty reduction strategies becomes crucial. That wider development dialogue seeks, in effect, to extend the benefits of growth to the very poorest in developing countries. That is where we can make sure that the benefits of trade and economic growth are spread to those who most need them.

The hon. Gentleman also asked about monitoring mechanisms and whether they will be independent. A key outcome that we secured in the Council conclusions was the recognition that further work needs to be done on the design of the monitoring mechanism, with not only the European Commission but ACP Governments and stakeholders, for that very purpose. We expect that to be ready by the time that any EPA comes to be negotiated. Obviously, I will continue to keep hon. Members up to date on the ongoing discussions on EPAs.

The hon. Gentleman asked how negotiations might be speeded up, for want of a better phrase, and how they linked to the Doha development round. He is right to say that the Doha round negotiations are an important backdrop to the EPA negotiations and will have a considerable impact on them, not least in the context of the discussions on special and differential treatment, which are very important in relation to whether particular problems will develop from the food security issues that have been the concern of some in the NGO community and some in-country capitals. The current discussions on that in the Doha round will be particularly important in the EPAs dimension.

The hon. Gentleman's broad point was about how we can speed up the process. That is one reason why it is crucial to have an extensive and full review of EPAs this year and not just a light-touch review. We need to consider what further progress is needed and what member states and the Commission can do to support the negotiations more effectively, so that, if possible, we get them to a stage at which they are ready for implementation by the time the WTO waiver comes to an end.

The hon. Gentleman is rightly worried about the overload on the negotiators in each of the various developing countries. The hon. Member for Taunton (Mr. Browne) also raised that issue, and they are right to raise that concern. The pressure on a number of key Ministers and key officials in developing countries is considerable, not least because of their importance to the Doha round, EPAs, internal trade discussions, and bilateral trade agreements that might be being negotiated within each region or with key developed countries. We have sought to ease that capacity dimension through our trade-related capacity building support. We have given £1.6 million to support the Caribbean regional negotiating machinery in that process. We have also given £8.9 million to the southern and eastern Africa regional trade facilitation programmes, and various other financial supports to the other negotiating blocs, precisely to try to help with some of the capacity constraints that hon. Members and people in the NGO world have understandably drawn to our attention.

The hon. Member for Boston and Skegness also asked whether I still think that the Doha round will be a success, and mentioned a speech made by Commissioner Mandelson. There is no doubt that we are getting close to the wire with the Doha round. It is clear that all the key blocs in the negotiations know that there is potentially a huge prize with a successful outcome to the Doha round, and that they recognise that all blocs will have to give further ground. Clearly, it is necessary to make some progress on the sequencing of revealing more details of the final position of each country or bloc, which needs to happen quickly. My right hon. Friends the Prime Minister, the Secretary of State for Trade and Industry, the Foreign Secretary, the Chancellor and other key Government members have all been involved in seeking to move those negotiations forward. Commissioner Mandelson has made it clear that he is still hopeful that there will be a successful outcome to the Doha round, and we continue to work for such a conclusion both within our discussions in Europe and, more broadly, on the international stage.

I do not believe that there is a conflict between the EPA negotiations and the Doha round negotiations, which is another concern that the hon. Gentleman raised. Multilateral negotiations are always better for individual developing countries, because developing countries coming together to negotiate their positions inevitably strengthens them against the big, regional negotiating blocs. Bilateral agreements offer potential for countries to be bullied, and can mean that the best possible outcome for those developing countries is not secured. Our position is very much that multilateral negotiations are the best way forward, which is why we continue to put as much political and official effort into trying to secure the Doha round outcome that we want.

All Members present asked about development assistance to support the implementation of EPAs. I suspect that we will continue to provide increasing development assistance to support the implementation of EPAs. It is difficult to say how much will be required until we see what the negotiations bring forth. As I indicated, we have been spending an increasing amount on building trade-related capacity to support negotiations across a variety of settings and on implementing the outcome of those negotiations.

We will provide money bilaterally, and money will also be made available through the European development fund. Hon. Members may know that the latest development fund negotiations—EDF 10—were successful, with a 15 per cent. real-terms increase in the size of the total. How those extra resources will be allocated has yet to be decided, but there is clearly a potential for further resources to be made available to implement the EPAs once they are finally negotiated.

The hon. Member for Taunton asked about the timing of any asymmetric liberalisation—how much time developing countries would need in order to decide the pace at which they wanted to open up their markets. Our policy to date—in a sense, it was alluded to in the Commission for Africa report—is that 20 years is the essential time frame, and that that time might be needed. It is possible that complete opening up by ACP countries cannot be envisaged. Inevitably, the length of time that it takes for markets to be opened up will vary in each ACP group, so that is an important part of the negotiations.

World Trade Organisation rules provide some flexibility. Part of our negotiating position in the current round of WTO talks is to press for further flexibility, but we know that there is likely to be resistance to that from developing countries that are not taking part in the EPA discussions, so we have to be realistic about the level of flexibility that might be available. The EU Council conclusions that we secured on 10 April reinforced the need for more flexibility and asymmetry in the final outcome—an important point to bring home to negotiators.

I hope that I have provided further reassurance to hon. Members about how the negotiations are going, about the way in which Departments across Government are following those negotiations and the seriousness with which we are taking those discussions, and about the fact that we are working to persuade other member states and the Commission of our position. We believe that EPAs have a huge potential for good. They will help to facilitate economic growth, which is crucial for tackling progress on the millennium development goals. However, it is by no means a done deal, which is why the review later this year will be so important. We will keep hon. Members and people outside the House up to date on our progress.

Question put and agreed to.

Adjourned accordingly at seven minutes to Four o'clock.

Westminster Hall

Tuesday 13 June 2006

[MRS. JOAN HUMBLE *in the Chair*]

Water Shortages

Motion made, and Question proposed, That the sitting be now adjourned.—*[Jonathan Shaw.]*

9.30 am

Richard Ottaway (Croydon, South) (Con): There is a certain irony in our having this debate while it is raining outside. Perhaps that illustrates the problem we have in trying to get to grips with this serious matter.

Although I have criticisms to make today, not all of them are laid at the Minister's door. I am the first to acknowledge that much of the present regime originated under the previous Conservative Government. I shall be critical on the issue of housing and planning, but I do not hold him responsible for everything that happens on this matter.

There is a complexity in that my constituency is straddled by two water companies. Perhaps that has drawn my attention to the random way in which certain measures are being introduced by different water companies at different times. The north of my constituency uses Thames Water Utilities while the south of my constituency uses Sutton and East Surrey Water, of whose activities the Minister will be well aware. I have good relations with both companies. They keep me well informed and I believe that their management is thoroughly competent. I shall discuss the operations of the companies a little later.

The background to the debate is that the south-east is experiencing a drought. There are plenty of estimates about which year the drought is the worst since; I have heard that it is the worst since 1995, 1974, 1933 and 1922. Whichever is correct, the situation is bad. The present shortage of rain started in November 2004, and there have been two dry winters since. In the 19 months up to the beginning of this May, only four had above average rainfall. During those 19 months, there was only 80 per cent. of the normal rainfall in the south-east, compared with 95 per cent. in the UK as a whole. However, October 2004 and, as we well know, May 2006—the two months straddling that period—were very wet, with rainfall of about 180 per cent. of what we would expect. If that is taken into account, rather worryingly, we are talking about the driest period for only 11 years—since 1995.

During that period, river flows have also been below average, although the Environment Agency says that the situation is getting worse. Groundwater levels in southern England are below average. Reservoirs in southern England were in the 83 to 88 per cent. full bracket at the beginning of May. The figure for the rest of the UK was 95 per cent. That is the shortage of water in that region. Two other factors are involved—demand and leakage—to which I shall return.

The response of the Government, the water companies and the agencies, through the regime that prevails, was to introduce bans and orders. That is the correct response. Use must be restrained, because if there is no water, there is no water, and we must accept that.

However, the application of some of the orders is bizarre. There have been a number of different interpretations of how a hosepipe ban is introduced. In any event, as far as I can tell, such bans have been largely ignored. Will the Minister examine the situation with micro-irrigation systems? As he is well aware, under a hosepipe ban, someone may use a watering can to water their garden, but a micro-irrigation system is technically banned although it is more efficient. Will he review that point?

There is also the question of why royal parks are exempt from a hosepipe ban. If there is a shortage of water, there is a shortage of water, so we are not talking about something we can juggle. In my judgment, a royal park has no greater priority than a garden in Croydon, South. We are all grateful to Alice Miles of *The Times*—I am sure that the Minister has seen the article—who exposed the hypocrisy that No. 10 is technically a royal park and seems to be getting round the hosepipe ban by having a tank of undefined size to water the garden there. If No. 10 can do it, why cannot my constituents do it? I do not expect the Minister to march into No. 10 and demand a halt, but the issue should be examined.

That deals with hosepipe bans, but as we all know, Sutton and East Surrey Water has introduced a drought order and Thames Water Utilities is about to do the same, and that represents a more draconian approach to the matter. Royal parks will be exempt under the drought order. Why will Thames Water Utilities be introducing its drought order so late in the day? It will be introducing it at the end of the one of the wettest months that we have ever had. What had changed from the situation at the beginning of that month by the end of it? The situation surely cannot have been worse. What decision could not have been made at the beginning of May that was able to be made at the end of it? I do not believe that there has been more rainfall in central London than in south London.

In the meantime, the top end of my constituency is subject to a hosepipe ban and the bottom end is subject to a drought order. That means, for example, that car washes may operate in the north of my patch but not the south. There are five golf courses in my constituency. In the north, they may be watered, but not in the south. There is no difference in the situation of the areas, in that they all use the same river basin and they are in the same water catchment area. The patchwork fragmentation of the water regime in the south-east needs to be examined. What is effectively an economic distinction is artificial. We should return to that. Let us not forget that we are not just talking about golf courses. Tennis clubs and bowls greens also face difficulties.

The public are sceptical. Imposing a drought order is a serious matter. Car washes may still operate under a drought order if they use less than 23 litres per car. How on earth can we persuade the public to save water at home if they see a car wash operating during a drought order? If the argument is that we must look after businesses, we must recognise that a darn sight more people are employed in a golf course than in a car wash. Golf courses are big business.

[Richard Ottaway]

We need a coherent regime and water efficiency strategy, and not patchy implementation throughout the south-east. If we were to look at a map—the Environment Agency's map is as good as any—of the water companies in the south-east, we would see that there is a complete fragmentation. As we looked north up through the country, we would see that the areas are large and are built primarily around the river basins, such as those of the Trent, Severn and Thames. Why is there a patchwork in the south-east? Well, that is how things are set up. The most fragmented regime is in the areas of worst drought. As I said, I have high regard for the management, but the fragmentation of the regimes is not in the public interest.

I am sure that the Minister is aware that the water framework directive is coming over the horizon. It is one of the few decent bits of European legislation. The UK is obliged, by 2009, to develop a river basin management plan. This is a unique opportunity to review the strategy and to introduce much more co-ordinated measures than we have had in the past.

May I turn to the question of demand, housing and planning? London, of which Croydon is a part, is expecting to have 800,000 new houses by 2015. The south-east is growing by 1 per cent. per annum in respect of demand for water. The Government say that there is no problem in supplying the planned housing expansion with water, and they point to a figure of an increase in water demand of 0.1 per cent.

The excellent report of the House of Lords Select Committee on Science and Technology described planning of water supply and water management as one of the foremost domestic policy challenges of the day. Paragraph 4.40 refers to the Government's approach and states:

"Whilst we welcome the Government's belated attempts to consider the likely impact of increased housing growth upon water use, we are completely unconvinced by the figures produced. Not only is the methodology flawed, but the findings are produced in such a way that even the Minister with responsibility for water issues misinterpreted them. The Government must be more transparent about the fact that their housing growth plans will have a very significant impact on water use in south east England, and focus on ensuring that the necessary preparations are made."

The report continues in paragraph 4.47:

"It is worrying that the housing growth plans have not in many cases been factored in to the water companies' long-term plans, due to the way in which Government have initiated the planning."

That report has no side to it—I am not being patronising, but the Lords produce good reports which tend to be non-political—but it goes on to discuss the need for proper consultation. When the Commons Environmental Audit Committee was chaired by my neighbour, my hon. Friend the Member for East Surrey (Mr. Ainsworth), it said that it was dismayed that water companies had not been properly consulted. That point was picked up by the Lords Committee in paragraph 4.19 of its report, which says that Werner Boettcher, who is not a lackey, but managing director of Thames Water,

"told us that there had been 'very little consultation with water companies or the water industry'. He added, 'we have a statutory duty to provide [a] supply of water and the question has not really been asked, where is the water actually coming from?'...Similarly, the company's written evidence stated that 'the issues were not necessarily related to 'if' water could be supplied/managed, but 'when'....What appears to be missing is a thorough understanding and explanation as to how...land-use planning and water resources planning interact and what the Government policy for this is'."

Mr. Nicholas Soames (Mid-Sussex) (Con): Further to the point that my hon. Friend is making about water demand, may I draw the Minister's attention to paragraph 8.18 of the Lords report, which states:

"It is regrettable that the ODPM failed sufficiently to consult the water industry directly—or to give due consideration to the water management implications—when formulating the Sustainable Communities Plan".

My hon. Friend is aware that there is a proposal to build 4,000 houses in East Grinstead in my constituency, thus doubling the size of the town—increasing it by 47 per cent. by 2016 without any consultation with the water companies. That will require 6.75 million litres of extra water a day. That is hardly a sustainable development and I wholly endorse the point that he is making. Does he agree that people in East Grinstead who want more affordable housing and know that development is necessary are deeply worried about the sustainability argument and the water, infrastructure and everything that goes with building a modern sustainable society?

Richard Ottaway: My hon. Friend makes the point very well indeed and is far from alone among my Conservative colleagues who tend to have constituencies in the south-east. A substantial number of people have that opinion.

It is not convincing for the Minister to say that the Government have looked at the matter and are satisfied. The body of opinion is that it has not been properly assessed and evaluated and he should go back and look again at the matter. If he is right—I do not believe that he is—the public need to be convinced and persuaded.

Leakage, which is primarily a problem for Ofwat, has been falling. It was 23 per cent. 10 years ago and is now down to 16 per cent. That has been achieved through the pricing mechanism, but in many cases pressing down on prices by Ofwat may have inhibited investment. Sutton and East Surrey Water has been under such a tight regime that although it is currently meeting its water leakage targets, it will take 200 years to replace the infrastructure at the rate that is allowed at present.

Thames Water has, famously, not hit its leakage targets and has failed to do so over the past four years. In my judgment, that is a big test for Ofwat. If Thames Water fails again—it looks as if it may—what fine will Ofwat impose on it when the public are having to make sacrifices? Thames Water has not been fined to date.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I congratulate the hon. Gentleman on securing this timely debate, and I apologise that I cannot stay to make a contribution, because of a pressing session of the Select Committee on Defence.

On leakage, does the hon. Gentleman find it scandalous that 1 billion litres of water—one third of

Thames Water's output—have been lost while it has made record profits? There should be plenty of money to reinvest if Ofwat—this is the case he is making—provided the proper regime for that.

Richard Ottaway: The hon. Lady makes the point well. I have no difficulty with the water company making profits and was heartened by the Minister's response a couple of weeks ago to a Labour Member who attacked the water companies on an urgent question. However, the matter is in Ofwat's hands and perhaps the Minister will discuss that with it.

The test for Ofwat is whether it will impose fines on water companies that are missing their leakage targets. That is bound to affect the public's response. They are asking themselves, "Well, if we're losing so much water through leakages, what's the point?"

It is worth noting that the Law Society, for example, is about to be fined £250,000 by its regulator for having missed targets in its first year and looks as though it will not make its targets this year and will be fined £750,000. If regulators want to dispel the notion that they are a soft touch—Ofwat is beginning to get that reputation—they must act.

Water efficiency and conservation is growing in importance. The UK average water consumption is about 150 litres a day, in contrast with Austria, Germany and the Netherlands which use 125 litres a day. The Environment Agency said that to be sustainable—this is the point that my hon. Friend the Member for Mid-Sussex (Mr. Soames) made—that needs to be reduced to 110 litres a day. That is a remarkable statement by the Environment Agency and assumes a number of changes in the approach of households. How will that be achieved?

When Baroness Young of Old Scone—that is a good Labour title—who is the chief executive of the Environment Agency gave evidence to the House of Lords she simply said that there will have to be greater focus on water efficiency and a much higher level of water penetration to achieve lower demand. She also said that we need acceleration in mains replacement, a new reservoir and greater use of desalination. Those are all important points, but why are they coming out of the mouth of the head of the Environment Agency, which is just a talking shop and comes up with strategies but has no powers? The problem needs Government action and the Minister must pull together many loose ends and work with the companies to achieve the objectives that we all want.

Mr. Soames: There have been several occasions—I do not have the details with me, but can obtain them for my hon. Friend—when Ministers in the House of Lords have given strong assurances that developments will not take place without adequate water supplies being in place. I am afraid that that assurance looks highly unlikely in parts of the south-east.

Richard Ottaway: Again, my hon. Friend makes powerfully his point that the strategy I am urging the Minister to take up does not yet exist.

Water metering must be a key tool of water conservation. Those who do not have water meters have absolutely no incentive whatever to save water. There is simply a reliance on appeals for restraint. People must be responsible for their own actions, and they must be responsible for the water that they consume. I urge the Minister to consider introducing a plan for compulsory metering. Some 75 per cent. of the country is not metered. I know that it is a political hot potato, but in the present climate, if hon. Members will forgive the pun, the mood is for reconsidering water metering. I have installed a meter in my house, and I actually save money, so it is not quite the ogre that it is made out to be. It could go a long way towards reducing demand.

On the issue of a national grid, it is quite easy in the present situation to say, "Why can't we ship water from one side of the country to the other?" Having considered the idea over the past few days, I am persuaded by the argument that it would definitely be a bigger job than one might think. Immense volumes of water would be needed to supply water from one side of the country to households on the other. Indeed, to make it work, one would in effect need a canal system. Therein lies a possible answer, but that is for another day.

A grid would also introduce an element of competition, and that is really the matter to which the Minister must apply himself. It is worth noting that Thames Water's drought order does not apply throughout its entire area. It says that it could move water from one side to the other but there are problems. There is not that much more water on one side compared with the other; and there are technical questions, because the water on one side is different from the water on the other, and machinery is geared for a certain type of water. That, again, would cause a problem for a national grid.

Mr. Soames: Like leaves on the line.

Richard Ottaway: Or the wrong kind of snow. It is the wrong type of water, so I shall let the idea of a national grid rest. I do not think that the case is proven at the moment.

Linda Gilroy: I want to ensure that the hon. Gentleman is aware of an organisation called Waterwise. I am chair of the all-party water group, and tomorrow we are having a meeting entitled, "Is the Country Running Dry? The Need for Efficient Water Resource Management in the UK".

Richard Ottaway: Committee Room 8, 4 pm.

Linda Gilroy: I thank the hon. Gentleman. Has he assessed the contribution that Waterwise's awareness programme could make to controlling demand?

Richard Ottaway: Yes I have. I looked at that and at what the all-party water group is doing. I find it encouraging—I hope the Minister does, too—that there is a growing consensus about the need to act, to be efficient, and to revisit the water strategy and the question of planning.

On desalination, Thames Water has made an application for a site on the Thames but the Mayor of London is blocking it on the ground that it uses up too

[Richard Ottaway]

much energy. Again, technology must come into play to analyse how we can run such plants using less energy. A thought came to my mind: I gather that the new generation of nuclear power stations run at a temperature so hot that one could actually run a desalination plant on the back of them. *[Interruption.]* My hon. Friend the Member for Bexhill and Battle (Gregory Barker) may laugh, but it is a source of heat that would otherwise go into the atmosphere, and it is not beyond the wit of man to harness that heat for the common good.

In summary, there are many loose ends and much to be done, and only the Government can pull those loose ends together. It is not enough to leave it all to the water companies, and what is needed is a thorough review of water management strategy.

9.54 am

Mr. Nicholas Soames (Mid-Sussex) (Con): I am very grateful to you, Mrs. Humble, and I propose to speak briefly. I hope that you and the Minister will forgive me, but I have to leave for a sitting of the Standards and Privileges Committee at 10.25 am.

In support of my hon. Friend the Member for Croydon, South (Richard Ottaway), I want to speak about linking development with water resources in my constituency. My contribution is intended neither to be as parochial as it sounds, nor to make a constituency point, because what I have to say affects many other constituencies in the south of England. The Minister knows that, because he is wrestling with problems that are not of his making and have existed for a long time, but they are being exacerbated by the Government's policies.

The point that I really want to make to the Minister concerns the fact that in about 1999 I became aware of plans that might lead to the building of a substantial number of new houses in the south-east. There is clearly a requirement for more affordable housing and for other housing in the south-east—nobody disputes that—but the sheer scale of the proposals is critical for us. He might know that more houses have been proposed in the Gatwick diamond, incorporating Mid-Sussex, Horley, Horsham, Reigate and Crawley, than there are in Milton Keynes. However, the Gatwick diamond does not have the special infrastructure that Milton Keynes has been accorded, so the infrastructure development is impossible. It is impossible to build such a great number of houses merely on the basis of developers' contributions, and without the Government's support for the infrastructure. It is not a matter for argument today, but water is an important part of infrastructure.

When I heard about those plans in about 1999, I wrote to the hon. Member for Sunderland, South (Mr. Mullin), who was a Minister in the then Department of the Environment, Transport and the Regions, to warn him about them and to explain some of the difficulties. I went to see South East Water, which was then managed by a remarkable woman, Margaret Devlin. She, sadly, has now left her post as managing director to emigrate to New Zealand. Given the scale of the problem that she faced, I do not blame her. She is an outstanding woman, and she did a very good job. The Minister knows her, and she is a loss to the water industry.

I went to see Mrs. Devlin to discuss openly with her the extent of the Government's consultation with the water companies on the sheer scale of the proposals for my constituency and elsewhere in the south-east. She told me, and I must say that I was surprised, that the water companies were not official consultees. On 26 May 2000, after I had been to see her, she wrote to me, and said:

"South East Water firmly supports sustainable development and has regular contact with East and West Sussex Planning departments on future development plans. However, until water companies become statutory consultees of housing development, it is difficult to see how such planning can be truly sustainable if no account is taken of water resources availability."

She continued:

"I make no apology for emphasising the need for water companies to be statutory consultees on housing development. It is important to understand that the request to become statutory consultees in the planning process is not driven by a desire to block development, rather to assist in ensuring that all factors are considered in respect of location, water resources and the environment."

Subsequent to that meeting, Mrs. Devlin sent me the interesting points and the brief that Water UK submitted to the Environment, Transport and Regional Affairs Committee's 1998 inquiry into those matters. Inter alia, Water UK recommended:

"Water companies should be made statutory consultees in the planning process to reflect their statutory obligation to supply".

It made a number of other important points, too. The Government decided to pay no attention to those recommendations. Their response, as set out by Mrs. Devlin in a letter to me dated 16 March 2000,

"was that as the current informal arrangements work reasonably well, the need does not exist to formalise the role of the water company in the planning process. The key issue here is that whilst informal arrangements can and do work, more often than not by the time the water company enters the planning process it is usually to receive confirmation of the planning details."

I wholly support all the points made by my hon. Friend the Member for Croydon, South, who knows a great deal about the subject and has made a number of important strategic points. Mine is a strategic point, too, but it is linked to a local point. The Government cannot go on willing the scale of development planned without matching the infrastructure to make it happen. The issue is not just water, but hospitals, roads, schools, care for the elderly and everything else; all those things are increasingly underfunded. In the south-east, the Government have stripped money from the shire authorities to give it to the north. At the heart of the matter lies the Government's policy of sustainability.

I shall end with only a slight jibe at the Government's expense—tendered, of course, with immense respect, affection and admiration. After my exchanges with Margaret Devlin, I tabled a question for the heroic Deputy Prime Minister, asking him to define sustainability. It was not for urgent answer; the usual space of time was given. The departmental answer was that I would get a reply "in due course". In other words, the Department did not have a clue what sustainability meant. Three weeks later, I got an answer—a detailed letter—explaining to me what sustainability means. Some of what was in that

parliamentary answer has not survived through to today; because of the sheer scale of the developments proposed, the Government's new definition of sustainability has had to be thrown out of the window.

Part of the definition of sustainability is the prudent use of natural resources, and so say all of us. The Government must will the way, and must enable us to cope with the level of housing and development proposed for my part of the world. There are proposals for East Grinstead and elsewhere in my constituency, where we need housing, and where young people desperately need to be able to buy affordable housing. However, there is also the question of how they are to travel on roads already gridlocked, and there are hospitals already under great pressure with tremendous deficits. The hon. Member for Hove (Ms Barlow) knows all about that, given where she comes from. The proposals are, by the Government's own definition, unsustainable.

All that I ask of the Minister, who has a proven record of being reasonable, rational and sane on such matters, is to give us some understanding and some hope that the Government will consider with the greatest care the points being made by colleagues from across the south-east. They are not anti-development; I was distressed that when I went to see the Minister for Housing and Planning at the Department for Communities and Local Government, she was extremely aggressive with a delegation from the south of England, which included my right hon. Friend the Member for Horsham (Mr. Maude), and my hon. Friends the Members for Chichester (Mr. Tyrie), and for Arundel and South Downs (Nick Herbert). She suggested that we were just anti-housing, and were simply nimbys, but we are not. We want the housing, and we know that we have to have it, but we want it to be proportionate and to scale, and we want sustainable resources that will be used in a sensible and prudent manner.

Again, I apologise, Mrs. Humble, for the fact that I have to go at 10.25, but I shall read with great interest what the Minister says. I am grateful to my hon. Friend the Member for Croydon, South, for allowing me to take part in this debate.

10.4 am

Martin Horwood (Cheltenham) (LD): I congratulate the hon. Member for Croydon, South (Richard Ottaway) on securing this debate on an important issue. The problem, as he said, is stark, and statistics suggest that, in some places, ground water levels and river flows are the lowest on record. We have been experiencing drought since November 2004, broadly, and the Environment Agency says that rainfall has been much lower during that period than during the drought of 1974-76. In some places, rainfall is at its lowest since the 1920s, as the hon. Gentleman said. There has been some respite, due to the traditional English summer solution—May was the wettest that there has been for some time—but that provided only partial respite from the drought.

Clearly, there is a possible connection to the progress of climate change, and what were once extreme environmental phenomena—such as heat waves and floods—are increasingly becoming the norm. The impact on communities and businesses is major, and will get worse with climate change. It will certainly get worse in the south-east and other parts of the country where enormous increases in housing are proposed.

I sympathise with the hon. Member for Mid-Sussex (Mr. Soames) on trying to get a definition of sustainability out of the former Office of the Deputy Prime Minister. I tried, too, and I was on the Select Committee on the Office of the Deputy Prime Minister. I did not get a comprehensible answer, either. The ODPM's approach to housing supply came overwhelmingly from the Barker report, which was a very clever report, I am sure, but was commissioned by the Treasury, and was asked an essentially one-dimensional question about how to tackle house prices through housing supply. I am sure that Kate Barker is a clever woman, but she gave an essentially one-dimensional reply, which was that one would have to increase housing supply by a great amount to make a difference. She was given no particular environmental remit. The lack of consultation on policies that emerged from the Department formerly known as the Office of the Deputy Prime Minister—its lack of consultation with the water companies has been pointed out—demonstrates the lack of environmental impact assessments in the whole post-Barker process.

I was struck by the House of Lords Science and Technology Committee report; buried in page 121 of it are comments from Professor Adrian McDonald, who points out that Kate Barker's report says:

> "The analysis suggests that the additional housing supply needed to reach the Government's ambition of 200,000 net additions per annum within a decade would result in a marginal increase in water use."

Professor McDonald comments:

> "This assertion of a very minor increase in water demand is at odds with every other forecast that has been made and with the plans of all water companies in the south east. As yet it has not been possible to trace the origin of the statement to a verifiable item of scientific analysis."

He mentions an earlier report, commissioned by the Department for Environment, Food and Rural Affairs, that asserted that

> "over the next ten years a huge increase in the demand for water in the south east is forecast."

The newly named Department for Communities and Local Government needs to do some serious thinking on the environmental impact of the numbers of houses that it proposes for the south of England. I hope that it will look again at those numbers and consider different ways of tackling the issue of affordability, perhaps by thinking about household size and the availability of credit, so that it has a less one-dimensional approach.

On our response to water supply crises, we have various tools at our disposal. The Government approach has essentially been one of regulation and restriction up to now, but all the numbers suggest that the trends are now all in the wrong direction. Let us consider first leakage numbers. I should praise the Government a little; I am not entirely sure what Water UK is—from the name, one can only tell that it has something to do with water and is British—but the Government-introduced report by Water UK is extremely useful in giving us statistics on what is going on in the water industry. Strangely, Water UK has quite

[Martin Horwood]

different numbers on leakage from Ofwat. The Minister might look into that inconsistency.

Water UK reports that, from the water industry's total output of about 18,000 megalitres per day, there is a loss of about 5,000 megalitres per day. The comparable figure from Ofwat for the same year is only 3,649 megalitres per day, so there is some inconsistency there. Both the Ofwat and the Water UK reports show a consistent trend since 1999-2000 of an annual increase in water leakage since 1999-2000. According to Ofwat's figures, from a level of 3,243 megalitres per day in 2000-2001, leakage has increased each year to reach 3,649 megalitres per day. According to Water UK's figures, it has consistently increased from just over 4,200 megalitres per day in 1999 to over 5,000 megalitres today in 2003-04. The trend is clearly going in the wrong direction.

Ofwat's response to that trend strikes me as remarkably complacent. It talks of an economic level of leakage, but it does not appreciate the potential impact of the trend going in the wrong direction. There are good guys and bad guys in its analysis of the water companies. Companies such as Wessex, Yorkshire and Dwr Cymru are clearly going in the right direction in tackling leakage and appropriate action is being taken, but companies like Severn Trent and Thames Water are going in the wrong direction.

The charts included in the Ofwat report show that Thames Water's long-term target for reducing water leakage by 2010 is, in terms of litres per property per day, way above the highest number for any other water company today. Thames Water is a case apart. In Government jargon, it is in need of special measures, or a turnaround team. It needs drastic action and, given its profit levels, it seems inappropriate for it to continue to have such a poor record and such unambitious targets set for tackling leakage.

Demand management is going in the wrong direction as well, according to Water UK's report. It shows that in the last year for which there are figures, domestic water demand was still increasing, from 149 litres per person per day in 2002-03 to more than 150 litres in 2003-04, and that non-domestic demand is also increasing. Strangely, it shows a slight reduction in total water consumed, which I am slightly confused by, but there is clearly still a problem in demand management. The comparison with approaches to climate change and carbon emissions is quite striking. Part of the solution lies in big infrastructure by tackling leakage and distribution problems, similar to the distribution problems to be tackled in energy supply. There are the big technological fixes—the George Bush approach—such as desalination plants and the like, but I am somewhat sceptical of those.

As in energy efficiency, a large part of the solution must lie in water efficiency and micro-scale solutions to water demand. The House of Lords report includes recommendations relating to what is euphemistically described as "black-water recycling". It includes examples from Australia of localised black-water recycling. It acknowledges that the "yuck factor" has to be overcome in this respect, but says that there is more to be done provided that—I am reassured by this—sufficiently expert plumbing exists to prevent the confusion of water supplies.

We must also consider the greater use of grey-water recycling and rainwater capture. Even the House of Lords Science and Technology Committee is relatively unambitious about that. It suggests extending the remit of the Energy Saving Trust and the Carbon Trust to water, which seems a slightly strange solution. Grants are available for the microgeneration of energy, through what was the clear skies programme and is now the low-carbon buildings programme, but no similar grants are available for rainwater capture technology for householders. I know about that because I am trying to do it myself. There might be potential in the long term to create a resource management agency that takes on the function of the Energy Saving Trust and the Carbon Trust, perhaps incorporating water, which extends to other areas of resource management with ecological implications, such as the use of nitrogen. The Government should be ambitious in this area.

Regarding water efficiency and reducing our "water footprint", various demand methods are available. The only one used at the moment is the emergency measure—an example of failure—of moving from hosepipe bans to drought orders. Such measures are introduced when all other systems have failed. It is a shame that we have ended up in this situation, but we have done so in many parts of the country. I agree with the hon. Member for Croydon, South: it is important that such measures are applied fairly. There should not be exemptions for royal parks and people should not be able to use water for car washes and swimming pools while the livelihoods of people working in horticulture suffer because of their inability to use water.

We must encourage metering. I support moves to encourage strongly the use of water metering nationwide, and perhaps we might consider alternatives to water rates even for those houses that do not have water metering. For instance, each house could have a home water efficiency rating operating on a different basis to water rating, which uses the rateable value of the house in 1973—an increasingly bizarre basis on which to base water rates. We should encourage a greater understanding of the "water footprint" and impact of water use by households. For instance, Friends of the Earth has suggested that estate agents might quote water ratings so that people buying a house might have a sense of what its "water footprint" is.

Mr. Soames: The hon. Gentleman makes some hugely important and very technical points. Does he agree that all the information is available, that the knowledge is there and that there are people who know about it? The water companies know all about the matter, they know—by and large—what they need to do and many of them would like to do it. Unless the Government listen to the water companies about the availability and supply of water, unless there is consultation in the true meaning of the word—when the Government and councils consult on planning applications where the water is discussed—and unless the points made in such consultations are listened to, we are heading for a disaster in planning.

Martin Horwood: I agree with the hon. Gentleman up to a point. Certainly, it is important that water companies are part of the consultation process and are statutory consultees. I entirely support his points in that respect. However, my point is that it is not only a question of big infrastructure and big companies. As with energy efficiency and microgeneration, there is an important dimension to the process that can operate at household level as a matter of individual and community responsibility, and the Government should encourage such activity.

That process could lead to something like the environmental labelling of white goods. When people buy white goods in their local store, they can examine the energy efficiency of those products, so why can they not look at their water efficiency as well? A labelling scheme could show the water efficiency of such goods. Ultimately, we also have to talk about—as the House of Lords report does—catching up with people who are not paying their fair share. The report draws attention to the unacceptably high number of people who are not paying their water bills but who can afford to do so. That is another obvious area for Government action.

We must also consider the new building regulations. There has been much pressure, which I support, to make the code for sustainable building mandatory. It should include the requirement for microgeneration technology to be used, but why not also include rain water capture of grey water systems, too?

The debate has highlighted the fact that when we are talking about Government action on the environment, it is more than a question of carbon. There are other impacts that our lifestyles, society and economy have on the environment. I was struck by one of the submissions made to the House of Lords Science and Technology Committee, which seems to have gone slightly unnoticed in some of the recommendations, from Milton Keynes Friends of the Earth. Its response to trends in household size and the detrimental impact that they have on housing, land use and water use was not to ask how we accommodate such trends, but to ask whether we can challenge them. Can Government methods and policies be deployed to challenge the trend in household size and encourage greater occupancy levels in domestic properties?

All in all, we need a joined-up approach from the Government to water and to the environment in general, but the current trends do not give great evidence of that joined-up approach being implemented.

10.20 am

Gregory Barker (Bexhill and Battle) (Con): I congratulate my hon. Friend the Member for Croydon, South (Richard Ottaway) on securing this important and timely debate. It is, perhaps, typical that on a day on which we are debating drought and water shortages, the heavens should open and it should pour with rain.

We should not forget that although we face the threat of below-average rainfall over a period of two years or more and the long-term challenge of climate change, we are also likely, with the incidence of drier, even hotter summers, to face increased flooding, because our weather patterns are changing. We are having longer, drier periods, and short periods of intense rainfall. That is dangerous, because when the land dries out and bakes, its ability to soak up rainfall is undermined, particularly when it comes suddenly and in great amounts. As a result, in the summers—possibly this summer—there will be an increased incidence of flooding. That is a real possibility in London if we have storms through the summer during a prolonged period of overall dry weather. Weather patterns are confusing, and we must not allow ourselves to be lulled into thinking that just because we get rain every now and again, that is the solution. The problem is much more complex and long term.

The tone of the debate, which was set by my hon. Friend, has been constructive. There is great concern outside the House, and there is a large degree of anger in the south-east at the Government's housing plans. Overall, people are very reasonable: they know that the weather is one of the few things that they cannot blame on the Government. However, the Government's insistence on building millions more homes in areas that already suffer from water stress seems perverse to many people. No more new homes should be built until a proper assessment has been made of the availability of water. Indeed, such assessments should be made a condition of planning consent, and all new homes should have water-saving installations fitted as standard.

Many of my points have been touched on already in the debate. My hon. Friend the Member for Mid-Sussex (Mr. Soames) spoke powerfully and with great authority about the overwhelming numbers of new homes proposed for the Gatwick triangle. He is a formidable champion for his constituents, but he also spoke sensibly about a much wider problem which affects more people than just those in his community. He is absolutely right: the owners of those new homes, particularly if they are affordable homes, will not thank the Government if they find, when they move into them, that the area is subject to acute water pressures, stress and shortages, to say nothing of the other strains on social and physical infrastructure. I simply cannot understand why the Government have been so resistant to water companies becoming statutory consultees. I hope that the Minister will update us on that.

That is not just a problem in the Gatwick triangle: the Thames Gateway is one of the areas that is most prone to flooding, yet has one of the scarcest water supplies. That is a real conundrum for the Government to solve, and we look to the Minister for a more sophisticated answer than those that were forthcoming from the ODPM.

If I had to summarise the approach of Labour Governments to water since they came to office in 1997, the first thing that I would say is that they have had a lack of long-term strategic thinking. Water is not a laissez-faire industry: the private sector is dominant, but the Government are ultimately responsible for drawing up and having ownership of the 25-year plans, but we hear little of those plans, which are sketchy and underpowered. New as the Minister is to his job, I would like to hear more about his vision for the long-term direction of the UK water industry in those 25-year plans, and what personal input he will have into shaping those plans so that they are fit for the 21st century.

[Gregory Barker]

The second feature that has characterised the Government's approach is a general lack of ambition to grip the complex problems. A few weeks ago, I had breakfast with the chief executive of Skanska, which is one of the UK's largest engineering contracting firms. He told me that he was amazed that people are prepared to accept what the water companies say about their ability to make repairs and to progress with updating leakages. He said that it simply is not true that they can go only so far so fast, or that their best is the best that can be achieved. He talked about infrastructure building, in relation to cost, speed, the convenience with which works can be done and the disruption necessary to the public in built-up areas when renewing pipeworks and large infrastructure projects. He compared what his company does in the private sector for many of its clients, particularly in the gas and electricity sectors, with the relatively mundane progress that the water companies are making. What is the Minister going to do to stretch the water companies, challenge their assumptions and encourage them to go further and be more ambitious? What are those companies doing to introduce best practice in contracting and engineering to ensure that the solutions that they are implementing are the most effective for the 21st century?

The third element to the Government's approach is a lack of national aspiration to match best practice in water consumption to patterns across the rest of Europe. As the hon. Member for Cheltenham (Martin Horwood) said in his thoughtful and sensible speech, a great deal of which I wholeheartedly agree with, water consumption has grown significantly, almost horrifically, in the past 20 years, particularly in the south-east. Our record compares poorly with developed economies elsewhere in Europe, particularly Germany, which has a much better record than we do for saving water. It uses approximately one third of the water per consumer that the UK uses. Why? The answer is that it has far better, much more effective and widespread rainwater harvesting, and widespread utilisation of practical measures such as dual-flush loos. That sounds a bit mundane, but lavatories account for about 25 per cent. of total household demand for water, certainly according to the figures that I have seen for 1997-98. I believe that the figures for the UK have grown since then.

In contrast, according to Ofwat, this year, privatised water companies are losing 3.6 billion litres a day, which is up to 500 pints per home. So, we are not encouraging householders to be more prudent with their water use; we are falling far behind what other countries are able to do with sensible, non-panic measures, and at the same time, the water companies are losing huge amounts of water. That sends a poor signal to the water user.

The German Government have also succeeded where we have failed in raising public awareness of using less water per se. Each person in the south of England uses, on average, 160 litres of water a day—an increase of almost 50 per cent. on 25 years ago and about 10 litres each above the national average for water use. Yet the south-east is the most water-stressed area of the country. We need to work out—and we look to the Government to work out—a joined-up, broad-based water strategy. Those are the sorts of thing that should be happening and that we should be familiar with in a 25-year plan that attends both to the responsibilities of the water companies and to the education of consumers, so that we can begin to change consumer habits. I do not mean that that should happen in a panicky way or as a knee-jerk response, but that we should have a long-term plan to change consumer behaviour.

I shall discuss the issue of the private sector versus the public sector. At the time of the privatisation of the water industry, 15 or so years ago, there was some controversy—particularly in Parliament—but there was also, in the water industry generally, a great deal of excitement and the beginning of a new can-do attitude; it was shaking off the old, municipal public sector administrative ethos. That sense of excitement and expectation gave rise to a huge influx of new investment. Since privatisation more than £55 billion of private sector money has come in to fund large-scale projects. Yet the sense of excitement seems to have been lost. The Government accepted privatisation, but, rather than embracing the possibilities, they seem at ministerial, Government and public policy level grudgingly to have accepted the status quo. They display little ambition and few ideas about how the private sector can best be harnessed and utilised for the benefit of the consumer. I should like to hear from the Minister, as he is coming new to the job, about his vision of how the private sector and public policy can work more effectively hand in hand to grapple with the long-term challenges.

Other hon. Members have mentioned the excellent House of Lords Science and Technology Committee report, and I want to refer to two or three of its conclusions in particular. The Committee recommended:

> "There should be wider stakeholder engagement, by means of new regional boards consisting of environmental and consumer interests as well as Ofwat representatives. These boards would determine how resource development, leakage reduction, network renewal and demand management could most appropriately be balanced in each area, with the resulting plans guiding Ofwat's funding decisions."

I think that, again, that reflects what I was saying about a lack of holistic, joined-up vision at the top of the water industry. I should be interested to know how the Minister proposes to respond to the first point made by the House of Lords Committee.

The Committee also recommended:

> "Ofwat and the Environment Agency should take a realistic approach to the essential development of new resources."

It added:

> "To enable the water companies to undertake the necessary long-term planning for new resources, we call on Ofwat to agree indicative water prices for each company for up to 24 years into the future."

The hon. Member for Cheltenham was right when he said that we must address the issue of Ofwat's having put so much emphasis on keeping down the cost of water that it is perhaps jeopardising the long-term value of the water industry. We must be prepared to take a broader look at the costs of investment if the water industry is to be fit for purpose in the 21st century. I detect from this morning's short debate

a great deal of consensus, which should make it easier for the Government to tackle difficult issues such as metering and the possibility of water bills increasing in the longer term, to fund investment. However, we shall not have confidence about companies pushing for increases if there is no strategy at the top of the water industry to which everyone can sign up.

Another point that the hon. Member for Cheltenham made was also dealt with in the House of Lords report, which stated:

> "Ofwat and the Environment Agency must also work together to ensure that water companies maximise their promotion of water efficiency, and have the necessary resources to do so. We also recommend that the remits of the Energy Saving Trust and the Carbon Trust be extended to cover water efficiency."

Like the hon. Gentleman, I question whether using those two agencies for water is the best way forward, but the idea that there should be a comparable model for the water industry, taking a holistic approach to consumer education, public information and private sector strategy, is extremely valuable. A water saving trust that could be the repository of grants, information and strategic thinking would be very welcome. That holistic approach is sorely lacking in the water industry.

Finally I discuss once again the issue of development, particularly in the south-east. However we discuss the water industry in the country and whatever reasonable, sensible, consensual discussion we try to have about the long-term challenges that face the industry and about the direction that the Government are taking, the public will never sign up to increases in their water charges or to the idea of getting used to using less water or taking more sensible measures in the home if they feel that the Government are turning a blind eye to the most important issue affecting water demand—massive house building in the south-east. It is essential that the Government not only listen, but demonstrate that they are listening to communities in the south-east who are desperately concerned about that.

Whether the development is on a small scale of a few hundred houses at parish, village or town level, or whether it is the much larger developments that the Deputy Prime Minister is championing in Milton Keynes, the Gatwick triangle or the Thames Gateway, it is essential that the Government should be able convincingly to demonstrate that they are listening to the water industry and environmentalists, and that the homes being built are sustainable not just in name but in nature. So far no one in Parliament has been convinced that the Government's sustainable homes programme is anything but a good brand for a dodgy product. I look forward to hearing what the Minister has to say.

10.38 am

The Minister for Climate Change and the Environment (Ian Pearson): It is a pleasure to serve under your chairmanship today, Mrs. Humble—and to see it raining outside. I congratulate the hon. Member for Croydon, South (Richard Ottaway) on securing this Adjournment debate on water shortages, which is a matter of significant public concern, particularly in the south-east.

We can all agree on the importance of providing a sustainable water supply system capable of meeting the essential needs of consumers and industry now and in the future. That requirement has been highlighted by the current drought in the south-east, which the Environment Agency considers to be the worst for 30 years and which, if we have a hot, dry summer, could be the most severe for 100 years.

One of the Government's earliest initiatives on coming to power in 1997 was to hold a water summit, which produced a 10-point plan for action. That plan included actions to reduce leakage, improve water conservation and efficiency and review the abstraction licensing system and drought management. It might help hon. Members if I were to go through some of the framework that has been established under the Water Act 2003. I think that that will answer some of the questions that have been raised in a helpful and constructive debate.

The 2003 Act has facilitated a number of important changes to further the sustainable use of water resources, promote water conservation, strengthen the voice of water consumers and increase the opportunity for competition in the supply of water. The Act makes the provision and maintenance of water company drought plans, which were previously prepared voluntarily, a statutory requirement, and legislation to bring that about was passed in October last year. Drought plans need to balance a water company's duty to maintain public water supplies with the need to avoid or minimise any potential damage to the environment. They contain various actions that water companies may introduce, depending on the length and severity of the drought. Those actions range from hosepipe bans to drought orders to restrict non-essential uses of water during a drought. Before publishing their final plans, water companies are required to complete a public consultation on their draft plans and to respond to any representations that they receive.

In discussing drought plans, the hon. Member for Croydon, South asked several questions about potential anomalies with hosepipe bans. At the 1 June meeting between the water companies, the Consumer Council for Water, Ofwat and the Government, we jointly agreed to review the scope for hosepipe bans. I appreciate the difficulties that the hon. Gentleman faces, given that there are two different regimes in different parts of his constituency, but I am sure that he will appreciate that both the companies must respond to the different specific circumstances that they face.

In the south-east, most water companies are following their drought plans and have imposed hosepipe and sprinkler bans. As hon. Members will be aware, the Secretary of State has granted drought orders to Mid Kent Water, Southern Water and Sutton and East Surrey Water further to restrict non-essential uses of water. Thames Water has now announced that it is to apply for a drought order. As with the other drought order applications, the company's case and any objections received will be given careful consideration before a decision is made.

Perhaps it would be appropriate to comment on some of the points that the hon. Member for Croydon, South made about Thames. Obviously, it is for Thames

[Ian Pearson]

Water itself to decide whether it needs to apply for a drought order. It needs to act on its plan in the light of its perception of water resource issues, and it has now judged that this is the right time to apply for a drought order. We have had several meetings with Thames in recent weeks to discuss its water supply situation.

The hon. Gentleman also asked about imposing fines on Thames Water for leakage. As he will be aware, it is for Ofwat, as the economic regulator, to take action if Thames fails to meet its leakage targets. I should just say, however, that Thames tells me that 3,000 of its 10,000 pipe miles in London date from before 1850, so it faces specific circumstances with regard to leakage. None the less, the company itself has admitted that its leakage rates are unacceptably high, and it is right that there should be a strong focus on its meeting its leakage targets.

Gregory Barker: I mentioned that I had met the chief executive of Skanska, who has huge experience of large-scale engineering and contracting projects. He was extremely critical of the rate of progress on the technology that Thames is deploying. What has the Minister done, apart from simply taking Thames at its word, to look at the other contracting and engineering options to test the case that Thames is making to him?

Ian Pearson: I would be interested to hear more about the discussions that the hon. Gentleman has had with Skanska. As the hon. Member for Croydon, South said, there is some quite good management across the water industry, but we need to continue to see whether there are new technologies. Ultimately, it is for the companies and the regulator to agree companies' investment plans and the most efficient way of implementing them. However, if there is strong evidence that there are better and more effective ways of implementing companies' resource plans, the Government will be interested to hear further details.

While hosepipe bans and restrictions on the non-essential use of water might be unwelcome, the cost to a water company, and ultimately to its customers, of avoiding the need to have such controls during a prolonged drought would be very high. It is far more cost-effective, and potentially less environmentally damaging, to manage demand and impose restrictions to conserve water through the use of hosepipe bans and occasional drought orders and permits. That is the basis on which the regime works.

During the current drought, it is particularly important that water companies are seen to be doing all that they can to reduce leakage. Leakage reduction is vital across the system, and most companies in England and Wales are operating at the leakage levels set by the economic regulator Ofwat.

Gregory Barker: Before the Minister moves off the issue of hosepipe bans and drought orders, let me point out that there has been a great deal of comment in the press about the anomalies involved in the various hosepipe bans and drought orders and about people's concerns at the various ridiculous rules and regulations, which simply do not seem fair and do not reflect the reality of how we live our lives in the 21st century. Does the Minister believe that there is now a strong case for examining all the complex rules and regulations involved in drought orders and hosepipe bans so that we can come up with a fair, simple set of up-to-date regulations that everyone can understand and sign up to?

Ian Pearson: I was coming to that very point, but let me first finish my point about leakage.

We will keep leakage rates under review and take account of costs, technology and best practice.

Martin Horwood: I cannot quote Water UK exactly, because I have handed its report to the Official Report, but it says that leakage trend rates, which have been increasing, as I said, for the past five or six years, indicate that the economic level of leakages has now been reached. That suggests that, in some ways, we have reached the end of that indicator's useful life and that we need to go beyond it to look at the environmental importance of reducing leakages and reversing the upward trend. Does the Minister accept the need to reverse that trend?

Ian Pearson: My understanding is that leakage is projected to fall further. By 2010, the targets plan for a further reduction of 7.6 per cent., compared with 2004-05 levels, so there is pressure to reduce leakage rates. However, we will, as I said, want to keep leakage rates under review, taking into account costs, technology and international best practice.

I was going to comment on the current system of hosepipe bans and regulations, and, indeed, the hon. Member for Bexhill and Battle (Mr. Barker) encouraged me to do so. There is a case for looking at the system, because there are anomalies in it, some of which were highlighted by the hon. Member for Croydon, South. At our 1 June meeting with the water companies, we agreed that we would want to review the operation of hosepipe bans and the regime, and it is important that we continue that work for the long term so that the general public can feel confident that a fair system is in place.

I move on to the comments that the hon. Member for Croydon, South made about the construction of a national water grid. He will be aware that the idea has been examined and raised many times over the past 30 years, but it has pretty much always been decided that it would be nothing like economically sustainable. Water is a heavy liquid, and the cost of pumping it around the system is significant We should bear in mind that there have been substantial improvements in connectivity between water companies over the past few years, particularly in the south-east. Networks have improved, but not to the extent that the establishment of a national grid is feasible at the moment, and that is the overwhelming consensus of the water companies, the Consumer Council for Water, Ofwat and the Environment Agency.

Since the 1999 periodic review, water companies have prepared 25-year water resource plans. Until recently, they were not required to, and did so only on a voluntary basis. The 25-year plans describe how each company aims to achieve a sustainable supply-demand balance for the public water supply. They are updated

annually by companies and reviewed by the Environment Agency for consistency with its own 25-year national and regional water resources strategies.

The big change is that the provision of water resources management plans is to become a statutory requirement under the Water Act 2003. A consultation on proposed regulations relating to the process ended in April this year, and the responses received are being considered. Our aim is for the new regime to come into force by next April.

Like drought plans, water resources management plans will be subject to public scrutiny and consultation. The plans are designed to reflect the best available information on the consequences of climate change, an issue to which the hon. Member for Cheltenham (Martin Horwood) referred, and to ensure that the latest research is factored into them on an ongoing basis.

The plans should also reflect the Government's "twin track" approach to managing water resources, which is based on demand management, developing sustainable resources where they are needed and the implications of demographic change and increasing pressures for housing on the demand for water resources. I shall explain in detail how the system is supposed to work.

The Government recognise that there are concerns that their plans for significant new house building in the south-east might have an adverse impact on supply and demand for water in that area. That additional demand should be factored into water companies' water resource plans, and it is important for those plans to be updated as more detailed information on housing numbers and locations is provided, to ensure that resources are available to meet any increase in demand. As a Government, we want a two-way dialogue between water companies and planning bodies to ensure that that happens.

During this debate, we have perhaps missed the point that the water companies are statutory consultees on regional spatial strategies and local development frameworks, and that the planning bodies will be statutory consultees on water resources plans. That is an important step forward. However, a question is left in my mind about how individual planning applications should operate, and there is at least an arguable case that significant planning applications should have very clear inputs from the water companies, and that those inputs should be taken into account as part of the planning process.

I am not sure that the water companies themselves would want to be statutory consultees for every planning application, but the fact that they are statutory consultees to the local development framework and the regional spatial strategies is an important and significant point.

Richard Ottaway: I completely accept the Minister's point and am glad to hear that he is considering the issue, certainly in respect of the larger applications. However, I should like to take him back to my previous point: he probably has to consult more water companies in the south-east than in the rest of the country. That fragmentation concerns me. On the map, one sees that South East Water is separated physically from itself by Southern Water, and then it starts again; then it is over on the Isle of Wight. There is an absolute patchwork of economic interests—all well run; I do not belittle that. Is there some way of putting that lot together into a more cohesive unit?

Ian Pearson: I appreciate the hon. Gentleman's point, but we are talking about private companies. If the market decides that there is a more efficient way to allocate those resources, market forces will be expected to drive further consolidation in the industry, subject to the normal concerns of regulations and competition. I would expect that to happen.

I make the point back to the hon. Gentleman that there have been significant improvements on connections between companies' networks. Water sharing between water companies is going on to meet variations in demand. To that extent, the market is deciding that, where it is sensible to join up, that should happen.

The current and future long-term water resources plans identify a range of options for meeting the supply-demand balance. Supply side options include new reservoirs and desalination plants; both are identified in the plans of some companies and will need proper appraisal for the future.

As the hon. Member for Bexhill and Battle said, the additional demand for water from new development will depend also on the extent to which water efficiency measures are incorporated into the new buildings. The Department for Environment, Food and Rural Affairs and the Department for Communities and Local Government will undertake a joint consultation on options for further regulation to secure improved water efficiency in homes and buildings.

The hon. Member for Croydon, South said that the Government should lead on water efficiency. As he will be aware, in October 2005 we established a water saving group to encourage the efficient use of water in households and help ensure the long-term sustainability of the water supply. The group's action plan has five different workstreams dealing with targets, the evidence base, best practice, education and policy. I chair the group that includes the Department for Communities and Local Government, the Environment Agency, Ofwat, the Consumer Council for Water, Water UK and Waterwise. Each workstream is led by a different organisation, and a great deal of work is going on.

A number of hon. Members raised the issue of water metering, which has been actively considered by the water saving group. Increased water metering can contribute to helping achieve a sustainable long-term water supply and demand balance. Currently, there is water metering in about 28 per cent. of households and, as part of the work of the water saving group, we are looking at ways to enhance the rate of metering in water-stressed areas.

A number of hon. Members mentioned the House of Lords Science and Technology Committee report, which was published last Tuesday following a 10-month inquiry into water management in England and Wales. It is wide-ranging and makes a number of recommendations on improving water management. I

[Ian Pearson]

do not have time to go into a number of the points raised in this debate, but I should say that as a Government we are doing much to address such issues as the labelling of white goods and the use of grey water, mentioned by the hon. Member for Cheltenham. Perhaps I can write to hon. Members to outline our views. Our response to their lordships will be published in due course.

In conclusion, it is clear that to achieve the sustainable use of water resources, we need to introduce a combination of measures—when necessary, through regulation—to balance supply with demand, including the promotion of best practice and advances in technology. A partnership between the Government, the water regulators, the water companies and communities is required, all working together to ensure that there are sufficient supplies of water to meet demand, both now and in future.

Mesothelioma Sufferers (Compensation)

11 am

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May I say from the outset that I am absolutely delighted to head up this debate on mesothelioma and fairness to victims? I wish to thank several people who have contributed to this campaign, none more so than my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham), who has been at the heart of the campaign. I have been extremely grateful for his help, advice and support. Likewise, my hon. Friend the Member for Blaydon (Mr. Anderson), who unfortunately cannot make it to this debate, has also been extremely helpful and supportive. The advice and co-operation of the TUC have been exemplary, and I also thank Thompsons, the local solicitor, which has represented a number of the victims and their families during this difficult period.

Current and former shipyard workers such as myself live every day with the fear that the dreaded fibre is inside us. As it can take up to 50 years to manifest itself, people in our communities live in fear that someday they will be struck down by this horrible disease. The only compensation that they can get is the knowledge that their families will be taken care of when they are no longer with us. I for one have been to too many funerals and seen too many families suffer as a result of this terrible disease, mesothelioma.

Mr. Jim Devine (Livingston) (Lab): I read a report recently by Clydeside Action on Asbestos, which claims that as many as one in three individuals who worked in the shipyards could be affected by this terrible disease.

Jim Sheridan: My hon. Friend makes a valid point. Here and now, the problem is in the thousands, but it could grow to involve some 100,000 people. I am delighted that he took the opportunity to mention Clydeside Action on Asbestos, which is a voluntary organisation that works for the families, not the victims, in providing help, support and advice at a time when they need it. It should also be congratulated.

To get to the substance of the problem, on 3 May the House of Lords gave a judgment that would slash the amount of compensation that is paid to workers dying of asbestos-induced mesothelioma. In Barker *v.* Corus, the Lords ruled by a majority of four to one that workers who developed mesothelioma after being exposed to asbestos by multiple employers could recover compensation from the insurers of only those employers that are traceable and solvent, and that the insurers will be liable for only a proportion of the compensation that would otherwise be payable.

Anne Moffat (East Lothian) (Lab): I congratulate my hon. Friend on securing this debate. It is very important, and I look forward to hearing some positive remarks from the Minister later. I apologise that I cannot stay for the full debate.

My hon. Friend mentioned insurers and insurance companies. Does he agree that there has been a cost to absolutely everyone—the victims, their families and everybody in their community—as a result of this terrible illness, but not to the insurers? Even the health

service bears a cost, as it has to look after the people who are suffering from this dire disease. The only people who are liable are the insurers, and they are the only ones who are not paying a cost.

Jim Sheridan: My hon. Friend makes a valid point. It was quite humbling—excuse the pun, Mrs. Humble—to witness people in hospitals and hospices go through this traumatic period in their life, and to see at first hand the excellent support that they get from our medical staff.

My hon. Friend makes a point about the health service. If I may digress slightly, let me point out that there is medication on the market that does not present a cure for mesothelioma but definitely helps in prolonging someone's life. If someone has only 12 months to live, prolonging their life for even a month would be extremely helpful. The medication is Alimta, and it would be helpful if the Government were to give it a sympathetic hearing so that it could be offered by the national health service.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does my hon. Friend agree that the Minister, who is building a reputation for being fair-minded and creative in whatever role he is allocated, could well focus on the dissenting voice of Lord Rodger, who said that the decision would create an enclave of cases that were inconsistent with legal principles and, in respect of the last intervention, that the courts were throwing a lifeline to wrongdoers and their insurers at the expense of claimants? That cannot be allowed to continue, can it?

Jim Sheridan: I thank my hon. Friend for that intervention. Like him, I believe that the Minister is building a reputation for being fair-minded, and one can only hope that that will continue today. He is absolutely right about the comments of Lord Rodger. Thank God, someone in the other place is still listening to us.

The Law Lords gave the judgment even though they knew that mesothelioma has a latency period of up to 50 years, during which employers and insurers can disappear, and that victims will have had multiple employers. Anyone who knows people who worked in that industry will know that they moved around on a regular basis, and that to try to keep track of employers would be virtually impossible.

In the 2002 case of Fairchild *v.* Glenhaven, the Lords recognised the ruling that the family of a worker who died of mesothelioma after negligent exposure to asbestos by more than one employer could recover compensation from any of their employers, even though it could not be proved when the worker had inhaled the fatal fibres. Fairchild was an exceptional decision that was imposed to create fairness. It allowed claimants in limited cases to depart from the normal liability rules whereby they must prove on a balance of probabilities that the defendant's conduct caused their injury. Scientific knowledge does not enable claimants to prove which exposure to asbestos caused their illness. Putting their claims to a balance of probabilities test would usually disqualify claimants from any compensation, and at that time that was deemed unacceptable by the Law Lords.

However, in Barker *v.* Corus, almost as if repenting their bold approach after a two-day hearing in March, the Law Lords wiped out much of the Fairchild gain. Giving the lead judgment in three conjoined appeals, Lord Hoffmann said that Fairchild had involved only two employers and that it had been appropriate to fix them both with liability and joint and several damages; that is, both were equally responsible for the whole amount and in practice would share it. It was clear, however, that there would be incremental development of Fairchild through subsequent cases and the Barker appeal raised issues left unconsidered or undecided by Fairchild.

My hon. Friend the Member for North-West Leicestershire (David Taylor) referred to Lord Rodger, who said that the real reason for insurers challenging joint liability was the insolvency of so many defenders and their insurers, and that the appeal was their only hope of minimising their liabilities. Lord Rodger could not understand why the courts were throwing a lifeline to wrongdoers and their insurers at the expense of claimants.

The TUC, claimants, lawyers and support groups reacted similarly. Thompsons solicitors, which has acted on behalf of many claimants, described the decision as a massive injustice and a legal technicality that will make sense to no one but the driest of lawyers.

Mr. Devine: My hon. Friend listed professional bodies, voluntary organisations, relatives, families and so on. Does he know any other three people, apart from the three Law Lords, who agree with the decision?

Jim Sheridan: My hon. Friend is absolutely right. People find the decision incredible, and not only ordinary people on the street, but lawyers who have worked in the industry for a number of years. Likewise, the TUC said the decision was "cruel and unjust" and called for legislation to ensure full compensation for entirely innocent claimants caught in this legal mess.

Anne Moffat: On the level of support for what my hon. Friend is trying to do and the strength of feeling against the Law Lords' judgment, what has been his experience of the political parties? Does he share my concern that no Scottish nationalist representatives are present in this debate?

Jim Sheridan: Having had informal discussions with the main political parties, I understand that there is cross-party support for legislation to try to address the wrong that the Law Lords have done. Unfortunately, but not untypically, no hon. Members from the Scottish National party are here, although I am sure that, like me, my hon. Friend will be not surprised about that, because they only work part-time anyway.

My right hon. Friend the Secretary of State for Work and Pensions announced in a recent press release his intention to work in partnership with insurers to ensure faster compensation for mesothelioma sufferers and their families, saying:

"As an MP in a ship building area, I have seen at first hand the effects that exposure to asbestos can cause.

Mesothelioma is a particularly unpleasant disease and the time between diagnosis and death is often tragically short.

[Jim Sheridan]

No amount of money will ever compensate individuals and families for the suffering and loss caused by mesothelioma, but it is doubly important that the process for claiming compensation does not add to the distress experienced by individuals and their families."

The press release continued:

"The DWP will work with the Association of British Insurers, the Association of Personal Injury Lawyers and the Department for Constitutional Affairs to urgently identify ways to speed up the settlement of claims. We all believe there is more that can be done to improve the system.

Our aim"—

I stress the word "our"—

"is to ensure that wherever possible sufferers of mesothelioma can receive compensation whilst they themselves can still benefit from it, at the same time knowing that their families will be secure in the future."

Mr Hutton said he would report back on progress made—

Mrs. Joan Humble (in the Chair): Order. I remind the hon. Gentleman and other hon. Members to refer to hon. and right hon. Members not by name, but by title or constituency.

Jim Sheridan: Thank you, Mrs. Humble. I stand corrected and apologise if I have caused any offence.

The Secretary of State for Work and Pensions said that he would report back on progress made before Parliament rose for the summer. That was an ambitious but welcome statement, and I know that the Minister is also keen to reach a satisfactory conclusion. Likewise, we met the Prime Minister last week, and he was also keen to bring the issue to a satisfactory conclusion.

If we do nothing else as legislators, we should protect those vulnerable people who are suffering as a result of the Law Lords' decision—I sometimes wonder what planet they are on when they make such decisions, which are seriously offensive to people who are suffering from that terrible disease.

I hope that the Government can find a way forward alongside others. There are moves afoot in the Scottish Parliament to bring forward a private Member's Bill. That should be welcomed, but if we can sort the problem out at Westminster, we should do it. I look forward to hearing what the Minister has to say on this important issue.

11.14 am

Paul Rowen (Rochdale) (LD): I congratulate the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) on initiating this debate and the hon. Member for Barnsley, West and Penistone (Mr. Clapham) on the work that he has done.

As someone who represents a constituency that had a large asbestos factory, I have been shocked at the Law Lords' decision, as have other hon. Members. It has caused widespread anger in the community. I have received scores of letters from families who have lost people because of mesothelioma and asbestos sufferers who still face the threat of mesothelioma. For us, as Members of Parliament, that decision must be overturned. That is why we are here—to represent the people who cannot fight for themselves.

The Secretary of State referred to working with the insurers and companies, but such behaviour is typical of how insurance companies have acted in the past. The first Workmen's Compensation Act was introduced in 1906, but it was not extended to asbestos victims until 1931. I have a quotation from someone talking about workers trying to seek compensation for industrial illnesses that sums up why, in the 21st century, we are still in the position we are in:

"Adequacy of compensation has never been a guiding principle of British workmen's compensation law. Payments thereunder have always been regarded, with some justification, as contributions wrung from employers, who have collectively and individually insisted upon the principle that the injured workmen should shoulder some part of the loss arising from circumstances which, in most cases, were wholly beyond their control".

That was written in 1941, but with the judgment that we are discussing, it is as true today as it was then.

From 1931, Turner and Newall, the company in my constituency, employed an insurance company to negotiate down people's legal entitlement. In 1932, for example, Turner and Newall paid Commercial Union 100 guineas a year for the privilege of doing that job, and in 1931 it noted in its company minutes with some satisfaction that compensation of £254 paid to a victim of mesothelioma was £50 less than what that person was legally entitled to. It is about time we said that this has got to stop.

Mr. Devine: Does the hon. Gentleman agree that such people are behaving in the 21st century in the same way as coal mine owners behaved in the 19th century?

Paul Rowen: I agree and would like us to adopt a solution like the coal health claims scheme. We must move away from addressing the issue in the civil courts, and have a common agreement on what is going to happen.

Mesothelioma was first recognised as a disease only in 1956, by a South African, Wagner. What he described on visiting Turner and Newall in 1959 is typical of what we are dealing with:

"We went to lunch...where I was introduced to senior managers...I was questioned on my work and future interest. I explained about the investigations into the possible association between crocidolite and mesotheliomas and the nature of the tumours. They felt further work in this field was unwise, and advised against it...Their final opinion was that I was being foolhardy and wasting my time."

That sums up the attitude of companies that have used asbestos and enjoyed its economic benefits—so much so that in 1964, when Frank Brooks became the first person in Rochdale to be diagnosed with mesothelioma, his widow was denied compensation because although it was admitted that there were tumours, that was not on his death certificate.

We have to go beyond that. That sort of behaviour has to stop. The last asbestos all-party group heard what was happening in Australia, which is light years ahead of us in what it does to support mesothelioma victims. Lord Rodger is totally right in his dissenting judgment when he says that it is not for Law Lords to rewrite the law; that is a job of Parliament.

What are the options? There has been talk in the press of an amendment to the Compensation Bill, although some people have said that that would be unwise. I hope that the Minister can advise us better about his thinking in this area. I believe that the model should be what has happened for coal miners. A scheme should be set up that employers and insurers have to pay into. The compensation should be taken out of the hands of the court and of insurers, who will fight for their own self-interest. Payments should be timely. They should be made while people are alive rather than when they are dead.

David Taylor: I advise caution because some of the most difficult and long-running cases in the coal industry compensation scheme are those in which employees have worked for a variety of companies and not just for British Coal. Such cases can get bogged down for a very long time, so I advise caution on the hon. Gentleman's suggestion.

Paul Rowen: I understand what the hon. Gentleman has said, but let us be clear. We are talking about mesothelioma, which is not asbestosis; it is not a cumulative disease. We know now that one fibre—one fibre—can lead to this disease, so in my view it does not matter how many employers a person has; they are all negligent. Therefore, the talk about apportioning blame has to stop. Employers did not provide proper protection for workers, so there should be no argument about the level of claim. The point is that workers have been exposed to asbestos and have got mesothelioma.

We have come a long way since 1924, when Nelly Kershaw from Rochdale was diagnosed with asbestosis, but it is sad that we still have not gone far enough and we are still talking about a disease that should have been wrapped up and dealt with 50 years ago.

11.22 am

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I thank my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) for obtaining this important debate. It gives us the opportunity to try to encourage my hon. Friend the Minister to work with other Departments and to propose a solution; I believe that there is a solution to this situation.

The hon. Member for Rochdale (Paul Rowen) referred to a scheme. I believe that it is time for us to consider introducing a no-fault liability scheme. We could introduce such a scheme without the obstructions to which my hon. Friend the Member for North-West Leicestershire (David Taylor) referred, which we have encountered with the miners scheme. I think it is fair to say—the Minister will correct me if I am wrong—that the miners scheme is in the possession of the courts and we report back to the courts three or four times each year.

With a no-fault liability scheme for mesothelioma sufferers, there would be no need to do that, because we could have a scheme owned by the Government and contributed to by the insurance companies. I am aware that the Department of Trade and Industry has substantial numbers of claims to deal with, because they involve British shipbuilders, people who have worked for British Rail and others. If we jointly could develop a scheme involving the insurance companies in private industry, together with the Government, who are the insurer of the industries that I have just mentioned, we ought to be able to provide a no-fault liability scheme for all mesothelioma sufferers.

As we are all aware, there is a real issue about the wives of workers who have come into contact with the fibres as a result of washing working clothes and who develop the disease. Many of these issues came to light in the 1970s around Hebden Bridge, where family members, particularly wives, developed the disease because of contact with clothes on which there were fibres. By breathing in the fibres, they developed the disease, so when we talk about a no-fault liability scheme, perhaps, as the Department for Work and Pensions starts to consider its review of industrial injuries, we could include all people with mesothelioma, including wives who unfortunately and unwittingly have developed the disease. There are real opportunities in that respect, and perhaps the Minister will comment on them.

My hon. Friend the Member for Paisley and Renfrewshire, North mentioned the 3 May judgment and rightly pointed out that the law had previously been set by the Fairchild case. I recall the Fairchild case and the decision being made in the House of Lords; in fact, I was in the Gallery when the Lords delivered their decision in 2002. UCATT—the Union of Construction, Allied Trades and Technicians—financed that case. It set the law, and the law was that compensation awarded within the parameters set by the Fairchild case would be indivisible, so that if there was just one employer, that employer would be responsible for full compensation.

We must return to the position established by Fairchild, because even if we develop a no-fault liability scheme, as I believe we should and could by the end of this year, we will still have to retain the right of each individual who makes a claim under the scheme to go to law if they so wish. We must keep the route to court for the person who wishes to take their case to court, even if we make an offer under a no-fault liability scheme.

Much has been said about the recent decision, which was a disgrace. It has put the families of mesothelioma victims in a very grave position. Lawyers are saying that it will have enormous implications. First, it will slow down the fast-track system in the courts. Secondly, it will impact on the length of time that a case takes. Thirdly, it may impact on the Pneumoconiosis etc. (Workers' Compensation) Act 1979. There is some controversy in that respect. Last week, I received a legal opinion from Allan Gore, QC, in respect of the logic set by the Barker case. The Barker case suggested that if all the employers could not be traced, compensation would be reduced accordingly. The 1979 Act provides an avenue for people to be able to make a claim if they are unable to trace their former employer, so if the Barker case says that if an employer cannot be traced, compensation is reduced, it follows that a claim cannot be made under the 1979 Act, and that is the view of some QCs.

However, the Under-Secretary of State for Constitutional Affairs, my hon. Friend the Member for

[Mr. Michael Clapham]

Lewisham, East (Bridget Prentice), said last Thursday on Second Reading of the Compensation Bill that her view, from advice given to her, was that the route to the 1979 Act, which provides a safety net, would still be open. We need to clarify that, because it is an important safety net and its availability needs to be ensured. Perhaps the Government could say, "Well, whatever the Barker decision, the 1979 route for compensation will be kept open."

We have an enormous difficulty because of the number of cases that are likely to arise. The number of mesothelioma cases has increased dramatically, from 153 in 1968 to 1,874 in 2003. In this past year there were more cases, and we are now nearing 2,000 a year. The Health and Safety Executive's view is that those cases will peak in 2015 or thereabouts at between 2,000 and 2,400. They will then plateau and taper away by 2050.

Not all cases will disappear by 2050, because the cases that we are dealing with now are predicted on past exposures. My hon. Friend the Member for Paisley and Renfrewshire, North referred to the fact that a new drug is available, which is important because we do not have much asbestosis, where the asbestos particles that get into the lungs develop fibrosis, a form of pneumoconiosis, as what tends to happen is that particles enter the lung without forming fibrosis. They stay in the lung and from that presence there is the potential to develop mesothelioma cancer, which is a cancer of the lung pleura that is invariably fatal and is invariably caused by exposure to asbestos. Alimta helps, together with chemotherapy.

The Australians are leading the field in health development. My hon. Friend is right that even if we get the no-fault liability scheme we must have a treatment and care strategy through the Department of Health. We need such a strategy because of the number of people whom we know will develop the disease. It is extremely important that we ensure that victims who develop the disease have compensation before they die. That is why I suggest to my hon. Friend the Minister that a no-fault liability scheme is the way forward. I had a word with the Secretary of State for Defence, who is on board for a change, and the Secretary of State for Work and Pensions. We need to bring the Departments together.

My hon. Friend mentioned the meeting with the Prime Minister, which was constructive. We hope to move forward and see an amendment introduced in the Compensation Bill that will restore the law established by the Fairchild case. We then need to move towards the no-fault liability scheme.

11.33 am

Ian Stewart (Eccles) (Lab): I, too, congratulate my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing this important debate.

Other colleagues have referred to the scope and effects of this pernicious disease that is suffered by workers who through no fault of their own were employed to do necessary work and an honest day's work, only to find many years later that the honest day's pay came at the highest price: a crippling illness and a premature death rather than the years of retirement to which we all aspire.

I pay tribute to Tony Whitston and the Greater Manchester asbestos victims support group for their tireless campaigning on behalf of the victims and their families and for keeping me well informed. I have constituents who worked for Turner and Newall, which was taken over by Federal Mogul in 1998 and was the subject of an Adjournment debate in 2002 secured by my right hon. Friend the Member for Leeds, West (John Battle), as well as constituents who worked in the old British Steel plant at Irlam, who were devastated by the collapse of Chester Street Insurance Holdings Ltd. in 2001. Asbestos sufferers and their families have had enough upset and uncertainty in their lives; I hope that my hon. Friend the Minister will accept that today.

As colleagues have said, the decision by the House of Lords in May this year was that, where two or more companies are responsible for the asbestos exposure and it is not possible to bring a case against them all, the amount of compensation might be reduced. That is outrageous and wholly unacceptable. The upshot of that decision is greater delay, more cost and more uncertainty for sufferers and their families, which is completely unacceptable.

I was pleased to hear the Secretary of State for Work and Pensions say at a meeting last month that the Government wanted to speed up compensation for workers suffering from the effects of prolonged exposure to asbestos and from related diseases. One solution that I support, which has been mentioned, is a specific scheme for compensation. I hope that Ministers will work with the unions and the TUC to ensure that the matter is resolved quickly.

I would like to take a moment or two, and to test your patience, Mrs. Humble, to talk about the new drug mentioned by my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham). Alimta does not fall within the strict remit of the debate but it is pertinent. It can treat, but sadly not cure, victims of mesothelioma. The National Institute for Health and Clinical Excellence is due to report on the drug next month. I have written to the Secretary of State for Health to express my strong feelings. All new patients should have the benefit of the drug if appropriate, as it may increase survival rates by between 23 and 40 per cent.

The Scottish Medicines Consortium has already approved the use of Alimta and it is available throughout Scotland. Patients in Salford and throughout Greater Manchester receive the drug, too, but that is not the case in all parts of the country. Our old enemy the postcode lottery is still in operation. It is estimated that the cost of prescribing the new drug to patients will be £2.7 million in 2005-06 and will rise to £5.2 million in 2009-10, which must surely be affordable.

I shall return to the main thrust of the debate, as the Clerk is looking towards you, Mrs. Humble. It is for the reasons that I have mentioned that I support the all-party group, which is well led by my hon. Friend the Member for Barnsley, West and Penistone, and the mesothelioma charter.

I and my colleagues will do whatever we can at a parliamentary level to ensure that the disease is made a

national priority by the Government, that research is funded to improve diagnosis and treatment, that clinical guidelines on best practice are disseminated so that sufferers have access to the best possible treatment wherever they live and that the Health and Safety Executive is tough in enforcing safety regulations.

I send our best wishes to those who suffer from this crippling disease and their families, who give them endless and loving care and support. I say to those families who have lost a loved one and to the medical and other workers who provide treatment and care that we, as parliamentarians, will press our Government to do more to implement the mesothelioma charter in full and to implement a payment scheme as a matter of urgency.

11.38 am

Mr. David Hamilton (Midlothian) (Lab): I apologise, Mrs. Humble, for coming in slightly late. I was at a Defence Committee meeting attended by the Minister for Schools, who did not understand that Scotland was part of the UK. I congratulate my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing this important debate.

I rise not to talk about the detail that has been put forward in a great way by earlier speakers but to discuss the experience in the mining industry. We should not take what happened in the mining industry as a panacea to resolve some of the problems that we are talking about. There are major problems with compensation schemes in the mining industry, one of which is that lawyers are being paid far too much money and people are not receiving the money to the extent that they should. We also have problems with multiple employers, in an industry that was nationalised until the last few years when new employers came in. Even the mining industry has issues with multiple employers—imagine what it would be like for everyone making a claim under the system, or what we hope will be the system.

Mr. Clapham: There is something that we must clarify, which is that the current miners scheme is not a no-fault liability scheme. My hon. Friend will be aware that, when the Department suggested making lump sum payments, the judge said that he wanted the case to be determined on common-law principles. That is one reason why the scheme has not developed further.

Mr. Hamilton: I am mindful of that.

Mr. Devine: My hon. Friend will be aware that not only are lawyers making a lot of money out of the scheme but various British Coal coalfield areas are paying different levels of compensation for the same illness.

Mr. Hamilton: I agree with both of my hon. Friends.

The hon. Member for Rochdale (Paul Rowen) spoke about those who have died, and the tragedy that it brings to the families. I am old enough to have worked in the collieries in the 1970s, when the pneumoconiosis scheme came into operation. Union officials had the unpalatable job of asking the widows whether a post mortem could be carried out to try to prove that the husband had pneumoconiosis. It was one of the most terrible things that I have had to do as a trade union official. I was relatively young then—honestly—and it makes a mark to have to tell a woman that her husband or her son has died and then, to add to the trauma, to tell them that they will have to go through a post mortem. That was unacceptable, and I hope that it will not happen again.

A no-fault liability scheme, as indicated, is the way forward. It would cover the whole of the United Kingdom, which is important. We must not go down the road of chasing funds. That would be unacceptable; indeed, we could not do it.

I list some of those who would be covered: metal plate workers, including those working in shipbuilding, the builders of vehicle bodies, including rail vehicles, plumbers, gas fitters, carpenters, electricians, construction workers, plasterers, builders, handymen, steel erectors, painters, steel metal workers, welders and merchant seamen. How could such people remember all the companies that they worked for? For example, those who work in the building trade cannot remember who employed them in their earlier years because they will have had so many employers. A scheme has to be put into operation that covers all such people, that recognises the problems faced by their families and that can be developed.

I congratulate the Government on being the first to recognise the contribution that working people have made to our country. I therefore hope that they will overturn the decision taken in the other place. That is imperative. It is imperative also that the Government are seen to be a caring Government who can bring home the moneys to which people are entitled.

My hon. Friend the Member for Eccles (Ian Stewart) mentioned the postcode lottery for medicines. For example, those medicines are available in Scotland. We are talking of extending a person's life. That person will probably have been told that he has a very short lifespan, so another few months will be very important to allow him and his family to get their house in order before he passes on. It should not come down to the cost of the drugs, which should be available throughout the UK and not only in certain areas.

11.44 am

Mr. Michael Wills (North Swindon) (Lab): I too congratulate my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) on initiating this debate. It is an important subject for my constituents. So prevalent is that cancer in Swindon that it is known locally as the Swindon disease, and in my surgeries over the years I have seen many cruel examples of the illness.

My hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) and others drew attention to the fact that it is not only those who work in such occupations who are exposed to the disease. It can sometimes affect their families in a particularly terrible way, as wives can acquire the disease from washing the work clothes. The sense of responsibility felt by the husband who is left behind can be terrible to witness. As my hon. Friends have said, the problem will be with us for a considerable time.

[Mr. Michael Wills]

For generations, those affected by this terrible disease have suffered not only the agonising consequences of living with it but the difficulty of securing fair and adequate compensation for the hazard that they endured as a result of their employment. As has been pointed out, the nature of the disease is such that any exposure to asbestos, no matter how small—just one fibre is enough—can result in the contraction of that disease.

Many of those who I see in my surgeries have worked in a number of workplaces and they could have been exposed to asbestos in each of them, but medical science is such that no one can identify which of them it is. As a result, there has been a long and complex history of legal discussion on how to apportion liability. The lawyers and the judiciary have wrestled, rightly and valiantly, with complex and difficult law, but it has created despair for the families whom we represent. Many of my constituents' families have been riven by the consequences of litigation in trying to get some compensation for a disease that has been contracted through no fault of theirs. That is cruel and unacceptable.

When the House of Lords ruled on the Fairchild case four years ago, it seemed to provide greater certainty for litigants. It was greeted with almost universal relief. That case seemed to establish that any employer who contributed to the risk of mesothelioma would be liable in full, even though others were similarly culpable who could not be identified or perhaps could not pay damages because they were uninsured—or, more likely, had gone out of business and their insurers could not be identified. To most lay observers, that new departure in law accorded with natural justice and common sense.

The risks of asbestos have been known since at least the 1960s, so the cases emerging now are almost certainly those resulting from exposure at a time when employers knew, or should have known, of the potential risk. Although the nature of the disease makes it impossible to determine which exposure to asbestos caused the disease, it is equally impossible to exclude any employer from responsibility. The Fairchild case seemed to establish that, with such uncertainty, the burden of liability should be shared between employers and not transferred at least in part to those suffering from the disease, which had been the case hitherto.

The House of Lords decision on the Barker case, which is the main reason for today's debate, seems to reverse that approach. It restricts the potential liability of employers and their insurers to the amount that they are individually likely to have contributed to the disease if others contributed to the chance of the disease being contracted; but, for whatever reason, they are now unable to pay up, so the victim of the disease could be denied full compensation, which they would have received under the Fairchild decision.

The House of Lords rightly drew attention to the exceptional nature of the circumstances surrounding the causation of mesothelioma. As Lord Hoffman said, it sought that the new exception created by the Fairchild case should not be allowed to swallow up the rule on liability. Few would quarrel with that. However, the heart of the issue lies in the question of fairness, which Lord Hoffmann acknowledged was why the Fairchild exception was created. In his view, the attribution of liability according to the relative degree of contribution to the chance of the disease being contracted would "smooth the roughness" of the justice to employers that a rule of joint and several liability creates.

However, in smoothing the roughness of justice to employers, the House of Lords has created a new roughness of justice for those suffering this terrible disease and their families. In effect, some of the burden created by scientific uncertainty has been transferred to the victims. If medical science cannot be precise about which exposure caused the disease, as in the case of mesothelioma, there will always be a roughness of justice. The question is who should suffer such roughness. The last in line should surely be the victims of the disease. As a result of the decision by the House of Lords, that is no longer necessarily the case. Employers and their insurers, who may be entirely responsible, may well escape full liability.

I understand that there is some learned dispute about whether the Barker case overturns the Fairchild decision, or simply refines it and clarifies some outstanding questions. What appears not to be in dispute is that, following the decision, some of those suffering from the disease will now receive less compensation than they would have done before it. Chop this up as lawyers may, that is unjust. It is rough justice for the most vulnerable and least culpable, and that is wrong.

Various approaches to righting the wrong have been suggested, some of which have been mentioned today. Many of them have great attractions. I do not intend to advocate one over another. All I seek from Ministers—I hope that the Minister will reassure all of us about this—is that they will move to put right the manifest injustice that those suffering from this disease should be denied full compensation from demonstrably culpable employers and their insurers.

Chris Bryant (Rhondda) (Lab): I know that my hon. Friend does not want to advocate a particular direction that the Government might move in to right this wrong. Will he listen to those who come from mining constituencies? Their experience of the miners compensation process has been that it is laborious and that it has many inequities. People do not understand why one person receives a lot more money than another when the same set of circumstances seem to be involved, and people have died still waiting for compensation. That has all been because of the laboriousness of the process, where lawyers are making a great deal of money. Will he rule out that direction for the Government?

Mr. Wills: I am happy to do so. Obviously, I have no constituency experience of that particular scheme. My hon. Friend has drawn attention to an important point that I was going to make: any remedy that Ministers bring into place—I hope that they will bring such a remedy into place—should be subject to three things. It should be extremely simple. It should be equitable, and

it should be done with great speed. We simply cannot allow the uncertainty to hang over families who are already suffering enough.

The decision by the House of Lords has caused turmoil among some of my constituents. I am sure that I speak for all hon. Members in this regard. The Government must move quickly. Of course, they must get things right, but speed is important. As other hon. Members have said, some of the people suffering from the disease do not have long to live and they need the certainty that adequate compensation will be forthcoming, if not for them, at least for their families. My hon. Friend the Member for Paisley and Renfrewshire, North made some important points, and I am sure that the Minister will take them into consideration.

When science is blind, uncertainty exists, but the costs of that uncertainty should never be paid by those least able to do so and those least responsible for doing so. Yet, in some cases, that is the consequence of the House of Lords decision. That is the wrong that I ask Ministers to put right.

11.52 am

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I congratulate the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing the debate, and on the eloquent way in which he opened it. He drew attention both to this dreadful condition and to the manifest injustice that has been created by the House of Lords ruling.

Obviously, the dangers of working with asbestos may have been largely addressed in more recent years by health and safety regulations, although that has perhaps not yet been done to everyone's satisfaction. The situation now is far better than it was before. Thankfully, people working in affected professions should not necessarily now face the same levels of illness and risk as previous workers, but the legacy of the past is still with us.

As several hon. Members have said, in particular the hon. Member for Barnsley, West and Penistone (Mr. Clapham), we have not yet seen the worst of this problem. Some 2,000 people a year die of mesothelioma. According to the Health and Safety Executive, the death rate is expected to peak at 2,500 a year in about 10 years' time. Many of the cases are clustered in the constituencies of the hon. Members who are present. The constituency of the Secretary of State for Work and Pensions is also affected, and I know that he has taken a close interest in this matter.

As hon. Members have made clear, the condition does not only affect those who are working in the industries affected; in many cases, it affects family members, particularly wives. I hope that the Minister will address that point in his response. Any compensation settlement needs also to consider it, as well as dealing with the issue of the affected workers themselves.

Understandably, the decision of the Law Lords is causing great distress to mesothelioma sufferers and the thousands of bereaved spouses and families. It is fair to say that under the ruling, compensation will be denied in some cases on a technicality. As every hon. Member who has spoken has said, that is clearly wrong. Those affected want to know that they can receive 100 per cent. of a fair compensation package and that they can receive it in a swift and simple manner. That is far more important than whether the financial liability is ultimately from one or several relevant employers.

The Liberal Democrats welcome the commitment made by the Secretary of State at the recent meeting of the all-party group that deals with this matter to bring forward legislation to address the concerns about receiving compensation in the wake of the Law Lords decision. The Prime Minister recently met a group of Labour MPs, having given an agreement to do so during Prime Minister's questions. From what has been said, that resulted in some clear signals of steps forward.

It is also worth pointing out that this is not a party political issue. My hon. Friend the Member for Rochdale (Paul Rowen) spoke eloquently about those who have suffered from mesothelioma in his constituency. The TUC and the Transport and General Workers Union have campaigned on this issue on behalf of their members, and have done so effectively. There are several support groups for the sufferers of mesothelioma and other asbestos-related conditions. Will the Minister confirm that they will all be consulted when legislation is drafted in response to the ruling?

Calls have been made for an amendment to be made to the Compensation Bill, which is due to be read in the House soon, having been considered in another place. As has been rightly said by several hon. Members, this provides a timely opportunity, not least because asbestos victims and their families want swift action and a just outcome soon. We also need to be sure that the right outcome is achieved. A number of different ideas have been put forward during this debate. If a consensus can be agreed on proposals in time for them to be included in the Compensation Bill, so much the better. Equally, we should not rush things and end up with a poor outcome and further rough justice for asbestos victims.

A just outcome would deliver the following: full compensation for the victims and their bereaved relatives—I again pick up the point about family members, for whom the condition has also caused suffering—a simple way of accessing compensation, preferably with a single route to receiving compensation where there are multiple employer liabilities; and crucially, given the speed with which the condition can lead to death, the system that is put in place must be able to work quickly. As has been said by Labour Members, ideally those affected should receive compensation during their own lifetime rather than it simply being compensation that goes to bereaved relatives, as often happens.

Chris Bryant: May I add a fourth thing to that list? Whatever scheme we come up with should be light on legal fees.

Danny Alexander: The hon. Gentleman makes a good, appropriate and sensible point. In many such schemes—he has made reference to another one—too much money is swallowed up by legal fees, and therefore not enough is given out in compensation.

Mr. Clapham: The hon. Gentleman's third point was about speed and simplicity. We could take the Department for Work and Pensions industrial injuries disablement benefit scheme as the start in respect of a no-fault liability scheme, because it is the first point of contact in which mesothelioma is confirmed.

Danny Alexander: I am grateful for that intervention, although, like the hon. Member for North Swindon (Mr. Wills), I do not wish to lay down a precise scheme for the Minister, in whose response I am interested. The point that has been made is an important one, not least because the suggestion would allow any such scheme to dovetail with an existing programme in the Department. That would perhaps make the scheme more efficient and swift. It might also involve the establishment of less new bureaucracy. I hope that the Minister will consider that idea and address it in his response.

It is worth noting that delays to claims have often resulted from the time taken for the Inland Revenue to provide details of national insurance and tax records. That can take several months. Will the Minister give an undertaking in his response to discuss the problem with his colleagues in the Treasury to ensure that Her Majesty's Revenue and Customs can respond more quickly to requests for national insurance and tax records in those cases? As a number of hon. Members have said, time is of the essence and any delay in any part of the system must be ironed out.

There is an issue about who should meet the obligations of companies that no longer exist. If those companies have been bought out, the new owners should not be able to escape the liabilities of the company that they purchased. If companies have ceased to exist altogether, the Government must reach agreement with the insurance industry on how that gap is filled. Going back to the principles that I have set out, it is important that the victims do not lose out or, as the hon. Member for North Swindon said, end up taking an extra part of the liability or risk on themselves. The Government must discuss that issue with the industry.

As has been said, resolving the problem will require the Government to work closely with the insurance industry to achieve the right outcome. My hon. Friend the Member for Rochdale and other hon. Members were somewhat sceptical about the insurance industry's interests in achieving a just outcome. While it is right that it is important for the Government to negotiate with the insurance industry, the Minister must not allow himself to be diverted from the central task that I think all hon. Members agree should be the objective of a swift and fair compensation scheme that ensures that people receive 100 per cent. of the compensation to which they are entitled.

The Secretary of State has committed himself to reporting back to the House before the summer recess on progress to be made. I welcome today's update and any points that the Minister can make in response to the debate, but I trust that we can still count on a statement before the House rises for the summer.

12.2 pm

Mr. Tim Boswell (Daventry) (Con): I congratulate the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) on securing this debate and on the way in which he opened it. Many other hon. Members throughout the Chamber have also made distinguished contributions on this very serious and significant matter.

Such a situation should be broadly uncontentious between parties and we should work together to find a practical solution. No one will argue with the facts. Mesothelioma is a most unpleasant disease. It is insidious and people do not know that they have it or whether they may go down with it, but when they do, perhaps after exposure many decades previously, it inevitably results in extreme distress and death. Such people and their families probably have only a short time—an average of 18 months—to come to terms with the situation. Again, I think that there is agreement between parties that there is an emphasis and premium on us as law-makers to secure rapid and assured action for sufferers and their families. That is what they want, and it has been rightly emphasised this morning, as it was during the debate on Second Reading of the Compensation Bill last week. I believe that we are at one that that is the way in which we want to go.

The Government have a responsibility to respond to the recent judgment of the House of Lords in the Barker case. I interpret that judgment—I am not a lawyer and I do not demonise lawyers—as qualifying the impact of the earlier Fairchild case, which had a certain logic and a degree of imagination in meeting a real problem. In the Fairchild case the House of Lords decided that, notwithstanding that a single fibre of asbestos could be responsible for the onset of the disease and that by definition it was impossible to put the blame unequivocally on a single employer because no one would know whose fibre was involved, it was reasonable to impose a collective responsibility, liability or guilt on all somebody's employers during the time when they were exposed to asbestos fibres.

The Barker judgment, not illogically, gives some legal proportionality by saying that although those circumstances may apply collectively, the responsibility is not joint and several, but is confined to the proportion of time spent with a particular employer. That has a certain logic to it; otherwise, in theory and in an extreme case, an employer who exposed an employee for one day could pick up the liability for 40 years' of someone's working life.

Mr. Clapham: Is the hon. Gentleman aware that it has been estimated that a drawing pin that punctures white asbestos in a classroom may, on withdrawal, release as many as 6,000 fibres from that asbestos?

Mr. Boswell: I was not aware of that particular statistic, but the disease is insidious and we must acknowledge that. We need to bring the matter back to the real world and the families involved, and find out how we can meet that liability. What I have said is not in any sense preparatory to suggesting that there is no obligation on the insurers, and I shall come to that in a moment.

We must look at the underlying legal concepts and, at the same time, confront the facts concerning the individuals and their families with this terrible disease. In the light of the judgment in the Barker case, they

may believe that they will not receive full compensation. I have experience of a personal injury claim involving a member of my family many years ago, and I know that uncertainty is a huge factor. It is compounded if people feel that money is leaking out in legal fees or that insurers are manoeuvring to avoid responsibility. We must also remember that in the real world there may be a few employers in the line of fire, but the argument is typically about insurance companies' liabilities.

Mr. Wills: Does the hon. Gentleman agree that one problem in the Barker case is that apart from all the other problems that have been discussed, there is the burden on those suffering from the illness and their representatives of going through the painful process of litigation against not one, two or three defendants, but perhaps tens of defendants? That is an extra burden on people who do not deserve to have it placed on them.

Mr. Boswell: I readily concede that point. The hon. Gentleman made a distinguished speech based on his experience and constituency work. That is exactly the sort of thing that comes into play.

The Government, as an employer, are a major stakeholder in the argument. The estimate that I have seen is that 40 per cent. of exposure may have arisen in people who worked in the public sector. As a good employer, the Government need to respond to the situation. At the same time and in parallel, they must take legal advice on the Barber case and its implications, and then find an acceptable way forward, as hon. Members on both sides of the Chamber have said. The Government must take such action before too long because of the nature of the disease. I do not believe that, given good will all round, it is beyond the wit of man to find an acceptable solution. The hon. Member for Barnsley, West and Penistone (Mr. Clapham), who knows a lot about the matter, suggested a no-fault solution. Other hon. Members have suggested something in that direction. I believe that a solution can be found that is acceptable, manageable and affordable.

During the Compensation Bill debate on Thursday last week, my hon. Friend the Member for North-East Hertfordshire (Mr. Heald) said:

> "We are keen to enter into constructive discussions with the Government on the Barker judgment once they have received advice, but more needs to be done."—[*Official Report*, 8 June 2006; Vol. 447, c. 437.]

I want to touch briefly on some of the issues that should come into the debate. They are largely supplementary to points that have already been made.

The nature of the disease—its slow onset but rapid development and inevitable end—should in no way be used to brook or excuse any delay as a tactic for avoiding responsibility either by employers or insurers, or indeed by the political world, in responding to the situation. In my view, it is not reasonable to saddle a single employer, who may be the only one left standing and may have been responsible for only short exposure, with the whole liability. That suggests that to produce an acceptable outcome for the individual, there must be some mutuality in the approach. In addition, the good employers and good insurers with a long-standing record might be more at risk, rather than the people who have gone out of business or whose insurers do not keep adequate records.

I put it to the Minister that there is concern anyway to ensure that insurers are pressed to trace information more effectively. The issue is about reputation. Insurance companies like to pay claims because it develops their credibility as insurers. The insurance industry, the Association of British Insurers and the Association of Personal Injury Lawyers need to make the point that to ensure the credibility of the process, insurers must get a grip on this issue and get on with it. I do not mind whether it is done by consent or by Government persuasion, but it has to be tackled.

Mr. Hamilton: The way to tackle the issue is to make the payments up front and then chase the insurers afterwards by whatever means available. It should not be done the other way around.

Mr. Boswell: That is a consideration, and it applies extensively to other areas of personal injury litigation. Forward-thinking people are beginning to approach the issue. One can separate the compensation from the pursuit of liability, and that method reads across into such issues as wider personal injury, no-fault approaches and so forth.

The point has been eloquently made that, in any case and to put it crudely, we must take the legal contentiousness out of the case. Full-scale litigation will take £40,000 out of somebody's available compensation pot. I would have thought that by the time we had been through the Fairchild and Barker judgments, subject to the advice that the Government receive on the latter, we would have taken as much law out of the issue as we can. The facts would be known and the question of apportioned liability could be determined, and we would then have to get on with the business of delivering an effective compensation scheme. I am sure that the ABI and the Association of Personal Injury Lawyers will want to play a part in that. For all that has been said, the whole industry has a strong interest in coming up with a constructive response.

I should add a note of caution to the debate. If we do not respond to the Barker judgment, there will be a problem, because compensation will be partial and uneven, and that will be inequitable. Equally, if we suggest that the only thing to do is reverse the Barker judgment, we must still face the fact that third parties may have gone down with the disease. In such cases, it is difficult to establish direct liability because there was no employment relationship, and in our attempts to deal with the issue, we might not cover the whole case.

This is a complicated area, and I make no excuse about that. However, it is one that the Government need to address. It is particularly important in this instance that we hear a ministerial response that is not unreasonably delayed, but sensitive, full and considered. This is the first time that the Minister and I have debated together, and I welcome him to his new post. I think that he will discharge it well and sensitively, but I hope that today, even if he cannot give us the final answer, he will at least want to indicate to the House his intentions and his thinking about moving towards any future scheme.

[Mr. Boswell]

I hope that the Minister will consider existing statutory schemes and the way in which they interact. I hope that he will consider whether it is possible to recover some of the costs of statutory compensation from insurers and put that into the pot, and to reduce litigation. Furthermore, I hope that he will use this opportunity to report to the House on the undertaking made by his predecessor, the right hon. Member for Barking (Margaret Hodge), when we last discussed statutory schemes. She said that she would consider the entirety of this very difficult issue.

In all seriousness, we know that people suffer and die. Their families are left unheaded and they experience serious financial constraints. Compensation should be paid, and we must ensure that it is joined up with the minimum amount of friction and distress for the families involved. We can do that together and produce a worthwhile and workable solution, and we look forward to the Minister indicating how he wishes to proceed.

12.15 pm

The Minister for Employment and Welfare Reform (Mr. Jim Murphy): I thank you, Mrs. Anderson, and Mrs. Humble, and all those who have participated in and attended today's debate. Although the attendance will not be reflected accurately in *Hansard*, it is symbolic of the importance that we place on this issue.

Mr. Devine: Does my hon. Friend share the concern of many Labour Members that for the second time in a week on an issue that affects many people in Scotland, the Scottish nationalists are not here?

Mr. Murphy: We are not short of Scots here today—either Scots who represent Scottish seats or those who are Scots by birthright, as two expats who have been lent to England as Members of Parliament are here, too.

Mr. John McFall (West Dunbartonshire) (Lab/Co-op): I talk as a Scot and as someone who wants to ensure that their presence is reflected in *Hansard*.

In my constituency, Clydebank has a proud shipbuilding history, which includes the Queens' John Brown yard. One of the consequences is that Clydebank now has one of the highest incidences of asbestos-related diseases. I am meeting the Clydebank asbestos group on Friday. It has done a superb job on this issue, and it is looking to the Minister to give a firm commitment to the Barker judgment.

May I also ask the Minister about the no-faults compensation scheme that has been discussed? It has been put to me that individual representation by lawyers can result in greater monetary compensation. Given that background, will he give us the Government's views about the no-fault liability scheme?

Mr. Murphy: I thank my right hon. Friend for his comments, and I shall refer to his specific points as I progress with my comments, as I am still effectively in my first sentence. I agree with the earlier intervention about the lack of Scots here today from one of the smaller parties in Scotland, but that is for them to justify, rather than us.

Ian Stewart: Will my hon. Friend give way?

Mr. Murphy: I shall make a little progress first.

I congratulate my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) on his stubbornness and determination regarding this issue. They are due partly to his commitment and partly to the fact that he, like my father, worked in the Clyde shipyards. From his experience, he has a determination to resolve these matters, as I have from my family's experience.

I also pay tribute to my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham). Almost everyone who has spoken today has paid tribute to his work as chairman of the all-party group. I should welcome the opportunity to meet him and other group members formally to discuss some of the points that he and others raised. Many of those points deserve a much more thorough investigation and consideration than the 10 to 12 minutes that we have left today can afford. I shall arrange for that meeting to take place.

I also thank all those who have attended or participated today. They include my hon. Friends the Members for Eccles (Ian Stewart), for Midlothian (Mr. Hamilton) and for North Swindon (Mr. Wills), my right hon. Friend the Member for West Dunbartonshire (Mr. McFall), who has now spoken, and my hon. Friends the Members for Livingston (Mr. Devine), for East Lothian (Anne Moffat) and for Heywood and Middleton (Jim Dobbin). I thank the hon. Members for Rochdale (Paul Rowen), for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander)—a constituency that always sounds like it should refer to more than one hon. Member, although nevertheless it has only one—and for Daventry (Mr. Boswell) for the measured way in which they made their comments.

It is unfashionable to do so, but I should also like to thank a former Member of Parliament whom many of us got to know, Tony Worthington. He worked tirelessly on this issue, and I am sure that he repeatedly met the Clydeside organisations that my right hon. Friend the Member for West Dunbartonshire will meet later this week. Tony Worthington was the first in this place to drum into me the importance of getting the treatment of mesothelioma victims right.

Mr. McFall: I add to that tribute to Tony Worthington, who still has an informal interest in the issue; he was one of the pioneers behind the Clydebank asbestos group. There is no doubt that on Friday I will pass the Minister's comments on to Tony, together with my warm wishes.

Mr. Murphy: I thank my right hon. Friend.

We have heard in pretty graphic terms about the terrible nature of mesothelioma, and its effect on sufferers and their survivors. We all know people in our constituencies who have become victims of mesothelioma. Many hon. Members have spoken about its terrible toll on families, and about the uncertainty of financial compensation.

That uncertainty has, of course, only been added to as a consequence of the Law Lords' judgment. In the time available to me, I want to reflect on what the Government are doing about that.

I emphasise again the points made about the nature and scale of what it is fair to call an epidemic: 1,800 people die every year as a consequence of the disease, and as my hon. Friend the Member for Barnsley, West and Penistone said, by 2015 we should reach a horrible peak of about 2,500 fatalities. At the moment, the dreadful projections are that in total about 90,000 people will lose their lives to mesothelioma. My hon. Friends the Members for Barnsley, West and Penistone and for Paisley and Renfrewshire, North are right about the specifics, and about ensuring that a proper care and support package is in place as the number of mesothelioma victims rises to that dreadful peak in 2015. As a consequence of today's debate, I will have conversations with Ministers in the Department of Health and elsewhere about how we shape that care package and make sure that we get it absolutely right.

Ian Stewart: I attempted to intervene when we were having some fun about nationality, but in line with the statistics that the Minister just read out, will he acknowledge, as we do, that this pernicious disease recognises no geographical boundaries and is a whole-country issue? It affects the whole United Kingdom, and any solution brought about by the Government should recognise that fact.

Mr. Murphy: My constituency does not have any shipyards or coal mines—in truth, it has very little industry—but it nevertheless has victims of mesothelioma, so my hon. Friend is right that it is a nationwide problem, and we need a nationwide or UK approach to it.

I shall deal briefly with the specific points raised. The Government and I are as disappointed with the Barker judgment as hon. Members are, not only because it adds further uncertainty and difficulty, and puts a further burden on those who have been diagnosed, but because it will lead to unfairness in how compensation is provided and offered. In the Fairchild judgment, the characteristics of mesothelioma were considered; unlike other forms of asbestosis, it can be triggered by the inhalation of a single asbestos fibre, as we have heard.

In respect of the specifics, our worry is that the claimants will have to trace all relevant defendants before liability can be apportioned and compensation paid. The Government find that utterly unacceptable, particularly at the victims' time of life, and given the position in which they will find themselves. It is important to concentrate on what the Government will do about that.

On speeding up payments, there is of course the mesothelioma court fast-track process, which tries to speed up the delivery of the money to victims, so that they receive it while they are still alive. We are working with stakeholders and others on improving systems to speed up the tracing of employers and reduce the associated costs, including—this is an important point that my hon. Friend the Member for Paisley and Renfrewshire, North, mentioned—the legal cost.

Despite those efforts, the shocking statistic is that the average time taken to process and pay compensation is still longer than the life expectancy of the victim post-diagnosis. None of us should ever seek to defend that or be satisfied while that is the situation; it would be indefensible for any of us to make that case. That is why we want a much-improved system for paying that compensation.

Although I will not be provoked into commenting, I remain open-minded about the options available to the Government if a voluntary basis—best practice and good will—does not ensure improvement. We are working with many insurers who are alive to the nature of the problem and who, in many cases, are working very hard on it, but if that does not deliver the type of justice that Members of all parties expect, there remain other options, and we are open-minded about them.

Chris Bryant: I am grateful for what the Minister says, and I think that all of us feel that he is moving in the right direction, but it sounded as though he was suggesting that he would have to wait some time to see whether there would be co-operation. Once that period has elapsed, we hope that the swiftness point that he made with regard to others will apply to the Government.

Mr. Murphy: My hon. Friend, who has also worked tirelessly on the issue, makes a fair point. What I am saying is that the current processes test victims' patience. Hon. Members from all parties should be equally impatient about the way in which, on occasion, victims have been strung along. The hon. Member for Inverness, Nairn, Badenoch and Strathspey and others spoke about the way in which victims have been let down as a consequence of a long period of tracking down employers, processing and making payments. What I am saying to my hon. Friend the Member for Rhondda (Chris Bryant) and others is that we remain open-minded about statutory opportunities to resolve the problem.

I want to make some more progress, specifically on Barker—

Mr. Wills: Before the Minister moves off the point about timing, and as I share the impatience of everyone in the House with this issue, may I ask how long it will take the Government to make a definitive decision on how to respond to the Barker case?

Mr. Murphy: In the short time available, I shall seek to answer that point. In respect of the Barker case, we are looking for the best legislative opportunity to do something about the matter. There are a number of vehicles currently before the House through which we might resolve the problem of the Barker judgment. Of course, the Compensation Bill is one of them; we are actively considering that. Other opportunities have been speculated on, including a stand-alone Bill and amendments to existing legislation before the House. We want an effective, speedy resolution to the problem. This morning, at a conference held by the GMB—my own union—the Prime Minister made a commitment, saying that he regrets the Barker judgment. He said:

> "I'm looking at the moment to see the best opportunity for us to change it... If we can change it, we will. I hope to announce something on this in a couple of weeks."

Mr. Jim McGovern (Dundee, West) (Lab): Will my hon. Friend give way?

Mr. Murphy: I have only got a minute left; I hope that my hon. Friend will allow me to conclude.

I say to my hon. Friend the Member for North Swindon that the Government share the frustration so eloquently described by my hon. Friend the Member for Paisley and Renfrewshire, North and others. We are currently looking across Government at the most effective and speedy way of remedying the gap and the problems created by the judgment. We will continue to hold conversations with hon. Members from all parties. I hope that when we come forward with something, perhaps in the Commons but possibly in the other place—speedy legislation is the most important thing—there will be cross-party consensus on it, so that we can resolve the issue and get a speedy resolution to the issues raised by Barker.

We are absolutely determined to move on the issue and find a legislative solution to the unfortunate and frustrating decision by the Law Lords. We will seek to undertake consultation, as has been requested, but unfortunately time and the speed of developments may not allow that. In closing, I say to my hon. Friends that we will continue this conversation about the best way forward. There is unanimity across the House, and certainly among the hon. Members who turned up here in such great numbers today, on the fact that we must deliver justice, as regards both the timing and the provision of compensation, and resolve the issue of the very disappointing decision of the Law Lords in respect of Barker; act on it, we will.

Agriculture (West Dorset)

12.30 pm

Mr. Oliver Letwin (West Dorset) (Con): It has been my practice once a year, roughly speaking, if I can obtain a slot, to raise with the Department for Environment, Food and Rural Affairs the concerns of my agricultural constituents, of whom I have a large number. The purpose of these debates has never been to trawl the past, but rather to highlight features of the future that I hope will help the Department to assist those of my constituents who remain hard-pressed.

Clearly, the past year has been difficult for farmers. One of the most difficult parts of the year was the saga of the single farm payments. I am glad to say that, as far as I have been able to ascertain in recent weeks, most of my farming constituents have now received either the 80 per cent. payment or a full settlement. I am grateful for that and I want to put on record that I am grateful for the efforts that Mark Addison has made—as far as I can make out from my correspondence—to improve the situation in the Rural Payments Agency. I have experienced much speedier and more effective responses since he came on to the scene.

There are still outstanding cases that I want to bring to the Minister's attention, and this is a rare opportunity to get directly into his mind. Perhaps he would convey to Lord Rooker the sort of case that still constitutes an exception. The experiences of a couple in my constituency called Mr. and Mrs. Bugler constitute an extraordinary record of the sort of problem that we face. The RPA initially rejected their entire claim on 26 August 2005. It took six months, until February this year, for the RPA to accept that they had a valid claim. I know that it is a complicated process, especially with all the mapping difficulties that unfortunately occurred due to the IT system. The extraordinary thing is that since February that claim has been accepted, but the Buglers still have not received their payment. It is not a trivial claim—about £13,000—and they are not rich people. Part of my purpose is to hope that the Minister will scurry back to his Department and ensure that Mr. and Mrs. Bugler receive their payment with all speed, but that problem is symptomatic not of anything like the majority—thank goodness—but of a substantial minority of my farming constituents. They are in such a position, and I hope that we shall see action to tidy up those cases rapidly.

I am concerned, however, about 2006 single farm payments for west Dorset farmers. I am grateful for the ability to send in blank claim forms, as I am sure other hon. Members in rural seats are. That has certainly helped some who would otherwise have been stymied by mapping and record problems. It is clear that there is good will in this process on the part of the current management of the RPA, but there is still considerable evidence of confusion.

Without dwelling excessively on this particular set of constituents—although it usually does happen that when something goes wrong one year, it turns into a problem during the next—I should say that since they completed their 2006 application in May, they have since received six letters of acknowledgment. Three were from the

customer service centre and three from the operations director, which were dated between 18 May and 31 May. That in itself is neither here nor there: who cares about letters of acknowledgment? But it suggests that there might not be tight administrative control of the 2006 process yet.

I sat through discussions with some of my farming constituents a few weeks ago, during which I was told tales of the difficulties people have had in getting their 2006 forms into reasonable shape, given the uncertainties generated by outstanding problems in 2005. I am extremely conscious of the fact that an organisation hit by endless difficulties is not the one best placed to deal with the difficulty of making up for 2005 and 2006. I hope that the Minister will do everything in his power to assist the RPA in clearing up 2006, by paying further attention to the staffing of the RPA if necessary, so that we do not have a repeat of 2005.

From my constituents' point of view, that process will be materially assisted if Ministers take steps to change the culture of enforcement in relation to cross-compliance. I shall give the Minister an example of what I am talking about. I have no difficulty with the concept of cross-compliance: it is necessary. However, much depends on the spirit in which it is enforced. I cite the case of Mr. and Mrs. Newman in my constituency. They had a livestock inspection in February 2005. There is nothing wrong with that: such inspections are needed. However, the results were not conveyed until October and there is much wrong with that. People should not experience that sort of delay. It would not normally take more than three months, so an excess of time elapsed before they were told the results.

That, however, is not really the essence of the problem. The essence of the problem was the attitude taken to discrepancies. For example, they had made a mistake in that there was a zero where there should have been an "O" . I accept that zeroes and "O"s are not identical items and that that was a mistake, but when an agency such as the RPA has made the number of mistakes that we have experienced during recent years, it does not behove it to make complaint about a constituent who has placed a zero where there should have been an "O".

A second complaint was made: the letters "UK" were missed at the start of two tags. That was not the fault of the Newmans. The British Cattle Movement Service had issued the tags incorrectly, but it became a cross-compliance issue. I do not want to continue the tedious litany of the various bits and pieces that afflicted these constituents. When one goes round west Dorset, one hears from farmer after farmer about little irritations of this sort. Such irritations can lead to severe worries, especially if people have not received their single farm payment, or are dealing with bankers who are getting more and more impatient. I know that the Minister is a perfectly ordinary and decent human being from past experience, and if he were in the condition that I have described, he would feel the same. People get irritated, worried and cross because they try to iron things out and they cannot do so.

In this case, my constituents tried to get the problems ironed out from October. They did not even get a reply until March, which rejected the appeal on the ground that these were two genuine defects of cross-compliance. They appealed again and the RPA has now given up on the three ear tags without "UK" on them, but is still insisting on the zeroes and "O"s. However, the RPA has said that there will be no penalty. That is lunacy. It is not the way to run things. There ought to be a culture of acceptance of de minimis problems with cross-compliance and I am afraid that someone somewhere, very close to the top, has quite reasonably given out instructions saying, "This is all very important and we have to have it shipshape. We must not have fraud or impropriety so be very careful that these things are done right." However, they did not add, "But do please exercise some common sense. Don't go for the de minimis, go for the substantial things." I can see from the Minister's body language that I have made my point so I shall not continue to dwell on it.

My next point is made to me repeatedly by farmers in west Dorset and it concerns a lack of symmetry. Traceability is everything with meats and livestock, and is clearly high on the agenda of DEFRA agencies. My farmers understand why that is: we have all been through enough in the past 10 to 15 years to know why that is. However, in the supermarkets in my constituency, and, I expect, in any other, one finds on the counter meat from Brazil. There is nothing wrong with meat from Brazil—there is nothing wrong with Brazil—but that meat is not traceable. I doubt whether it is remotely traceable. That sort of asymmetry causes real angst for my farmers. I hope that DEFRA will start to consider in more detail whether we are asking so much more of our farmers than of farmers in other parts of the world as to make it an uphill struggle for our farmers to compete, and how we can deal with that.

I draw to the Minister's attention the extent of the continuing anxiety about bovine tuberculosis in west Dorset. I know that the Minister's colleague who deals with these matters has recently announced the good news that TB figures throughout the country have, slightly mysteriously, reduced, and we welcome that, although I must say that I do not think that there has been any noticeable reduction in west Dorset. We all understand the reasons for the free movement controls—my farmers are certainly living with them—but there is a continuing sense that action must be taken reasonably speedily to address the causes of the disease. DEFRA needs to take us from the investigation, study and consideration that has been going on for a long while to some specific, well-organised action that involves proper testing. Now that polymerase chain reaction testing is available, we need to see it being used. We need to see effective action being taken, so that my farmers can begin to think that the future will be TB-free. That is of real concern to them.

Unless this issue is pretty speedily addressed, more and more of my farmers, afflicted as they are by the RPA problems, will begin to feel that they do not want to continue, as I fear a lot of them have in the past year, and will continue to sell out. In west Dorset, farming is not a marginal activity; it is central to our agri-industries, tourism and the whole life of the place. That depends not only on the number of acres being farmed,

[Mr. Oliver Letwin]

but on the number of farmers engaged in farming. We do not want TB to be a basis for reduced animal welfare and farmers going out of business.

I hope that the Minister and DEFRA understand how far the severe problems of the past few years mask what could be a hugely optimistic set of trends. I hope also that alongside curing the administrative problems, DEFRA will help to advance the positive causes that many of my farmers are queuing up to take part in. There is enthusiasm for local food and organic food, which is reasserting itself in the marketplace, and for non-fuel crops, all of which offer huge potential to west Dorset farmers over the next few years. However, there is little sign at the moment of real, positive encouragement from the Ministry. It is not that Ministers have said the wrong things, but that there is not much sense of them coming forward and preaching the gospel of the trends of our times—of local food, organic food and non-fuel crops. I think that that is because in recent years, Ministers have become beleaguered by all the administrative difficulties.

Goodness knows I can understand how that has happened, but there is an opportunity, if the administration can be got under control, to generate an optimism that will in turn generate a kind of investment and enthusiasm in the industry that could offer us a farming scene in west Dorset that will be much healthier in five or 10 years than it has been for the past 10 years. I hope that the Minister and his colleagues will cure the administration problem and stress the optimistic trends.

12.45 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Barry Gardiner): I am delighted to respond to the right hon. Member for West Dorset (Mr. Letwin). It is three years since the last in the series of annual debates on agriculture in west Dorset, and he has finished his speech today much as he did then, when he said:

"I may be a ludicrous optimist and, indeed, the fact that I am talking about agriculture in the area of west Dorset at all suggests that I probably am, because the pessimists do not believe that it will exist in future."—[*Official Report, Westminster Hall*, 5 February 2003; Vol. 399, c. 100WH.]

Three years later, it is still there, and I take from his remarks a great deal of comfort that many of the issues raised in the five years preceding 2003 have not surfaced again, at least not in the same way, in this year's debate. That shows that, for all the beleagueredness—he is right to point out the problems that farmers have faced in past years and this year with the RPA—there is beginning to be a sense that in farming generally and, I trust, in west Dorset, there is a sense of direction and purpose, which has resulted from the radical changes that have taken place, which he mentioned in his speeches in 2002 and 2003.

The farming industry in west Dorset represents a key element of the rural economy and way of life. There are nearly 4,000 holdings, which employ 7,200 people. Just as was true last time the right hon. Gentleman raised these matters in the House, we need a thriving and profitable farming industry to do three things: to produce our food; to safeguard and enhance the landscapes we cherish, with which his constituency is so particularly blessed; and, increasingly, to respond to the fundamental issues of biodiversity loss and climate change facing us.

We have taken some big steps forward towards building a sustainable future for farming in the past few years by working in partnership with the farming industry. The right hon. Gentleman has previously paid tribute to the work of Don Curry and the Curry review. The partnership is founded on our joint strategy for sustainable farming and food, which is a long-term plan for the development of the industry, and provides a framework for farmers to succeed in what has always been a fast-changing world. At its heart is the concept of reconnection: reconnecting farmers with their markets, reconnecting the food chain with the environment, and reconnecting consumers with the countryside and how their food is produced.

The strategy remains one of the Government's key priorities, and is backed up by significant new resources—an additional £500 million, at least, in the past three years. It is being taken forward by Government and industry partners in the south-west, and has specifically helped farmers in Dorset through initiatives such as the rural enterprise gateway, which provides free business support for rural businesses in the area, including farmers.

I turn to the new single payment scheme, which is the most important development in agriculture policy in generations. It has reduced 11 bureaucratic common agricultural policy schemes to one payment linking compliance and environmental, public and animal health standards, and it leaves farmers to produce for the market, rather than concentrating on producing for subsidy. It has been assessed that the improved flexibility and reduction in bureaucracy will, once the scheme has bedded down, be worth a potential £100 million in extra income to farmers in England alone.

Of course I recognise the sort of problems that the right hon. Gentleman has brought to the attention of the House this morning. It would be wrong of me to comment on the specific cases. Although I am not in the habit, as he suggested, of scurrying back to my Department, I shall walk at a sedate pace and ensure that the messages are passed on to my noble Friend Lord Rooker.

Payments began, as the Government promised, in February, but they did not flow nearly as fast as the Rural Payments Agency forecast. A number of short and longer-term measures were put in place to help to rectify the situation, including the appointment of a new acting chief executive for the agency to strengthen its leadership. Those measures proved useful in speeding up the full payments, but we could not be certain that all applicants would receive a payment by the end of the regulatory payment window on 30 June. In May, the agency made a significant number of partial payments to a majority of applicants who were yet to receive a full payment.

By close of business on 8 June, the total amount paid to claimants in full or partial payments was £1,331 million out of the total £1,500 million to be disbursed. The RPA is now focused on making

payments to claimants who have not received any payment to date and whose claim value exceeds €1,000. I know that the right hon. Gentleman is a good deal swifter at mathematical calculations than I am, and will realise that the particular claim that he brought to the attention of the House falls into that category.

Unfortunately, I am not able to give a summary of payments made in west Dorset. Experience has shown that it takes a disproportionate time to retrieve data on regions, and at the moment I am sure the right hon. Gentlemen would not want me—and I certainly do not want—to deflect the RPA effort from its focus on making payments as soon as possible, which we would both agree must be its priority. Looking forward, the Government are determined to learn the lessons from this year to help us to prepare for the undoubted challenges that will arise in delivering the 2006 scheme, with a view to reaching a stable position in 2007. The new ministerial team will, I promise, work extremely hard with the RPA and stakeholders to that end.

I have made a note of the issue about acknowledgment letters that the right hon. Gentleman raised. Although it is perhaps understandable in the present circumstances, it is an irritation and a sign that the system is not yet operating as it should. However, I reassure him that, although most of the RPA's resources are focused, as I said, on processing outstanding 2005 schemes as quickly as possible, I am confident that it has sufficient staff to undertake data capture and to make a start on validating 2006 scheme claims in parallel with the 2005 scheme activity that is continuing.

Farmers manage nearly 80 per cent. of the UK's land, and we believe that public money should reward farmers for the landscape and environmental benefits that they provide. It is now just over a year since the launch of environmental stewardship, which is a further key element in our strategy for sustainable farming and food. It enables all farmers to engage in simple yet effective environmental management and offers genuine financial support.

The opening year of the scheme has not been without problems. Nevertheless, more than 20,000 farmers have successfully entered new stewardship agreements, bringing about 2.6 million hectares of land under environmental agreement. In Dorset, nearly 500 farmers have entered the entry-level and organic entry-level schemes, and five higher-level scheme agreements are now in place. To date, more than £18 million has been paid to agreement holders in England, and I am greatly encouraged that we are providing real rewards to those who are prepared to commit to securing environmental gain through their sensitive management of the land.

Of course I recognise that what the right hon. Gentleman I think called little irritations occur in cross-compliance and the monitoring of that. As he said, the process in question—like all processes—needs a common-sense overrider. However, I am sure that he will welcome, as I do, the fact that in the first year of the scheme's operation a real transformation is beginning to happen in the way farmers are reconnecting with their markets and people are reconnecting with their food and the countryside.

The England rural development programme has had a major impact on rural areas around the country, and about £1.6 billion has been committed to projects over the past seven years. In Dorset, that has helped initiatives such as Local Food Links, an enterprise that aims to support a range of local food production and give local people—schoolchildren in particular—access to the products in question, thus supporting local farmers and growers, reducing food miles and supporting a healthier population. The Dorset "Chalk and Cheese" programme is supported by nearly £3 million of EU and public money under the Leader+ programme and has delivered a variety of community-led projects in the area, designed to support local farming. One of those is an internet-based radio service run by and for small farmers in the area to help producers to add value to their products and to develop sustainable tourism initiatives such as the Wessex ridgeway project and "Chalks and Hawks"—a wildlife tourism initiative integrating species conservation and rural tourism.

We are determined to continue those successes in the next round of rural development funding, starting in 2007. The consultation on the priorities for the next rural development programme in England closed on 22 May, and we received 280 responses, which I believe shows a good deal of interest. We want to use the next programme, which will continue to have environmental stewardship at its heart, to make a real difference in rural areas by safeguarding and enhancing our rural environment and fostering thriving rural communities.

In the time that is left to me, I do not want to miss the opportunity to deal with the issues raised by the right hon. Gentleman about bovine tuberculosis, because that is an important issue for farmers—and dairy farmers in particular—specifically in the south-west. It is there that the problem seems to be prevalent. It is the biggest endemic animal disease issue that we face, and I know that it will be of concern to many livestock farmers in and around the right hon. Gentleman's constituency, for the reasons that I have set out.

To help to address the situation we have recently introduced pre-movement testing in England to help to reduce the geographical spread of TB. We have implemented a new system of compensation to prevent overpayment for animals that react to the TB skin test and to speed up the removal of those animals from farms. Following completion of the Krebs trial, we have consulted on the principal method of badger culling to control TB in high-incidence areas of England.

No decision has yet been made on badger culling, but any decision needs to be based on all the best scientific evidence about whether it can be successful in the long term and whether a cost-effective, practical, sustainable and of course humane culling policy can be developed and implemented. I am sure that the right hon. Gentleman would agree that those are fundamental and essential criteria.

Manufacturing (West Midlands)

Janet Anderson (in the Chair): This is only a half-hour Adjournment debate, so speeches will be permitted only with the agreement of the sponsoring Member and the Minister, although interventions are perfectly in order.

1 pm

Mr. Jim Cunningham (Coventry, South) (Lab): First, I thank the Speaker for granting us this debate at short notice. I think that he understands the seriousness of the manufacturing situation in the west midlands. Most people will know that the west midlands—be it Coventry, Birmingham or elsewhere—was famous for the motor car in years gone by. I want to concentrate on the situation with Peugeot in Coventry and particularly on how the company has handled the closures.

Over the past 20 years, the west midlands, and particularly Coventry, have experienced a number of job losses and closures. Only last year, there was the collapse of Rover, with the loss of about 6,000 jobs. About seven or eight years ago, Rolls-Royce in Coventry shed probably well over 1,000 jobs. Three or four years ago, Massey Ferguson closed in Coventry. Many years before that, as people will remember, there was the famous Standard Motor Company, which was also associated with Coventry.

That is to mention only a few of the closures and job losses, which also have a knock-on effect, and most experts suggest that for every direct employee in a motor car company who loses their job, two or three indirect employees are probably affected. We are talking about many thousands of job losses, not just a couple of thousand.

I am sure that my colleagues from the west midlands, in particular, will agree, therefore, that it is about time that the Government had a good look at their industrial strategy. Indeed, some weeks ago, we from the west midlands raised the issue of manufacturing with the Prime Minister. He suggested that he would be having a discussion with the Trade and Industry Secretary to look at the Government's industrial strategy, particularly in relation to the west midlands, and at what has been happening in the region. Although lots of people tend to forget this, the west midlands is this country's economic engine. West midlands MPs will therefore agree with me that we cannot just sit back and watch these jobs haemorrhaging without trying to bring the job losses to an end.

As regards Peugeot, this is one of the few occasions that I know of when a company has pulled out when it was profitable. Labour costs in this country are on a par with anything in Europe and the United States, so all the misnomers and red herrings that get drawn into this issue do not really stand up. The situation can be put quite simply: the company is going to the former Czechoslovakia, where wages are a lot lower than in this country.

We must also remember that the work force have done everything that they were asked to do, as the work force at Jaguar did: they were asked to improve quality, and they did; they were asked to run four shifts, and they did; they were asked to take on temporary labour, and they did.

In general terms, the trade unions have a proposal. Again, we must draw attention to how the company has performed, because it has not seriously sat down and looked at alternatives. The trade unions have been quite reasonable and have looked at the possibility of running one shift for the next two or three years to buy time and get a new model into the Coventry plant. Again, however, the company has refused to discuss the alternatives. Instead, it has been through the motions, as we have seen time and time again with employers.

It is not that many weeks since the company pulled out and made its announcement; indeed, it was the week when I introduced a ten-minute Bill on labour rights. I introduced it because we cannot go along with companies arbitrarily deciding that they are going to have a closure, giving people 90 days' notice and saying that that is it. For some companies in this country, consultation seems to mean, "We're going to tell you what to do, and that's that." Some people think that when a company says that it is going to have a consultation it is all about negotiation, but it is not. The company is just going to tell people what it is going to do, and although they can make representations, the decision has actually been taken.

About two years ago, Peugeot was offered a £14 million grant to modernise the factory in Coventry, but it delayed its decision. Then, just over 12 months ago, we had a debate about Jaguar in the House. I said that it was peculiar that a company that had been trying to get a grant to modernise its factory did not seem to be taking it up. The company gave all sorts of excuses about hold-ups in Europe so on, but the real test was whether it took up the grant. If it did, we knew that it was going to stay in Coventry; if it declined to, we knew that it was not. We then had a statement from one of the executives, who said, "We'll draw the grant down as we need it," but that was one of the company's red herrings, and I remember the articles in the local newspaper.

Now, however, we have had the company's answer—it never intended to stay in the first place. It has played ducks and drakes with the Department of Trade and Industry. I am sure that the Minister has had discussions with her officials and that they will tell her what I am telling her—that it was always difficult to have any meetings with the company. It is only recently that any dialogue has taken place, and that was about the closures, so we can see the company's record.

The company still has a presence in Britain, but the point is that it will not be making motor cars here.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): I congratulate my hon. Friend on securing the debate. He mentioned the other jobs that Peugeot provides in this country, and many of them are in the franchises in and around my constituency. It beggars belief that there is a campaign suggesting that British workers should completely boycott Peugeot. What is my hon. Friend's attitude to that?

Mr. Cunningham: I am not the trade union or its negotiator, and it is not for me to tell the trade union how to organise itself. It is purely for the trade union to

decide what sanctions, if any, it will put on the company. It is not wise for MPs to try to tell the labour force how to react, and nor can we negotiate for them—that is the trade union's job. What we can do, and what we have been trying to do in parliamentary terms, is raise the issues when we can. Ministers are perfectly well aware of that, and I gave some instances, including our meeting with the Prime Minister and my ten-minute Bill.

We are doing what we can to assist the labour force because the closure will have a devastating effect on the workers and their families. People should bear it in mind that, at the end of the day, it is the families who suffer. When Rolls-Royce collapsed in 1971, people did not know whether they were going to have a job, and the families were worried about paying mortgages. Those are the things that drive the problem home to us.

In about 2001, we had the initial problems with Rover. Anybody who went there, as I did with the Trade and Industry Committee, would have been struck by the emotion and by the fact that whole generations of families worked at the factory. Some people ran small businesses, and we could see, five or six years ago, what the devastation was going to be. Eventually, the taskforce was set up to deal with the situation, and it is a useful instrument, but it cannot be a substitute for jobs. Although it finds people employment, we must remember that some of the jobs that might be available will bring in £2,000 or £3,000 less than the jobs that employees have at Peugeot now. That should be borne in mind when people say that there are alternative jobs.

We should also bear it in mind that the company produces about 280,000 vehicles a year, and it certainly has about a third of the market in Britain. We should not lose track of that. The problem, of course, is that the cars will not be made in Britain any more.

Informed opinion suggests that many years ago the company took over what used to be Chrysler only to get a toehold in the British market. Well, it has its toehold now; essentially, it has said, "We're going to make these vehicles in Czechoslovakia. We want the right both to come into your country and sell them and to treat your labour force in an abysmal manner." It is also asking the Government to stand back and accept it all. Ministers should look seriously at the situation in the west midlands. Over the years, a number of manufacturing companies, to say the least, have gone to the wall.

We in Coventry are also interested in another issue, on which the Minister could be very helpful. We had a meeting with the Chancellor about the closure and made some suggestions. For the longer term, there is the site near Walsgrave hospital. We have to look for the potential for new industries, and that site certainly has potential for developing what we would call a medical technological park.

People are familiar with the idea that medical science will create new jobs and technologies. We are seeing vast changes in the health service; I shall not go down that road, but there is that potential for new jobs. I am not an expert, but some who are reckon that 5,000 jobs might be created, and that gives us a clue about where we should be looking to create new jobs. Obviously, we have to diversify, and we should look at that area. We hope that Advantage West Midlands will, to use the proverbial phrase, get its finger out and get something done about that site.

Mr. David Winnick (Walsall, North) (Lab): I am most grateful to my hon. Friend, whom I congratulate on securing this important debate. He has spoken about the effects on his city, as other Members who represent Coventry would. However, will he bear it in mind also that in the black country area—certainly in Walsall—we have suffered a great number of redundancies in manufacturing? That has continued. In Willenhall—not the Willenhall in my hon. Friend's city, but the one in my constituency—the lock industry has been substantially reduced for all kinds of reasons; obviously, losses in the motor industry have had an effect on that industry. I hope that my hon. Friend shares my hope that the Minister will speak about the larger and wider aspect of manufacturing in the west midlands.

Mr. Cunningham: I totally agree, and that is why I did not confine the debate to Peugeot. I have referred to the west midlands in general terms and said that we should have an industrial strategy and look towards the creation of new industries.

We have to look from a manufacturing point of view at the whole situation in the west midlands. We also have to look at the alternatives to manufacturing and what the new manufacturing industries are going to be. I have given a clue on that today. We must also consider labour law. For a long time, the trade unions have been agitating about how employees in this country are treated totally differently from those in Europe. Those are some of the issues that the Minister should consider. Like my hon. Friend the Member for Coventry, North-West (Mr. Robinson), who is about to speak, I hope that she can give us encouragement.

Mr. Geoffrey Robinson (Coventry, North-West)(Lab): *rose—*

Janet Anderson (in the Chair): Does the hon. Gentleman have permission to speak from both the sponsoring Member and the Minister?

1.13 pm

Mr. Robinson : I do, Mrs. Anderson; I am grateful to have been called to speak by your good self.

I congratulate my hon. Friend the Member for Coventry, South (Mr. Cunningham) on securing this debate, as we all do, and thank Mr. Speaker for making it possible. This debate is important, and as my hon. Friend the Member for Walsall, North (Mr. Winnick) made it clear in his intervention, it is about the whole of the west midlands, although my hon. Friend the Member for Coventry, South has talked and I will talk more specifically about the situation in Coventry.

This debate takes place against the background of the Massey Ferguson closure, when all the manufacturing was moved to France. The Jaguar closure followed, although fortunately we retained the bulk of the activity in the west midlands, and we are very pleased as Coventry people to see that it remains with us. Most recent, and still a matter of great current concern, is the Peugeot closure, with the work going to the Czech Republic.

[Mr. Geoffrey Robinson]

We are realists, of course, and recognise the impact of globalisation, which is felt throughout the country and Europe, but on the whole we feel that we do not always do as well as we could, and that is the concern that impelled my hon. Friend to secure this debate.

I have three specific matters of great concern to Coventry to bring to the Government's attention; I am sure that the Minister will take them on board and that we shall pursue them subsequently through her. Before I come to them, however, I should mention that we should not feel that all is doom and gloom or that all is lost in manufacturing in the country as a whole.

We accept, of course, that those Jaguar, Massey Ferguson and probably Peugeot jobs—although that issue has not been finally decided—will not come back to Coventry and that we shall have to seek newer and different manufacturing outlets. However, in the nation as a whole, manufacturing is 20 per cent. higher than in 1975, despite the dramatic falls in 1979-81 and 1991 under successive Conservative Governments, when it dropped by 25 per cent. and 8 per cent. respectively.

In the past 10 years, despite the impact and the pressures of globalisation, we have broadly sustained our level of manufacturing output. However, in Coventry we have felt the pinch very badly, and we welcome this debate to make it clear to the Minister how we think the Government could help. We are not looking for subsidies, handouts or anything like that, but for what the Chancellor in person has always committed himself to: competitive new ventures with high added value, through which we can be resistant to the pressures of globalisation.

I should like to bring three specific issues to the Minister's attention. First, I mention investment in the Browns Lane plant, which happens to be in my constituency and with which we have had long-standing good relations. Mr. Peter de la Marche, an entrepreneur of great vision and energy, has taken over the site with a big investment of £50 million and I am sure that the whole House, as well as those in the Chamber today, wish him well in the bold, exciting venture that he is bringing to Coventry. He has a brilliant new idea for modular building, and his company name is pretty eponymous: Delamar Construction.

I understand that some of that project's issues are yet to be finalised with the Government; there is an application for support of one sort or another, and it would not be appropriate for me to go into the details of that. However, may I lodge with the Minister and, through her, the Department, a request for an early meeting on the matter? I am sure that my hon. Friend the Member for Coventry, South and my right hon. Friend the Member for Coventry, North-East (Mr. Ainsworth), who I am delighted to see are both present today, wish to join me in that, because we see a huge opportunity for the Government to play a key, unlocking role. Again, I pay tribute to Peter de la Marche himself.

I should also like to raise the issue of the Ansty site, already referred to by my hon. Friend the Member for Coventry, South, which is an extremely important potential development. The hospital trust there has made it clear that it is immensely interested; Yvonne Carter, the dean of Warwick university medical school, and Mr. David Roberts, of the trust, have both made it clear that they see it as something through which we can really play to the inherent strengths of the city.

As far as the trust is concerned, a huge contract is out with General Electric Medical Systems; on the back of that, we hope to build the first investments in the new medical equipment centre that we would like to establish on the Ansty site. I am pleased to say that we have had an initial meeting with Sir William Castell, chairman of the Wellcome Trust. Previously, as I am sure my right hon. Friend the Minister will know, he was chief executive of General Electric Medical Systems and a board member of General Electric. I am pleased to say that he has agreed to visit the hospital and look at the site in August to see what we have in mind and to make key contacts for us with the company.

As my hon. Friend the Member for Coventry, South said, the project clearly will need support from the Government and from Advantage West Midlands. Most encouraging is that when a delegation of us saw the Chancellor and were briefed on the meeting, he said that he would take a personal interest in it. That would be a great help to us in pushing the matter forward.

We have fixed other meetings with GEMS, and I have also arranged a meeting with the Advantage West Midlands managing director. As my hon. Friend said, that organisation will be vital in getting the project off the ground. Again, would my right hon. Friend the Minister ensure that we secure maximum support from the Department?

The third area—again, it happens to be in my constituency but none of us makes any apology for that—is London Taxis International, which makes all the cabs in London. As my right hon. Friend is aware, it also has various matters outstanding with the Government and is looking for support on key areas of innovation and new development. If she would take those three matters on board—perhaps we could set up a meeting with her, with officials or with whoever is most appropriate—my colleagues and I would be most grateful.

1.21 pm

The Minister for Industry and the Regions (Margaret Hodge): I have only nine minutes to talk about an important issue that is of concern to the many Members who are present here. The best I can do is also to offer the courtesy of a meeting as soon as possible to take forward some of the issues that I know are of real concern. I congratulate my hon. Friend the Member for Coventry, South (Mr. Cunningham) on securing this debate, short as it is. I can probably make only four or five points, and I shall try to make them briefly.

First, the importance of manufacturing to this country is unquestioned. It contributes one sixth of our gross domestic product, one half of our exports and about three quarters of the money that we put into research and development. It is hugely important, particularly for the west midlands, where it is at the heart of the economy. According to figures that I have

been given, there are 23,000 manufacturing enterprises in the region. Most of them are small and medium-sized enterprises, but it is still the case that one in five people working in the west midlands works in manufacturing. One of my jobs as the new Minister for Industry and the Regions is to determine what initiatives we can take to strengthen manufacturing at a time when there are losses in manufacturing jobs, although as my hon. Friend the Member for Coventry, North-West (Mr. Robinson) said, there is also an increase in output from those jobs.

Richard Burden (Birmingham, Northfield) (Lab): I know that my right hon. Friend is short of time, so I shall be brief and simply say that several points raised by hon. Friends have echoed with me because of what happened at Longbridge. While she is setting up meetings to examine things in greater depth, may I ask her also to meet interested colleagues to review progress since the final report of the taskforce? Economic regeneration of the area around the Longbridge site, building human capital in the area, overcoming training barriers and so on require further discussion.

Margaret Hodge: From my time wearing my previous ministerial hat, I know that my hon. Friend played a key role in these matters. I was able to work with him on all aspects of the Longbridge closure, and I know that he has a particular interest in how the site will now be employed. Of course I will be happy to discuss with him and others our plans for the site.

I want to say a little about the car industry, as there is a tendency to get the bad news in the press and to forget the good news. In the early 1970s, the United Kingdom produced some 1.9 million cars. By the early 1980s, that had gone down to 900,000, but the figure for 2005, which is the latest year for which we have statistics, is up again at 1.6 million. We should be proud of that.

Of course, closures are devastating for the individual families involved, the local communities and the work force, but equally, there is a growing number of good stories. I do not have time to go through them now, but one just has to look at Toyota in Burnaston, Nissan in Sunderland, BMW in Oxford and Honda to realise that we are bringing into the UK manufacturing that was done in the past in places such as Japan and Brazil. There are some good news stories as well.

As far as Peugeot is concerned, I understand entirely what my hon. Friend the Member for Coventry, South said about the devastation that losing those 2,300 jobs will create and the impact that it will have on the work force and their families. He drew attention to the fact that the Government did what they could to support production of the new 207 model by allocating £14.4 million, which was never taken up by Peugeot. We are in close contact with the company and will ensure that it meets its legal obligations.

I am sure that my hon. Friend will join me in paying tribute to the chairman of the Coventry, Solihull and Warwickshire Partnership, Brian Woods-Scawen, who brings together all the local stakeholders to ensure that proper support is provided for the workers through the learning and skills council and job centre, for local communities through local authorities and for the suppliers. He works with all the key local partners and has said that he will come to us if he requires more assistance.

My hon. Friend was asked about the boycott, and I would add only one thing to his remarks. We must remember the dealerships, which employ some 5,000 people, and that 73 per cent. of cars produced in the UK are exported. It is a good export industry, and we depend on that world trade.

In the final moments, I shall discuss briefly the Ansty development site, which I know is of great interest to local Members of Parliament. It is a complicated site, and I am told that it must go through complex reclassification and planning consultation, which will take time. According to the time frame that I have been given, it is unlikely that the process will be completed until 2008. Difficult planning and commercial considerations are involved, but I am aware of the interest in that site of my hon. Friends the Members for Coventry, South and for Coventry, North-West and others who are present for this debate, and I would like to have further discussions about it.

I, too, congratulate Delamar Construction on the work that it is doing on the Browns Lane site. It could employ up to 2,000 people, which would be a welcome change. To be honest, I am not totally aware of the funding application, but I will try to take it up and review it. Again, perhaps we could discuss it at our meeting.

Mr. Robinson: On that point and the others, it would be most useful if my right hon. Friend would agree to a meeting where we could table these concerns, get a full background briefing and urge her as to their importance.

Margaret Hodge: Similarly, I shall also take up the situation in respect of London Taxis International.

May I say one further thing on trade union rights, which were raised by my hon. Friend the Member for Coventry, South? My previous role as Minister for Employment and Welfare Reform and my current responsibilities as Minister for Industry and the Regions have led me genuinely to believe that the more liberal labour market environment in which we operate has brought huge benefits and many jobs to the UK. Inward investment is as important in attracting jobs as the fear that people have about whether we have rather looser trade union rights. I would challenge people's fears about looser rights. I do not believe that that is the case. The work that we did in 2000 on the recognition of trade unions and on collective bargaining and in our 2004 legislation to ensure continuous consultation and information, and the trade union rights that exist around redundancies, are all good. I hope that the unions will use the European works councils, which are a new facility open to multinational companies.

We should never forget the benefit of inward investment. The UK is now considered the best place in Europe for inward investment, and with that comes jobs. According to the latest figures, which are for 2004, we had more than 560 new inward investment plans.

[Margaret Hodge]

That was more than any other European Union country. France, which is topical at present, had fewer than 500 new projects for inward investment.

In the brief time available, I have not done justice to the important issues that were raised in the speeches and through interventions. I would be happy to have a meeting—

Mrs. Janet Anderson (in the Chair): Order. We now move on to the next debate.

Dementia

1.30 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I am grateful for the opportunity to have an Adjournment debate on this topic. This debate is timely in a number of ways, given the decision by the National Institute for Health and Clinical Excellence that was announced a couple of weeks ago and the fact that this week is national carers week.

Many of those on the front line of dealing with dementia are not the individual sufferers, but those affected by the ripples that it sends out through the family and those who take on the role of informal carers, the consequences of which can be huge in terms of stress and its health consequences. I want to cover two or three issues in this short debate, not least the decisions by NICE, and try to tease out where the Government think we should go from here.

It is about 100 years since Alois Alzheimer first described the disease that today bears his name, at a medical conference in Germany. One hundred years on, there is still no cure and our understanding of the basic biological processes behind dementia remains limited. Dementia affects about one person in 20 over 65 and one person in five over 80. There are estimated to be about 750,000 people in the UK with dementia, and that figure is set to rise to more than 1.8 million people by 2050. There is debate to be had about the veracity of those figures, and there is perhaps more to be done to ensure that we are clear on what the epidemiological data tell us and what the trends really are. However, those figures are generally accepted and they demonstrate that there is a significant and growing financial burden as a result of dementia.

That burden is three times more than that of any other of the major diseases—cancer, stroke and heart disease—put together. That is why dementia is one of the greatest health and social care challenges of the 21st century. It is rated by the public as second only to cancer as the disease of which they are most afraid. There is a taboo about dementia and a fear about losing one's independence and becoming debilitated, at the root of which is perhaps the fact that there is no cure. Recent events have done little to change that perception and have perhaps even fuelled that fear further.

NICE's recent decision to restrict or even ban certain Alzheimer's drugs has come as a blow to patients, carers and clinicians alike. Before exploring that decision, however, I should like to pose some questions about research. The basic science behind dementia is still in its infancy. Investment in essential research has not been made and many in the field of medical research believe that research on Alzheimer's and dementia is about 20 years behind where it could have been if it had received adequate funding.

Research on treatment and cures for Alzheimer's receives far less funding than such research for other diseases. As of 2001, research on Alzheimer's received just £3.7 million of Government research funding, as compared with £33 million for cancer research, and the most recent figures suggest a widening of the gap in research spend. For every £11 spent per Alzheimer's

patient on UK research annually, £289 is spent per cancer patient. I want to make it clear, however, that I am not questioning the investment that has been made in cancer research; I merely point to the unevenness of the research effort.

Mr. Michael Wills (North Swindon) (Lab): The hon. Gentleman makes his point well. Does he agree that one of the effects of the relative underfunding of research into Alzheimer's is that a burden that would otherwise fall on the taxpayer is placed on carers, often spouses, who are put under enormous pressure as a result?

Mr. Burstow: The hon. Gentleman has taken a close interest in such issues for a considerable time and I share his analysis. Costs are shunted away from the formal care system in the health service—that might be accelerated as a consequence of NICE's decisions—and on to individuals. The costs become hidden, but the consequences return to haunt us in the public domain, because they lead to increased health care costs for those who have taken on the caring burden. The saving is therefore illusory, not real. If a disease costs as much as dementia does, it is common sense to commit more research to find ways of preventing and curing it.

The establishment of the dementias and neurodegenerative disease research network has of course helped to provide much-needed infrastructure and follows the template that has been used for developing cancer research. However, there is a still a need for more fundamental research, because without a better understanding of the basic science behind dementia, the potential of the network is reduced. As one researcher put it to me recently:

"Funding the network is like funding the stage in a theatre, but for dementia we need many more players to put on the show to do the research."

If Alzheimer's is a Cinderella in the research world, non-Alzheimer's dementias are like Cinderella's poor relations. For example, the Medical Research Council is funding only one clinical trial in dementia and no trials investigating the treatment of non-Alzheimer's dementias. Even basic treatment questions regarding the use of aspirin or anti-hypertensive treatments in people with vascular dementia, for instance, remain unanswered.

It is not just in research that the Cinderella status comes to the fore. The treatment of dementia was dealt a heavy blow two weeks ago, when NICE published its guidance on Alzheimer's drugs. Not surprisingly, the decision has provoked a huge outcry from patients and carers groups, clinicians and hon. Members from all parts of the House. Placing strict conditions on when the dementia drugs can be used will have a hugely detrimental effect on patients, families, carers and health care professionals. Having issued positive guidance in 2001, NICE has changed its mind, leaving people with mild Alzheimer's in limbo, condemned to deteriorate before there is any hope of receiving treatment.

The three anticholinesterase drugs—I will give their proprietary names—Aricept, Exelon and Reminyl, are to be made available only to those who attain a mini-mental state examination score of between 10 and 20 for cognitive ability. The test is a key part of NICE's recommendations for future access to the drugs, but it is fundamentally flawed. It is based on language skills, but many seniors who begin to experience dementia are from ethnic minority populations and their first language is not English. They revert to their first language in dementia and cannot access the test or demonstrate where they are on the scoring system, so they are discriminated against. People are also discriminated against by the tests according to their level of education.

The test should not be the sole determinant of access to the drugs. There was sufficient recognition in the 2001 guidance of an area of judgment and doubt about such tests, which were regarded as a starting point for determining whether the drugs would be beneficial for those with that sort of dementia, not a finishing point. However, NICE appears to have said, "This is the narrow gateway through which you must pass." In discussions with clinicians, however, the point has been made to me that the scale is too crude to capture the complexity of the disease accurately and to understand the fine lines to be drawn between mild and moderate dementia. As a consequence, we shall be consigning to ever-growing deterioration many who could benefit from the drugs and should be receiving them.

Mr. Wills: The hon. Gentleman is being extremely generous in giving way. Does he think that NICE has taken sufficient account of the needs of carers in making its evaluation? In other words, although a drug might have a relatively mild therapeutic impact in the early stages of dementia, its impact in giving respite to hard-pressed carers, who are often elderly themselves, is nevertheless considerable. Does he think that NICE has taken sufficient account of that?

Mr. Burstow: No, I do not. However, the hon. Gentleman should not take just my word for that—numerous patient groups and clinician groups have made the same point. Indeed, I understand that the NICE dementia guidelines group and its chairman wrote to the appraisal committee, urging it to retain a wider, more generous set of appraisal guidelines for the use of those drugs. However, that seems to have been flatly ignored. The guidelines group, which is still charged with delivering guidelines for the treatment and management of dementia, includes in its membership social workers, patients, carers and health care professionals—in other words, the people who have hands-on, direct experience and can therefore bring a more rounded perspective to such decisions—yet the appraisal group seems to have set that completely to one side.

It seems to me to be another weakness in the process that although in NICE the voices of patients are now heard at the table, they are not at the right table and therefore cannot exercise the influence that they should. I hope that the Minister will say a little about that and tell us whether he will look again at whether NICE has adequate arrangements in place to ensure that the patient voice and experience and the carer's view are adequately taken into account.

I want to ask the Minister about another of my concerns about the NICE appraisal. Why has NICE's appraisal committee not properly considered, as the

[Mr. Burstow]

Department and the Welsh Assembly asked, the cost-effectiveness of the Memantine drug in treating behavioural symptoms of dementia?

One of my concerns about the series of changes that will flow from the decision if it is not overturned on appeal is that we will start moving back to old patterns of organising to deal with dementia. I remember that when I was first elected to the House in 1997 the level of diagnosis was relatively low. There was diagnostic denial. People were not diagnosed early enough: why diagnose when there is no treatment to be given?

Things have changed. We have seen a whole generation of memory clinics and other services develop to cater for the fact that the drugs exist, and in turn those clinics have led to the development of a host of other services and support arrangements, which are of huge benefit. The concern is that the whole infrastructure is at risk because of the decisions that NICE has made. That is why it is imperative that the Minister should be as clear as he can be today about what the next steps are to address the concerns that many of my constituents and others have about where we find ourselves as a result of NICE's decision.

It is hard to understand how NICE came to the decision, because 30 clinical trials showed the drugs to be effective, offering patients improved memory, the ability to continue to do normal activities, such as washing and eating, and therefore greater independence. That is a key part of the Government's agenda—a part that I fully support. The benefits extend to carers, who often report being less stressed and happier while their loved ones are being prescribed the drugs.

There are four other reasons why NICE's decision is wrong, three of which relate to clinical practice. First, it contradicts the purpose of treatment, which is to prolong the early stages or to postpone the onset of the later stages of dementia—to lengthen normality, thus increasing the patient's quality of life. Secondly, the decision directly conflicts with the Government's policy to promote the independence of people of all ages. Undoubtedly, the restriction on the three drugs will curtail patients' ability to think and act for themselves, thus reducing their quality of life and independence.

The point about quality of life is key. Even the chairman of NICE, Professor Rawlins, in an article in the *British Medical Journal* in 2004, acknowledged that QALY—the quality adjusted life year—should not be the only basis for making such decisions, yet it appears that that has been the case on this occasion. There is a dearth of quality-of-life data, which need to be taken into account when it comes to such assessments. Will the Minister look carefully at whether NICE has taken on board what its own chairman has said on the record?

The third reason why the decision is wrong is that withdrawing access to drugs in the early stages discourages early diagnosis, and the last and perhaps most damaging reason is the ethical conundrum in which it places doctors. Doctors will be forced to wait for their patients to deteriorate before being allowed to prescribe drugs that they know can help. In no other circumstance of which I am aware would doctors be placed in the position of knowing that something that is beneficial could be prescribed, but finding that their hands are tied and that they are told that they cannot prescribe it. One carer says:

"If people could continue to get drugs in the early stages of their disease, the early stages would simply be prolonged. This is better for everyone…mentally, emotionally and physically. Trust me."

What of later-stage, more severe dementia, when a patient needs treatment most? Did NICE allow Ebixa, a drug that can help a patient when the behavioural symptoms are at their most distressing? No. The only option for doctors will be to fall back on anti-psychotic medication to manage challenging behaviour, in effect placing a chemical straitjacket on seriously ill people. The decision to prohibit Ebixa will not only adversely affect patients, but have huge repercussions for carers. Carers will be placed under increasing strain of the sort that I have described.

Will the Minister make clear what he and his Department intend to do next? Will they support the appeal that has now been lodged? At what point does the Minister have to satisfy himself that NICE is properly discharging its statutory duty and accounting to him and, indeed, to the House for the way in which it discharges that duty?

I accept that drug treatments are not the be-all and end-all of treatment for Alzheimer's and dementia. However, drug treatments have been a catalyst for other treatments of the disease. As I said, the development of memory clinics has been accelerated by the availability of drug treatments, and a range of other support services have been provided as a consequence. I hope that the Minister will take this point on board. It might be argued that NICE is saving the NHS money through its decision and that cost-effectiveness is part of its remit. Of course cost-effectiveness is important, but it must be stressed that Alzheimer's treatments are not expensive. On average, the cost is £2.50 per patient per day, or £800 per patient per year. How can NICE maintain clinical excellence if it is asking doctors to ignore a diagnosis until it is sufficiently bad before a drug can be prescribed?

The treatment of dementia has a large impact on the care of people with the disease. Care of people with dementia raises wider questions about care of the elderly in general and the value that we place on carers. I believe that carers have been overlooked by NICE in its decision and the impact on their lives was not really considered by the panel. Carers have the most contact with sufferers of the disease and experience first-hand the benefits of the drugs on their patients. Surely their input and well-being deserved to be given greater weight before the decision was made; it appears as if that was ignored.

If better care of dementia is to become a reality, better training is needed for staff, not only in the national health service but in the care sector. That would better serve the needs of sufferers not only of this disease, but of many others. By increasing the understanding of staff of the predicament that their patients are in and the potential problems facing them, perhaps we would address some of the concerns that I shall talk to the Minister about later today, which relate to malnourishment, dehydration and nutrition. Again,

those are serious concerns. It is vital to ensure that people get the nutrition that they need. Often, older people find themselves in a vicious circle. Inadequately fed, they become confused. As they become confused, the dementia that they may already have is exacerbated, and because of that, their behaviour may be more challenging, which in turns leads to their being prescribed anti-psychotic drugs. Those anti-psychotics cause them to lose memory and behave more bizarrely as well—and it goes on and on. There is a downward slide to dependency and, ultimately, death.

A final point must be made about a potential cure for the disease. We appear to be far away from finding one. That relates to my first point: there simply is not enough funding for research into the disease. We must recognise the impact that dementia will have on our population as its prevalence continues to grow, and use that impact as the impetus to look seriously into curing the disease.

I started by referring to the person whose name is used to cover 55 per cent. of all dementias in this country, and to his work, which was very important. I hope that we can reach a point at which treatments are available and research is extended. I hope that the Minister can give us some sense of the direction now, because many people outside the House feel hopeless and powerless as a result of the decisions that NICE has made.

1.49 pm

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): I congratulate the hon. Member for Sutton and Cheam (Mr. Burstow) on securing this Adjournment debate. I very much look forward to spending the afternoon with him when he comes to meet me in the Department about a separate issue immediately after the debate. He has a long track record of caring passionately about these issues, and I pay tribute to him. I also pay tribute to my hon. Friend the Member for North Swindon (Mr. Wills), who, appropriately in national carers week, is continuing his campaign to raise awareness of the needs of carers in relation to these challenging issues.

It is appropriate that we acknowledge that dementia is a heart-breaking condition. Of course it has a horrendous impact on the individual directly affected, but it also has an impact on the loved ones who see an older relative deteriorate, often quickly, in a way that is tremendously sad. Relatives do not have to deal only with the practical realities. It is a challenging condition in terms of its emotional impact on those who are closest to the people affected.

It is important to deal initially with the comments made by the hon. Member for Sutton and Cheam about the NICE process. First, the NICE recommendations are neither the final story nor the final guidance on drugs for Alzheimer's disease. Stakeholders have until 15 June to lodge an appeal against the recommendations and at that point NICE will convene a committee to hear any appeals. It will publish a report of the appeal on its website.

It is also important to say that the process has been thorough—unprecedented almost.

Mr. Wills: I am writing to my hon. Friend the Minister about this, but I would be grateful if he did whatever he could to ensure that my constituent, Mr. Joe Culkin, is able to give evidence in that appeal.

Mr. Lewis: It is not necessarily for me to determine who can give evidence, but we can certainly pass that information on to NICE and ensure that it is sensitive to my hon. Friend's request.

As I was saying, the process has been thorough, with two public consultations on appraisal documents and a targeted call for further data from the drug manufacturers. Hon. Members would accept, I am sure, that the recommendations have changed significantly in the light of new evidence as the appraisal has progressed.

The hon. Member for Sutton and Cheam gave a slightly distorted picture. Many people profoundly disagree with NICE's recommendations and we understand the disagreement and disappointment with the stage reached by NICE, but I am not entirely comfortable with second-guessing experts and specialists in the field who have a clear remit set by Parliament, and with implying that the hon. Gentleman is in a better position to make judgments than those experts and specialists.

The hon. Gentleman asked whether the Department of Health would support the appeal. As a Member of this House, he knows full well that it would be entirely inappropriate for the Department to join any appeal to NICE. It is entirely right that having set up NICE the Department should trust it to make reasonable and sound judgments on some of the most sensitive issues that face health policy in this country.

Mr. Burstow: I understand that to a certain degree the Government have subcontracted out certain decisions about the cost-effectiveness and affordability of drugs. However, my point was that the Department submitted through the consultation a series of matters that it wanted the appraisal committee to consider. Is the Minister entirely satisfied that the appraisal committee gave due consideration to all the issues that the Department asked it to consider?

Mr. Lewis: It is absolutely clear what stage we have reached in the process. It is appropriate that we let the process take its natural course and it is incredibly important that we do not undermine the integrity and credibility of NICE. The decisions and recommendations are not final and an appeal can still be lodged, as I have said. It is right that we allow that process to take effect, and the Department of Health's role is not to second-guess in any way the process that has been conducted or NICE's next decision-making stages.

Mr. Wills: I want to pick up on the point made by the hon. Member for Sutton and Cheam. I absolutely understand what the Minister is saying about the professionalism of NICE and the remit that it has been given. Is he satisfied that that remit adequately takes into account carers' needs, which are important in the case of such dementias?

Mr. Lewis: As far as I am concerned, NICE would say that, in reaching conclusions and any ultimate

[Mr. Ivan Lewis]

decision, it has a responsibility to take account of the impact on the carers of those with any health condition. That is a part of the process. My hon. Friend knows that NICE has to take into account many criteria and factors in reaching its conclusions. Of course, from an emotional point of view I, like other hon. Members, would like to say that, if it will make carers feel that the situation facing the people for whom they care will be greatly improved, let us give those carers what they seek from the process, but we all know that that is slightly disingenuous because we have a duty to take account of a range of other factors. NICE's remit, the balancing act that it has to engage in and the different factors that have to be taken into account are laid down transparently and clearly.

We should never diminish the tremendous passion and emotion about the subject or say that they do not matter, but they are one of the reasons that NICE has conducted such an unprecedented process in public policy terms. The public anxiety, emotion and passion and the responsibility to respond sensitively to the needs of carers are the reason why NICE has gone through a process that has never happened in other circumstances and with other conditions. We should not attempt to devalue the genuine work that NICE has tried to do or to imply that NICE has not changed its position. Its position is not the same as in the past. There has been a genuine attempt to engage all stakeholders in reaching the recommendation.

Does the recommendation meet the views of all the experts, users and carers? Clearly it does not. I suspect that unless people are given what they want they will not welcome or accept recommendations or conclusions on the subject. We know how difficult it is for those who are directly affected. I do not say that in a patronising way, but NICE must consider the subject in terms of the criteria that Parliament has laid down for its duties and responsibilities. It is a difficult balancing act and the decisions have not been concluded. There is still the opportunity to appeal and to influence the process and I urge people to take advantage of that. NICE is obliged to take account of those representations.

Mr. Burstow: Will the Minister confirm that he is satisfied that NICE has fully discharged its statutory duties and that the consultation advice given by the Department has been fully dealt with?

Mr. Lewis: We have not reached the end of the process. There is still the opportunity for appeal, and I have repeatedly made that point. I expect that there will be an appeal and NICE will have to take account of that. I suspect that one of the arguments that will be advanced in the course of the appeal is that NICE has not taken account of all the factors that it should have. That was the central thrust of the hon. Gentleman's argument. People who have participated in the project from NICE's perspective will not necessarily accept that but that is one issue that NICE—not the Department of Health—will have to take into account.

It is important to make one point. The issue is not only prescription drugs and the way in which we treat and manage this dreadful disease, but the relationship between health and social care, the day-to-day practical and emotional support for carers and users, and the changes that we want to make to social care to achieve a more integrated approach. In the past, we had health on one side and social services on another, and we want to bring them together. If we get those issues right, it will significantly improve the quality of life for users and carers.

Question put and agreed to.

Adjourned accordingly at Two o'clock.

Westminster Hall

Wednesday 14 June 2006

[HYWEL WILLIAMS *in the Chair*]

Jewish Communities (350th Anniversary)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Huw Irranca-Davies.]*

9.30 am

Mr. Andrew Dismore (Hendon) (Lab): This is the first opportunity in Parliament to discuss the 350th anniversary of the readmission of Jews to Britain. Next week there will be an exhibition in the Upper Waiting Hall, which I am sponsoring. I am privileged to represent the constituency with the second largest Jewish community—the largest for any Labour MP. As I have come to know the Jewish community better, I have become aware of its close cohesion and diversity—the Sephardi and Ashkenazi; the Federation, United, Liberal, Reform and Masorti synagogues, and many strands within those. The advantage that I have in not being Jewish is that there are no synagogues that I cannot go to. It is difficult to do justice in a debate such as this to the long history of the Jewish contribution to our country. I am sure that I shall not satisfy everyone. There is an old saying that, when two Jews are together, there are three opinions.

Jews were first recorded in England in Norman times. William invited Jewish financiers from Rouen in the 1070s, but they were subjected to prejudice and worse from the start. What happened at Clifford's tower, in 1190, was a good example. The Jewish residents of York were attacked by the mob. They took refuge in Clifford's tower, which was surrounded and besieged. On 16 March 1190, the tower was set on fire, and the Jews took their own lives rather than be murdered by the mob. Those who did surrender were killed, and about 150 Jews died.

In 1255, 91 Jews, of whom 18 were executed, were imprisoned in the Tower after an infamous ritual murder libel in Lincoln. It is an interesting footnote to history that both cities are now represented by Jewish MPs. In 1290, in return for a grant of taxation, Edward I, the "Hammer of the Scots", hammered the Jews too and ordered their expulsion from England. Estimates vary, but between 4,000 and 6,000 Jews were expelled.

However, the expulsion was not entirely successful and small communities of Jews lived secretly in Elizabethan London. One of the leading Jews was court physician to Elizabeth I. They were refugees from the Spanish inquisition, expelled from Spain and Portugal at the end of the 15th century. Known as the Marranos, they pretended to be Catholics but secretly practised their faith. For more than 350 years, Jews were unable to play any visible part in the life of the country. In the 17th century, however, Sephardi Jewish exiles from Spain and Portugal sought refuge, particularly in London. Fearful of persecution, those exiles lived covertly as Spanish merchants.

In the intellectual climate of early 17th century England, the coalescence of a variety of different strands of thinking about the Jews led to increased interest in the question of readmission. Hebrew was revered by scholars, who came to believe that it was the language spoken by Adam and Eve before the fall. Most significantly, the first half of the 17th century was a period of profound millenarian expectation. Many believed that Jesus Christ's second coming was near, and that those living at the time could work to usher it in. The Jews had a central role in that theological drama. The conversion of the Jews was seen by many as a necessary precondition of Christ's return. Some claimed that England, which they saw as specially favoured by God, was the obvious location for that event—which brings me to God's Englishman, Oliver Cromwell.

The English revolution changed the landscape for the Jews in England. The readmission has fuelled a lively debate among historians, and the events of 1656 have been the subject of varying interpretations. It is, however, clear that in September 1655 the Portuguese scholar and rabbi, Menasseh ben Israel, petitioned Oliver Cromwell to grant Jews the right to resettle in England. Traditionally, Cromwell's sympathetic response was primarily interpreted as evidence of his toleration and compassion. Historians today ascribe to him other motives, including his desire for access to finance and his belief that establishing the link would constitute a potential intelligence network, which was particularly important at the time in the context of the war with Spain.

Whatever the motivation, it was Cromwell who achieved the Jews' return. He established a conference at Whitehall to enable England's commercial, political and legal leaders to debate the issue. This old equivalent of a focus group, inflamed as it was by conservative opponents of readmission, failed to produce a favourable outcome, although it received a legal opinion that Edward I's edict applied only to Jews who were in England in 1290, and had no continuing legal validity in statute or common law.

A small group of Marrano families, who were ostensibly Catholics, were now living in the city. One of their number was arrested as a Spanish enemy alien and his property was seized. He declared he was a

"portugee of the Hebrew nation".

He was released and his property restored. It has been said that as a Spanish Catholic his position was open to question, but that as a refugee Jew he was safe. That provoked a crisis among the families. They answered by throwing off their disguise and declaring themselves to be Jewish. Together with Menasseh ben Israel, they submitted a second petition to Cromwell, asking for permission to meet for private devotions according to Jewish rites, and to have a Jewish burial ground. That petition succeeded and was approved on 25 June 1656.

Cromwell told the Jewish community that it had the legal right to live openly in England and that he would protect its members from persecution for failing to attend church services. The year 1656 therefore marked a real revolution for the Jews in England. I doubt that Cromwell could have foreseen that, one day, his Commons seat of Huntingdon would be held by a Jew, as it is today. In a sense, there was no formal act of readmission—simply a limited, practical acceptance that Jews living in England could reside and worship in their own manner. Thus, resettlement was effected in an unobtrusive and informal manner. More Sephardi Jews

[Mr. Andrew Dismore]

soon arrived, shortly to be followed by Ashkenazi Jews from central and eastern Europe.

There was from the outset a strong connection between the Jewish community and the City of London. The first Sephardi synagogue was established in 1656. The oldest surviving British synagogue is the beautiful Bevis Marks, where last evening's celebration service, attended by the Prime Minister, was held. It was consecrated in 1701. During the Jacobite uprising of 1745 the Jews showed particular loyalty to the Government. Their chief financier, Samson Gideon, strengthened the stock market, and several of the younger members of the community volunteered in the corps raised to defend London. Possibly as a reward, Prime Minister Pelham in 1753 brought in the Jew Bill, which allowed Jews to become naturalised by application to Parliament. It passed the Lords without much opposition, but on being brought before the Commons, the Tory party made a great outcry against what it called an "abandonment of Christianity". On the other hand, it was contended that the Jews performed a very valuable function in the commercial economy of the nation, providing one twelfth of the nation's profits and one twentieth of its foreign trade.

The Whigs persisted in carrying out at least one part of their policy of religious toleration and the Bill was passed and received Royal Assent. Nevertheless, a great clamour was raised against the Act, and the lord mayor and the Corporation of London petitioned Parliament for its repeal. Effigies of Jews were carried about in derision. In 1754 the Jew Act was repealed. During the 18th century, the Jewish presence in England continued to grow and a joint committee of the Sephardi and Ashkenazi communities, which developed into the Board of Deputies of British Jews, was founded in 1760. By the end of that century, before the more numerous immigrations of the 19th century, London Jewry was one of the largest urban Jewish communities in Europe.

From the 1880s to the early part of the 20th century, massive pogroms and the anti-Semitic May laws in Russia caused many Jews to flee the pale of settlement from Russia and Poland. By 1919, the Jewish population had increased from 60,000 in 1880 to about 250,000 Jews, who lived primarily in the large cities, especially London. Originally, the Jews lived primarily in the Spitalfields and Whitechapel areas, which made the east end a Jewish neighbourhood. Manchester and neighbouring Salford were also areas of heavy Jewish settlement. It is interesting to note that the Huguenot church that was on the corner of Brick lane was first converted into a Methodist church, then in the late 19th century to a synagogue, and finally into the mosque it is now, reflecting the changing population of the east end and, of course, migration within London. Many of the Jews who found homes in the east end would now find their families living in my constituency and the neighbouring ones of Finchley and Golders Green and Hertsmere, or in other parts of north London.

Many tales are told of those times, which are within the living memory of the community, whose parents and grandparents were those very migrants. My constituent, Sidney Wagner, told me that his father came from Poland in the late 1920s. He was a trained forester, who, when he got off at Tilbury, thought he had managed to reach Canada. He spoke no English, and Sidney says that apart from Epping forest there was not much call for forestry, so his father went into the garment trade, as did so many Jewish migrants.

Before world war two, Britain was not particularly receptive to Jewish refugees fleeing the Nazis. Approximately 40,000 Jews from Austria and Germany were eventually allowed to settle in Britain before the war, in addition to 50,000 Jews from Italy, Poland and elsewhere in eastern Europe. Despite the increasingly dire warnings from Germany, Britain refused to allow further Jewish refugees into the country at the Evian conference of 1938.

The notable exception allowed by Parliament was the Kindertransport, an effort on the eve of war to transport Jewish children from Germany to Britain. However, their parents were not given visas, which led to heartbreak for families, as parents waved off their children, never to see them again. About 10,000 children were saved by the Kindertransport, although the plan had been to rescue five times that number. One notable Kindertransport survivor was Lord Dubs, who was a refugee from Czechoslovakia. There is a commemorative plaque at the entrance to the Strangers Gallery, for those who would like to see it. Despite the official position, however, there were notable heroes, such as Sir Nicholas Winton, who was recently knighted. Working at our Prague embassy, he saved nearly 700 Czech Jewish children.

After the second world war, there was further migration of displaced persons and of British citizens from around the empire and especially from the far east, where many of them were interned by the Japanese. My constituent Isaac Abraham was born in Shanghai in October 1934. His parents were British citizens from Iraq. As a young boy, he was interned from April 1943 by the Japanese. He came to the United Kingdom in 1949 and spent most of his working life as a teacher.

In 1950, the Jewish community's population was estimated at 450,000. Now probably just below 300,000, it is about half of 1 per cent. of the population, which is still a pretty large number compared with the original 35 families in the 17th century.

I have been describing what I hope is a very positive picture, but it would be wrong not to refer to the anti-Semitism that has been endemic throughout the life of the Jewish community in Britain. Historically overt, that racism was tolerated and even encouraged. It was exemplified by popular stereotypes from Marlowe's Jew of Malta and Shakespeare's Shylock through to Dickens's Fagin in Oliver Twist, all of which were profoundly anti-Semitic. It was also exemplified by the growth of the British Union of Fascists under Mosley and by the attitude of much of the British establishment towards the pre-war Jews in the UK and Germany. Rightly, the Jewish community resisted that attitude, and that was perhaps best exemplified by the battle of Cable street.

In late September 1936, the BUF announced its intention to mount a show of strength to intimidate the organised working class and particularly the local Jewish community in east London. The Jewish People's

Council responded to that provocation by organising a petition calling for the march to be banned. It received 100,000 signatures and was presented to the Home Office, but the Home Secretary refused to ban the march, despite a large east end Jewish population and the anti-Semitic nature of the BUF.

The battle of Cable street took place on 4 October 1936. It was a clash between the police, overseeing the BUF march, on the one side, and anti-fascists, including local Jewish groups, on the other. Up to 300,000 anti-fascists assembled. According to the estimate in the *Daily Herald*, up to 10,000 police were brought in from all over London and deployed to protect the march. The anti-fascist group erected barricades to prevent the march from taking place, and after a series of running battles between the police and anti-fascist demonstrators, the march failed. The BUF was dispersed towards Hyde park, and as the fascists skulked off towards the west end, it was reported that

"everyone of Jewish appearance was insulted and in some cases they were spat upon".

When the fascists reached Trafalgar square, they tried to hold a meeting, but they were prevented from doing so by the police and were forcefully dispersed, having been comprehensively humiliated.

I regret to say, however, that anti-Semitism remains alive today. Only a few years ago, property developer Eliot Bernard's staff inquired about membership at a golf club in Surrey. The club secretary said, "We've got a few Jews, but we try not to encourage them." The reply was, "Well, you've got one more now—we've just bought your club."

My constituent Malvyn Benjamin told me that he was once looking to be a Liberal MP. In 1961, he was interviewed as a possible candidate by the Liberal party in Darlington. The meeting's chairman said, "I see you're of the Jewish persuasion." Malvyn replied, "Nobody persuaded me—I'm Jewish by birth." The chairman then said, "Well, that's a problem. We had a Jewish MP before, in 1910. It was Trebitsch Lincoln. He was a bit of a rogue and lost his seat in 1912. If we have another Jewish candidate, people might remember him." Of course, that interview happened more than 50 years later.

However, anecdotes such those mask a serious problem. In 2005, the Community Security Trust recorded 455 anti-Semitic incidents—the second highest total for any year. That included 82 violent assaults, 152 random attacks on individuals, including children, and four cemetery desecrations. Seventy of those incidents showed a far-right motivation, 39 included the expression of anti-Israel or anti-Zionist views and 52 involved a direct reference to Israel and the middle east. Such extreme views are not only found on the far right but, regrettably, expressed by extremists who purport to be of the Muslim faith. It is vital that the Government are seen to be doing all they can to tackle the cancer of anti-Semitism in our society.

Now, however, I should like to turn to some examples of how Jews have contributed to our national life, and it would be appropriate to start with service in the armed forces. The first documented contribution was in 1757, when Captain Alexander Schonfield of the Royal Navy commanded HMS Diana in support of Wolfe's attack on the Heights of Abraham to take Quebec. No fewer than nine Jewish seamen served with Nelson on HMS Victory at Trafalgar, and Wellington reported to Parliament that 15 Jewish officers were with him at Waterloo.

Jews served in the forces throughout the Victorian era, including in the Crimean war and the Boer war, where 3,000 Jewish servicemen were present, of whom 180 were killed. In the first world war, about 55,000 Jews enlisted, of whom 2,200 died. Some 1,100 decorations for bravery were won, including five Victoria crosses for gallantry. The first Jewish VC was awarded to Lieutenant Frederick de Pas in 1914. Of course, we should not forget the first world war poets, and Isaac Rosenberg, who was killed in action, was one of the great first world war poets.

In world war two, about 65,000 Jews served, out of a community of 400,000, which is a very high proportion. That included 4,000 refugees from the Nazis. Some 3,000 of those servicemen died. Jews were awarded 1,500 decorations, including three VCs and three George crosses.

The Jewish contribution to political life is enormous. David Salomons, one of the founders of the London and Westminster bank, was elected sheriff of the City of London in 1835. Twenty years later, in 1855-56, he became the first Jewish lord mayor of London, following in the footsteps of Jewish mayors in towns and cities across Britain.

In 1847, Lionel de Rothschild was elected MP for the City of London, but was unable to take his seat, as he would not make his statutory declaration

"on the true faith of a Christian",

as required. In 1858, after he had won four successive election victories, the oath was finally amended, allowing him to become the first practising Jew to serve as a Member of Parliament. At the time, that was only a personal privilege. The Act that allowed all non-Christians to take their seats—the Parliamentary Oaths Act—was not passed until 1866. After finally winning the right to sit in Parliament, Lionel de Rothschild said these moving words:

"Would that this elevation not mean the diminution of our faith".

Of course, we should not forget Disraeli, the son of Isaac, a Jewish-Italian writer. Benjamin Disraeli had an Anglican upbringing after the age of 12. He referred to himself as the blank page between the Old and New Testament. With Jews excluded from Parliament until 1858, Disraeli was able to follow a career that would otherwise have been denied him. Elected as an MP in 1837, and twice Prime Minister between 1868 and 1874, he was Britain's first, and so far only, Jewish-born Prime Minister.

The first Jew to hold ministerial office was George Jessel, who was made Solicitor-General in 1871 and who later became Master of the Rolls. In 1908, Herbert Samuel joined the Cabinet. In 1913, Rufus Isaacs was appointed Lord Chief Justice, and he later became Viceroy of India. Since then, Jews have been continuously involved in Parliament and Government. According to the current "Jewish Year Book", there are presently 25 Jewish Privy Councillors, eight hereditary and 43 life peers and 22 Members of Parliament.

[Mr. Andrew Dismore]

The Jewish community has made a great contribution to business, and many household names, such as Marks and Spencer, Tesco, ICI, Dixons and, of course, the Rothschild banks, were founded by Jews. Jews have also made a great contribution to science and medicine. Lord Winston, the world-famous pioneer of infertility treatment and TV personality, is in the other House. The Jewish community has made great contributions to the world of entertainment, too. Lord Bernstein founded the Granada TV company and brought "Coronation Street" to the nation's televisions. There is Harold Pinter, Arnold Wesker, Peter Shaffer—all great playwrights. There is Maureen Lipman—I think it would be fair to call her one of our great national treasures—Sir Anthony Sher, the great Shakespearean actor, and of course comedians such as Sid James, Warren Mitchell and, for the older generation, Frankie Vaughan, the great entertainer. For younger people, there is Rachel Stevens of the former group S Club 7, and Craig David.

Some of the great artists of the 20th century were Jewish, including Lucian Freud, Jacob Epstein and Frank Auerbach. Jews have made a great contribution to our sporting heritage, particularly in the field of boxing. The pugilist Daniel Mendoza, who lived from 1764 to 1836, was heavyweight champion between 1792 and 1795, even though he was only 5 ft 7 in and 11½ stone. He was only an inch or two taller than me, and was about the same weight as me, and I certainly do not feel like a heavyweight boxer. The reason why he was so good was that he saw boxing as a battle of wits. He became known as the father of scientific boxing, inventing defensive boxing techniques such as the guard, side-stepping and the straight left. His patron was the Prince of Wales and he was the first Jew to speak to King George III. He became a popular figure in songs and featured in plays. His contests were illustrated by artists of the time, including James Gillray.

We all remember the film "Chariots of Fire", which was about the 1924 Paris Olympics, and in particular the portrayal of Harold Abrahams, who won gold in the 100 m and silver in the four by 100 m relay. I suspect that very few people will remember Edgar Seligman, who won silver for fencing in three successive Olympics in the last century.

The Jewish charitable tradition is also extremely important. In the 19th century, Jews entered wider fields and worked for both Jewish and wider communities. The best example is Sir Moses Montefiore, a successful Sephardi businessman and a friend of Queen Victoria when she was a child. He retired at the age of 40 and devoted himself to charitable and diplomatic work on behalf of Jewish people in Britain and across the world. His 100th birthday was the cause of much national rejoicing.

Many Jewish leaders are involved in important interfaith activities. Good examples are Sir Sigmund Sternberg, who devoted his life to interfaith activities, and my good friend Dr. Richard Stone, who has worked hard on the Three Faiths Forum. Perhaps the best example of all is the Chief Rabbi, Sir Jonathan Sacks. He makes great play of the importance of religious education; he attended a religious school, Christ's college, Finchley. That is probably what gives him his wider perspective. We all very much appreciate his thoughtful comments on the "Today" programme, including those that he made this morning. He emphasised the importance of tolerance across the minority communities and across different faiths.

This Government have done much to support the Jewish community. For example, there is holocaust memorial day. The Divorce (Religious Marriages) Act 2002—my private Member's Bill—was carried by the House with cross-party support. The Government have done wonders on holocaust restitution issues. In particular, they set up the spoliation advisory panel to deal with the return of looted works of art. However, there is a number of outstanding issues. There is the question of compensation for the civilian detainees of the Japanese, such as my constituent, Isaac Abraham, whom I mentioned earlier. It now looks as though, at long last, justice will be done for Isaac, although perhaps not for the rest of his family. In respect of the Kindertransport, there is a long-standing grievance that our Government ought to be taking up with the German Government over pension rights. We have yet to get the Jewish community radio station, Shalom FM, established; it has had great difficulty obtaining a licence from the Radio Authority.

There is unfinished business in terms of tracking down the war criminals of the second world war. I am pleased that the Home Office and police seem to be paying more attention to that, but there is a great deal of urgency in, for example, trying to trace the evil perpetrators of genocide, particularly those involved in the worst activities of the SS Galicia division. Of course, as I mentioned earlier, there is the need to be much firmer and tougher in tackling the problem of anti-Semitism.

On a more positive note, ever since its return—and even during the expulsion—the Jewish community has played a full part in our country's success in every field, including the arts, sport, business, politics and the professions. The community has always contributed beyond its size in activities that are of benefit to the whole of society, putting in far more than it ever received. Jewish community values are British values. Since June 1656, the Jews have become a settled presence in all walks of life. Despite incidents of anti-Semitism, the process of Jewish resettlement has been peaceful. There was no grand gesture or pronouncement, but a pragmatic and practical process of emancipation and integration of the oldest minority in our country, proving that diversity does not mean division.

In commemorating 350 years of the Jewish community's presence in our country, the modern Jewish community remembers the beginning, with Menasseh ben Israel and Oliver Cromwell, and looks forward to many more centuries of contributing to British life. Ultimately, the anniversary commemorates the greatest benefit, which is not to Britain's Jews but to Britain itself, as a uniquely tolerant nation. We wish the Jewish community mazel tov for its 350th anniversary.

9.56 am

Mr. Lee Scott (Ilford, North) (Con): I start by slightly correcting the hon. Member for Hendon (Mr. Dismore). He said that it is difficult for someone who is Jewish to go to all synagogues. I am Jewish and

have been welcomed in all synagogues. Indeed, I am a member of an orthodox synagogue and the chairman of governors of a pluralistic school that serves the whole community. Perhaps the reason for that is that I have lived in the area my whole life.

I pay tribute to one of my Jewish predecessors as Member of Parliament for Ilford, North, Millie Miller, who was a Labour MP until her untimely death in 1977. My constituency, when taken together with those of my neighbours, is the largest Jewish area, with the largest number of Jewish electors, in Europe, and I am proud of that. We have five synagogues in my constituency, with nine neighbouring it. There are three schools—Ilford Jewish primary school, King Solomon high school, and the school of which I am chairman of governors, Clore Tikva. There is Sinclair house, serving the community's needs, from the youth to the elderly, and that is excellently run by Jewish Care, which should be commended for that.

I move on to the compliment paid to sportsmen by the hon. Gentleman. He left two out, and I was shocked, because they are players for the best football team in this country, which everyone knows is Leyton Orient. Those two players are Barry Silkman and Mark Lazarus, who contributed excellently to Leyton Orient's promotion in 1969-70. I shall not trouble hon. Members by naming the rest of the team, but I could if pushed.

We should commend everything that my community has done in its 350 years here, and look at some of the reasons for that. I should like to talk briefly about my family. One of the greatest honours that I have had was when I swore my Oath of Allegiance in this House, wearing my skull cap, on the Old Testament. I was touched, and I know that my family were touched. We felt that that was possibly one of the most special things likely to happen to me, aside from the birth of my children and my marriage. That is a privilege for which I am grateful, and I will continue to be grateful to the electors of Ilford, North, for many years to come, I trust.

How did I become Lee Scott? It is quite a funny story. My father went into the armed forces. Our name at that time was Schuldberg, which would have been quite long for posters. The story goes that my father was standing next to a Scotsman, and we became Scott. I am only grateful that he was not standing next to a Gurkha.

I want to talk about a particular organisation in my constituency. There are many that I could single out, but there is one that is doing unbelievable work, an organisation called Drugsline Chabad. It is run by part of the Jewish religion called the Lubavitch, and it serves the community's needs. It works with a project for the Muslim, Sikh and Christian communities, and with any other religion that wishes to plug into it, to try to stop the vile trade in drugs and youngsters' use of drugs. It also helps to rehabilitate those who, unfortunately, have gone down that route. Its work across the community reflects the work done by many other organisations and interfaith groups working in my constituency to benefit our entire community. That is what it is all about.

Most Jewish Members of Parliament here today, and those in this House in the past, have come here to serve the whole community of their constituency. That is vital. I am Jewish and I am British. I am proud of that, and that is vital, too. We heard earlier from the hon. Gentleman about anti-Semitism in the past, and what is still happening today. Before entering the House I worked in the charitable world for a number of years. It was my privilege to visit Theresienstadt with people who had been at that camp. When you see what man has done to man—to women and children—you ask yourself whether we have learned anything from history. When we see some of the atrocities being carried out against all religions in the world today, we have to say that perhaps we have not.

I pray for all religions that there should be no prejudice against them. We all worship one God. We all have the same needs. Therefore, I hope that anti-Semitism—the hon. Gentleman was perfectly correct to say that it is still happening today—is eradicated. It is vile and cannot be permitted. Some far-right fascist parties—I shall not even give them credit by naming them—had minor successes at the recent local elections. We must learn from history, and I would tell anyone, however they vote, not to vote for far-right fascist parties.

To finish my few remarks, I would like to say not only to the people of Ilford, North but to the entire Jewish community that we can be proud of what we have achieved and there is so much more we can continue to achieve. We must work together with all other communities to make a difference for our country. As long as that continues to happen, we will be able to continue to celebrate our 350 years, and the many hundreds of years to come in which we can serve the people of Britain.

10.2 am

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I would like to congratulate my hon. Friend the Member for Hendon (Mr. Dismore) on securing this important debate. The only reason this debate is taking place is that he sought it and put forward the subject for discussion. He serves all his constituents extremely well. I know that he displays commendable knowledge and dedication towards his Jewish constituents and carries out his duties with absolute sincerity and success. I congratulate him on all the work he does, inside the House and out, for his Jewish constituents and for all those he represents.

The debate is an interesting one. In the contributions so far, we have heard a detailed history of the Jews in this country and heard a lot about the contribution of the Jewish community to British society as a whole. In my brief remarks, I would like to focus on the nature of the Jewish contribution to British society, and specifically consider the basis on which that contribution takes place, the lessons that can be learned with regard to other communities in Britain today and the contribution that can be made to the ongoing debate about the nature of British society, multiculturalism and citizenship.

The Jewish community is, and always has been, diverse. The origins of Jewish people in this country are diverse and there are social and economic differences between them, but there is a Jewish experience. That experience comes from the common bond most Jewish people have through a background of coming to this country as asylum seekers or, in some cases, what we now term

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economic migrants. Despite those differences—the individual differences and the differences of social and economic background—there is a strong sense of community, which is extremely important in understanding the notion of a Jewish contribution.

My hon. Friend and the hon. Member for Ilford, North (Mr. Scott) both mentioned examples of individual Jewish successes in contributing to our society. These are just a few of the names that show the nature of individual contributions from Jews to British society: Professor Chain, the discoverer of penicillin; the late Judge Rose Heilbron, who was the first woman judge; Lord Winston and Jacob Epstein, who have both already been mentioned; and John Cohen, the founder of Tesco.

However, the contribution has a wider significance. An examination of the Jewish contribution to British society over the centuries shows that there is no incompatibility between being a proud Jew and a proud citizen. The lesson of the Jewish contribution is that integration, not assimilation, is the model. When we are discussing models of citizenship now and in the future in our multiracial, diverse society, that is an important model to which we should put our attention.

Reference has already been made to the experience of the first Jewish MP, Lionel de Rothschild, who was prevented from taking his Oath for 11 years after he was first elected. It was only after 11 years that he was able to take an Oath where he did not have to state the words "on the true faith of a Christian".

In my area of Liverpool, the earliest records of the Jewish community go back to 1722. One of its proudest forebears was Herbert Samuel, Viscount Samuel of Toxteth and Mount Carmel, who was British Home Secretary twice, in 1916 and 1931, and was also the first British high commissioner in Palestine and Transjordan—a vital post, in which he served between 1920 and 1925.

We rightly concentrate today on the positive contribution of Jewish people to our society. We cannot ignore the great hostility that Jews faced in this society as immigrants and, indeed, as Jews. We should not forget that the Aliens Act 1905—the first immigration Act in this country—was enacted to stem the flow of Jewish refugees fleeing persecution from eastern Europe. After coming to this country, Jews often faced discrimination. That discrimination could relate to employment, and many Jews became active alongside non-Jewish people in the growing Labour and trade union movement. Discrimination could relate to housing. I remember being very shocked when my parents told me that when they tried to buy a house in Manchester in the mid-1940s, they gave a name that did not sound Jewish because they had been told that Jewish people were not allowed to buy houses in that area.

That discrimination spread to universities, where, until relatively recently, there was a quota of Jewish students allowed to join medical schools. Discrimination took many forms, and we are all aware of it in the social sector as well. The advent of Jewish golf clubs came about because Jews were deemed not fit to be members of other golf clubs and it was feared that they would take them over.

Discrimination has taken place against Jewish people on the basis that they are immigrants, and on the basis that they are Jews. The battle of Cable street was mentioned by my hon. Friend—an occasion that has an important place in the history books. However, there have been many other incidents, perhaps of a less grand nature, where fights took place in the school playground between children as Jewish children were told that they had killed Jesus. I would like to think that that is something of the past, but anti-Semitism has not really gone away.

What has the response to all that been? When anyone faces discrimination and prejudice, the response has to be to fight against it and hope that other people will join the battle, which might be individual or with others, and might be political. Jewish people recognise the need to be positive and show initiative, and to fight by showing what they can achieve. Education has always been seen as important because of the Jewish value of learning, and family and community support have always been an essential part of Jewish individual achievement. In short, Jewish people have been able to combine religious practice in great variety—there is no one mode of Jewish practice—with Jewish cultural identity and being British. None of those three things is static, and the Jewish experience shows that they can be combined.

I hope that my experience as a Jewish person and of the Jewish community has already assisted other minorities in our society. In the 1980s and 1990s, I was the leader of Lancashire county council. One of the first issues that I encountered when I became leader in 1981 was what I saw as the total neglect of and ignorance about the needs of Muslim communities in areas such as Blackburn, Burnley and Hyndburn. I found that there was little understanding of their needs. Their correct wish to maintain their identity and to have their religious and cultural needs met was fully understandable and acceptable, yet the authorities found it difficult to understand. Seeing things differently was considered to be hostile.

Because of my Judaism and my position as leader of the council, I was able to use my knowledge to assist the Muslim communities, and at the beginning of the 1980s we changed Lancashire county council policy. Dietary policy was changed to introduce halal meat to school meals, and we argued with the burial authorities so that, in accordance with Islamic law, Muslim burials could take place on the same day. I brushed aside statements and reports telling me that that was not possible. I knew that not so many miles down the road, in the Jewish communities of Manchester, burial on the same day was a given, and was accepted as a right of that community. I could not understand or accept that if it was a right for the Jewish community in Manchester, it should not be a right for the Muslim communities of Lancashire. That change was made, as were changes in policy on school uniforms.

I also worked with Adam Patel, who is now a peer, to found the Lancashire Council of Mosques to help Muslim communities in Lancashire to develop their identities and to extend their knowledge on the basis of maintaining their identities as members of a wider community and contributing to that community. The Jewish experience provides a model for how people can maintain their sense of identity, how it can change over

time, and how maintaining identity can make people better and stronger citizens.

The Government's efforts to give support in matters of particular concern to Jewish people have been mentioned. I thank also the Speaker for his efforts in recognising the Jewish community, and for holding the special celebration to mark the 350th anniversary of the return to the UK of Jews. The Chief Rabbi spoke to the nation on the BBC this morning, and talked about this debate. He quoted Jeremiah urging Jews to contribute to the society of which they had become a part, and he drew attention to the origin of many Jews in this country as the asylum seekers of the past.

I hope that the Jewish contribution has shown the way forward for people to maintain their identities in a way that contributes to society as a whole. I hope also that that is a cause for celebration, as we discuss the future of citizenship and the direction in which our society should go.

10.15 am

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Member for Hendon (Mr. Dismore) on securing this important debate. I also congratulate my hon. Friend the Member for Ilford, North (Mr. Scott) and the hon. Member for Liverpool, Riverside (Mrs. Ellman) on their speeches in this enjoyable debate. I do not expect that my humble contribution will add much.

I am not a Jewish person, but I want to place on record my appreciation for what Jewish people have brought to Britain in the past 350 years. In many respects, the number 350 resonates throughout the debate, because after Cromwell changed the law, there were only about 350 Jewish people in London. It is now 350 years since that important decision, and there are about 350,000 Jewish people in Britain today. That is the second largest Jewish population in western Europe, I believe.

As the hon. Member for Hendon described, Jewish people have not always had a happy time in this country. For many centuries, it was considered that Christian people should not be involved in moneylending, which is why the first Jewish people who came here engaged in that profession, from which they clearly prospered, which led to resentment. It is shocking, and strongly reminiscent of the second world war, that in 1217 in this country, Jewish people were required to wear yellow badges to indicate that they were Jewish.

Cromwell's decision, made in this place in 1655, was momentous. It followed several weeks of debate, including opposition from the clergy, but with strong consideration given to the Messianic prophecies. It was a strong view at that time that if Jewish people were not allowed back into this country there would not be a second coming, because Jewish people would have to be on all the lands of the earth for the second coming to happen. As well as those religious implications, Cromwell clearly had strong feelings on the matter and rightly recognised that Jewish people would help trade inside England and with other countries in Europe.

The relationship between this country and Jewish people has not always been straightforward. We rightly recognise that this country has a long and proud tradition of democracy and trade in all sorts of different spheres, but Israel was a kingdom long before London or England were ever thought of, and when where we are now was just swampy riverside. For the people alive at that time, there was no concept of our nation, yet many years on, this country played a crucial role in establishing the modern state of Israel. That was never a straightforward process, but I like to think that if Britain had not had the mandate in Palestine and it had been given to another power, the state of Israel might not have been born in the way that it was.

My uncle served in the British Army in Palestine just before 1948. He very much appreciated all that Israel had to offer, and our country had a difficult role to play between the Israeli and Arab communities. The path was never straightforward. Had there been a more brutal colonial power than Britain in Palestine, the Israel that we know today might not have come about after the second world war. This country stood alone in 1940 against the rise of Nazism in Germany when no other country in the world was prepared to stand up to Hitler.

I am sure that Jewish people and non-Jewish people alike will be grateful to the hon. Gentleman for raising this important issue today. An important part of Britain's cultural life is the hymn "Jerusalem". Many of us know its words off by heart, and it is rather appropriate that that hymn links the Jewish community with those of us who are not Jewish but who recognise the Jewish tradition.

10.21 am

Mr. Dan Rogerson (North Cornwall) (LD): I, too, congratulate the hon. Member for Hendon (Mr. Dismore) on securing this debate, which has ranged widely around the contributions that the Jewish community has made to British life and indeed the connections between the life of this country and Jewish communities overseas.

I noted in the Library pack for this debate an article written by a scholar claiming that this date was not necessarily the most significant in the history of the Jewish community in this country. I was therefore interested to hear the hon. Gentleman speak about the case that made it acceptable again at that time for members of what was a small Jewish community to practise their faith openly. It reassured me that this date is significant. Whether the anniversary is for 350, 400 or 300 years, the important thing is that we are having a debate today and that there is a celebration this year of the immense contribution that the Jewish community has made to British life and to global Jewish culture. A prominent example of the latter is the political influence that the Jewish community exercised to ensure that the British Government supported the establishment of the state of Israel.

I was interested to hear the contribution of the hon. Member for Ilford, North (Mr. Scott), who is no longer present, as my father's family is from the east end of London, and they grew up as part of a diverse community. My father's first teaching job was in Ilford, and he trained as a teacher in Golders Green, so there is also a connection with an area not too far from Hendon. We heard particularly moving words from the hon. Member for Hendon about his discussions with those people who experienced the most appalling persecution in Europe during the second world war. As an A-level history student, and a fairly difficult person to affect emotionally

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at the age of 16, I remember visiting the Imperial War museum and seeing some of the footage of the British Army arriving at and liberating the camps, and the effect that that had on me. It is impossible to imagine the suffering that the Jewish community throughout Europe experienced during that period, and it was moving to hear the hon. Gentleman's experiences of and discussions about that.

Like every European community, we have had our own periods of persecution in which episodes of anti-Semitism were overt, although they took place further back in our history. We heard from the hon. Gentleman about the terrible persecution in York.

In the contribution from the hon. Member for Liverpool, Riverside (Mrs. Ellman), we heard how low-level discrimination in our society is equally damning of us as a community. Although it may be less obvious, we must never forget that it devalues us all.

The Jewish community's resilience and determination to practise its faith reminds me of the Catholic tradition in which I grew up, although the two faiths may have slightly different views on the role of Oliver Cromwell in certain stories. As the hon. Lady said, the Jewish community as a minority paved the way for others in integrating or maintaining the role of its unique tradition. The Jewish community has contributed famously to the worlds of business, science and the arts, and, as we have heard, to sport and to the military.

All parties have had prominent Jewish politicians. As we heard, the first Jewish MP, Lionel de Rothschild, was elected four times before he was allowed to take his seat in 1858. He was from the Liberal tradition. The first non-baptised, Jewish Cabinet Minister, Herbert Samuel, joined the Cabinet in 1909, as I had understood; the hon. Member for Hendon said 1908, and I bow to his research. Samuel went on to lead the Liberal party and, I am told, to appear in the first televised party political broadcast. I shall leave it up to other hon. Members to decide whether that was an achievement.

There are debates within the Jewish community about its degree of assimilation. It is clear that living among and interacting with other cultures brings challenges, but it also provides the opportunity to celebrate uniqueness in Britain's diverse culture. The celebration taking place this year marks the re-emergence of the British Jewish community 350 years ago, and more than that, it provides the entire British community with the opportunity to show its appreciation of the contribution made by the Jewish community and individual Jewish citizens.

The community has not often sought the limelight, and I hope that schools, councils, villages, towns and cities will take the opportunity to thank the Jewish community. I hope also that the community itself will proudly acknowledge its achievements in Britain, and look positively to the future.

10.27 am

Alistair Burt (North-East Bedfordshire) (Con): I add my congratulations to the hon. Member for Hendon (Mr. Dismore) on securing this debate and on introducing it in a generous and illuminating fashion. We had a wonderfully expansive trot through the history of the Jewish community in the United Kingdom, and we thank him for that. I welcome my friend, the Minister, who will make the Government's winding-up speech—so we have little doubt that the high quality of this debate will be maintained right to the very end.

I have had the good fortune to be long acquainted with just what the Jewish community means to this country. I was born and brought up in Bury when, as is well known, the Jewish community was already a fixed part of north Manchester life. When driving into Manchester through Whitefield and Prestwich, the synagogues, the visible symbols of the Jewish community, were obvious and proud. My school, Bury grammar, had long benefited from a distinctive Jewish community. Over the decades, countless boys have emerged to contribute to all sections of British society through their skills and application. From within my generation, there have been such literary notables as Colin Shindler, author of the wicked and, in my view, deeply unfair book "Manchester United Ruined My Life"; and Simon Kelner, possibly the finest and most innovative newspaper editor of the modern day, and whose form prefect I once was.

There is one man in particular, however, who bridges my childhood and adult life as the epitome of dedication to public life. His life and career was a wonderful example to me and many others. He is Michael Fidler JP, and woe betide anyone who forgot the JP. Michael was born in Salford, the fourth child of two Lithuanian Jewish émigrés who ran a hardware shop. They subsequently established their own waterproof garment factory, and Michael became its managing director. He was chairman of the National Joint Clothing Council of Great Britain between 1953 and 1957. While serving his trade and profession he served his faith. He was a member of the Board of Deputies of British Jews from 1942, and its president between 1967 and 1973. He also had a distinguished masonic career.

As an independent councillor, he became the first Jewish mayor of Prestwich in 1957, but he joined the Conservative party and was the MP for Bury and Radcliffe between 1970 and 1974. I shall remember for ever my excitement and elation, as chairman of Michael's young Conservatives, when he held his seat in February 1974 by just 300 votes after three recounts, little realising that barely nine years later I would be his Conservative successor. He distinguished himself in Parliament by fighting hard for his constituency, perhaps making his greatest contribution by ensuring that Bury and Rochdale retained their historic individual identities. In the midst of all that, he still had time to be the founder of the Conservative Friends of Israel, of which he was the director until his death in 1988, and which is now so ably run by Stuart Polak. Michael was just one man, but the life of that one man—and he was so rightly proud of every part of it—and of Maidie and the family epitomise the contribution made by Jews throughout this country to business life, community life, politics and international relations, particularly in ensuring vital support for the existence and independence of the state of Israel.

I have been lucky to experience at first hand the contribution of the Jewish community. As the Member of Parliament for Bury, North until 1997, I was able to see still more of that contribution in education, welfare, family life, community life, business and politics. Perhaps nothing during that time was more poignant

to a child born after the heartbreak of world war and holocaust, but whose soul had been touched by visits to Yad Vashem and by the writings of Elie Wiesel, than attending the annual remembrance service of Jewish ex-servicemen in Prestwich with my good friend and colleague David Sumberg, who was the MP for Bury, South. I still cherish those memories.

I hope that you will forgive these personal reflections, Mr. Williams. Perhaps they help to explain why I am so proud on behalf of the Opposition to respond to the debate and to discuss the contribution of the community on a wider scale. We have heard several excellent contributions this morning. They highlighted particular themes that run through the community's contribution to Britain during the past three centuries. There were personal reflections from my hon. Friend the Member for Ilford, North (Mr. Scott) and the hon. Member for Liverpool, Riverside (Mrs. Ellman), who both drew on personal experiences to illuminate their remarks. My hon. Friend spoke with humour, emotion and not a little passion about the family experiences that had brought him to this place, and the hon. Lady used her considerable local government experience to draw some valuable and too often unheard parallels between the experience of the Jewish community and that of other minorities in Britain.

My hon. Friend the Member for Kettering (Mr. Hollobone) reminded us of the United Kingdom's role in establishing the state of Israel, and the hon. Member for North Cornwall (Mr. Rogerson) rightly took this opportunity to remind all communities to celebrate the contribution of the Jewish community to life in this country.

Perhaps I might emphasise three trends throughout the centuries to make a point about the Jewish contribution to community life. Speaking just a few days ago at the Board of Deputies of British Jews, the leader of my party stated:

"To me the greatest strength of the Jewish faith—and the Jewish community—is the primacy of your values and how you live by them. Treasuring the close bonds of family life, truly understanding that they are the cornerstone of a healthy and vibrant community. That community also recognises the central importance of education and a good schooling. The greatest gift you can give someone is the means to help them look after him or herself and a good education provides the tools for independence."

That closeness of community and that shared culture, which is so generously made available to anyone who inquires after it and is taken into the home of Jewish friends, is a fundamental characteristic well known to our society.

If culture has been important, so too has been the remarkable character of significant individuals who have made a contribution. Many of them have already been mentioned this morning. A visit to a cheerful Jewish website, of which there are many, produced an entertaining list of the top 10 UK Jews. The list comes from TotallyJewish.com's top 10 list of Jews who have influenced Britain. It is not a bad list: it includes Peter Sellers, Brian Epstein, Benjamin Disraeli, Isaiah Berlin, Michael Marks, Siegfried Sassoon and Robert Winston—contributions that have been mentioned by many others this morning. I was particularly delighted by the recognition of Rosalind Franklin, a representative of Jewish women of achievement. Too often forgotten, she was the woman at the heart of the discovery of DNA.

If character and culture have been of significance, so too has been the wisdom of those whose thoughts and words stop us in our tracks and make us look at the world differently. I have had the good fortune to meet and listen to both of the last two Chief Rabbis. They have made a huge impression on us all with their depth of understanding of the importance of fixed and firm values in the midst of a rapidly changing world. Such wisdom is drawn from a perspective influenced by the tragedies of the Jewish people's experience of the 20th century and the later struggles for the existence and very life of the state of Israel. Their words, directed often with gentle humour but deep insight, have illuminated contemporary discussion of the place of faith in modern life and communities. They represent many other writers, artists and philosophers, too numerous to mention, who have helped shape the modern world and culture that we now take for granted.

Arthur Hertzberg stated:

"Community cannot survive on what it remembers; it will persist only because of what it affirms and believes."

Those of the Jewish faith in Britain have something special to contribute. What they affirm and believe encompasses a sense of purpose born from the pain of their existence, which is perhaps why so many of them have tended to raise their voices on behalf of others. Wiesel stated:

"No one is as capable of gratitude as one who has emerged from the kingdom of night. We know that every moment is a moment of grace, every hour an offering; not to share them would mean to betray them. Our lives no longer belong to us alone; they belong to all those who need us desperately."

An article published on the website of the Board of Deputies of British Jews about the Jewish community in the United Kingdom concludes:

"The Jews have never just been a people like other peoples. Jewish survival is a miracle. It defies the trends and logic of history. Logically the Jews should have been no more than a footnote of history disappearing centuries, even millennia ago. With our endless problems, crises and catastrophes which have perennially cascaded through Jewish history, we are indeed (in Simon Rawidowicz's famous phase) 'the ever dying people'."

We are all the richer in this country because that Jewish community survived. We recognise that it survives not on its past or on its history, but on its relevance and engagement with contemporary life. Nor do we forget that the embers of anti-Semitism, which may have been dampened much lower than in medieval times, are still capable of being inflamed. With the recent votes for fascist parties such as the British National party, we know that they need vigorous and effective combating.

The key to the relationship of the Jewish community with the rest of society is the relationship of that community with God and its creator. That relationship gives us in the book of Micah a phrase which, when applied to individuals, communities and nations, and when remembered, is a universal code by which we can all live:

"He has showed you, O man, what is good. And what does the Lord require? To act justly, to love mercy and to walk humbly with your God."

We wish Godspeed to the Jewish community in this country for many years to come.

10.38 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Meg Munn): I congratulate my hon. Friend the Member for Hendon (Mr. Dismore) on securing this important debate and on his representation of his Jewish community and constituents and, generally, the way in which he represents all his constituents. It is no exaggeration to say that he is indeed legendary in this place.

All hon. Members who contributed to the debate have added to its richness. They shared their experiences and knowledge, and I have certainly learned a great deal. It is always a pleasure to take part in a debate in which there is cross-party support—in which parties come together to speak loudly from this House about an important issue. I commend the speeches of the Front-Bench representatives, and I thank the hon. Member for North-East Bedfordshire (Alistair Burt) for his generous comments and his moving contribution.

This debate takes place at an appropriate and opportune time. It is appropriate, as it provides an opportunity for the House to recognise the contribution that Jewish communities have made to our culture, society and economic success, and it is opportune, as the Government have recently consolidated their work with faith communities under the auspices of the new Department for Communities and Local Government. My hon. Friend the Minister for Local Government has lead responsibility for race, faith and cohesion following the reshuffle, and I am supporting him in that work, as part of my cross-cutting equality brief.

This year marks the 350th anniversary of the resettlement of Jews in England, following their expulsion by Edward I in 1290. It is an important anniversary in our country's history, a time to remember and celebrate. Jewish communities are part of the fabric of British life and have been for more than three centuries, and they have made a huge positive contribution to our society. During that time, they have been part of an extremely vibrant political culture, with people such as Benjamin Disraeli and Karl Marx, and political events, such as the 1936 battle of Cable street, which stopped Oswald Mosley's fascists marching in the east end of London, and to which my hon. Friends the Members for Hendon and for Liverpool, Riverside (Mrs. Ellman) referred. Mainstream political parties have all had distinguished members from the Jewish community in this place contributing to the nation's governance.

Jewish contributions to British society have enriched it in many fields, including business and finance, arts and sciences, industry and technology, medicine and law, academia and the media, politics and public services, the armed forces and charitable endeavours. Indeed, it would be hard to find an area of British life that has not benefited from Jewish input, and hon. Members have given us other interesting and detailed examples.

As a community, the Jews have been able to integrate into the life of the country without losing their distinctive identity as Jews. My hon. Friend the Member for Liverpool, Riverside described that well. The Jewish community is an example of how members of an immigrant community can succeed as individuals and as a community, and make a huge positive contribution to the country at large.

The Government value the Jewish community in this country. Over the past year, ministerial colleagues have attended the League of Jewish Women's human rights day, the Rabbi-Imam conference, the 350 years of British Jewry event, the Holocaust Educational Trust dinner, and holocaust memorial day. As has been said, yesterday evening the Prime Minister attended an event at the Bevis Marks synagogue commemorating 350 years of British Jews in the UK.

My hon. Friend the Member for Hendon spoke of the experiences of Jews before and after the second world war. Holocaust memorial day is about commemorating all the communities that have suffered as a result of the holocaust and Nazi persecution. It is about demonstrating that the holocaust is relevant, by having the day as a focus. National and local events help people to think about the ongoing repercussions on our society of that tragic time.

The UK holocaust memorial day was first held in January 2001, and has been held on 27 January every year since. A different part of the UK hosts the national event each year, and it has been held successively in London, Manchester, Edinburgh, Belfast and London again. Holocaust memorial day this year was held in Cardiff, showing that the issue is important to all parts of our country. The success of holocaust memorial day has enabled it to go from strength to strength and to play a major role in commemorating all the communities that suffered as a result of the holocaust and Nazi persecution.

Hon. Members have rightly reminded us that anti-Semitism still exists and continues to arise in different forms and in different shapes throughout the country. The Government deplore all forms of racism and are committed to tackling anti-Semitism. We welcome the Community Security Trust report for 2005, which highlighted a decrease in the number of ant-Semitic incidents, but we cannot become complacent. Violent attacks on Jewish people have outnumbered incidents of damage to Jewish property for the second year in a row.

Government and the police work closely with the Jewish community. The police and officials from my Department work closely with the Community Security Trust. Attacks on individuals, synagogues and Jewish cemeteries are completely unacceptable. British Jews, like all people in this country, must be able to live their lives free from verbal or physical attack. The Government have a shared responsibility to tackle anti-Semitism and all other forms of racism and prejudice against lawful religious traditions.

In recent years we have strengthened both the legal framework against race discrimination and the criminal penalties for offences such as incitement to racial hatred, and racially or religiously aggravated assault or criminal damage. Additionally, in a July 2003 policy statement, the Crown Prosecution Service gave a commitment to prosecute racist and religious crime fairly, firmly and robustly. That sends a clear message to perpetrators that they will not get away with threatening, violent or abusive behaviour towards members of racial or religious groups.

My hon. Friend raised the issue of war crimes. The Government are clear that the crimes committed during the second world war by the Nazis are among the most serious. We remain determined that the UK will not provide a safe haven for anyone guilty of such atrocities. The Metropolitan police continue to investigate all allegations, and immigration powers are in place to revoke leave for suspected war criminals to enter or remain in the UK.

It is important not to forget that Britain is a multi-faith society, quite as much as it is a multi-ethnic and multicultural society. Muslims, Hindus, Jews, Sikhs and others form sizeable minorities alongside the majority Christian faith. The Government are committed to engaging with all faith communities. We are working towards ensuring that members of all faiths and none enjoy the same opportunities in life. We work with people of different beliefs but shared values toward common goals. Faith communities contribute to social and community cohesion through those of their values that help to underpin good citizenship, such as altruism, respect for others, ethical behaviour and community solidarity.

We recognise that in the past some well-meaning initiatives might have inadvertently contributed to a sense of division within communities. Although concerns that a section of a community is receiving a preferential level of investment or treatment over, or at the expense of, another section are often unfounded, the Government are determined that the important work that we have embarked on will be undertaken in a manner that promotes community cohesion. My hon. Friend the Member for Liverpool, Riverside has demonstrated how she was able to use her experience and background to assist people of another faith who were experiencing discrimination. We should all learn from such examples.

We have established the Faith Communities Consultative Council, as a way of engaging with faith communities. The new body supersedes the Inner Cities Religious Council and the "Working Together" steering group, and covers nine faiths: Baha'i, Buddhism, Christianity, Islam, Jainism, Judaism, Hinduism, Sikhism and Zoroastrianism. The council will be administered by and linked with the Department for Communities and Local Government. In addition, many Members of this House and the other House, such as Lord Janner, are doing considerable work on improving inter-faith co-operation.

I should also mention the creation of the new commission for equality and human rights, which we aim to have in place by October 2007. For the first time, there will be institutional support for people experiencing discrimination on the grounds of religion and belief. As hon. Members will be aware, the Government have introduced a range of laws on discrimination, outlawing it in employment on the grounds of sexual orientation, and religion and belief. Later this year, we will introduce regulations to outlaw discrimination in the provision of goods, facilities and services on the grounds of religion and belief, and sexual orientation. We shall continue to look at how to respond to a changing inter-faith integration and cohesion agenda, and to focus on all faiths.

Interfaith engagement and dialogue are part of the glue that binds society together. The Government are deeply committed to dialogue and have brokered Jewish-Muslim dialogue through meetings with imams and rabbis and through engagement with the Three Faiths Forum, which focuses on Muslim, Christian and Jewish dialogue and understanding.

There are nearly 185 interfaith and multifaith and local bodies throughout the country. Those bodies play a key role in bringing together people of different faiths to increase trust, mutual understanding and respect, to help to defuse intercommunity tensions, to build community cohesion, to provide advice and information on religious issues, to foster co-operation on local issues and to work jointly on social and educational projects.

The Government have consolidated their work with faith communities under the auspices of the new Department for Communities and Local Government. The new arrangements put us in a strong position to make a difference. Our focus is on helping communities to prosper through good governance, tackling deprivation, housing, regeneration, empowering communities and improving the local environment. Those are some of the fundamentals of building communities and of building cohesion at their heart. Race and faith issues are seen as an important element of the different strands that need to be knitted together.

I hope that my hon. Friend and other hon. Members have found useful my explanation of how we intend to move forward in the area of faith. Britain has for the most part a positive tradition of accepting people of different faiths, races and cultures. I hope that, through the Government working positively with all who are willing, we can ensure that the children of today grow up feeling accepted by society at large.

Last night, the Prime Minister said:

"Throughout these years, the community"—

the Jewish community—

"has shown how it is possible to retain a clear faith and a clear identity and, at the same time, be thoroughly British…As the oldest minority faith community in this country, you show how identity through faith can be combined with a deep loyalty to our nation."

The Jewish community in England and in the UK as a whole has made a significant contribution to our society. It has contributed enormously to our diversity and helped to make us a vibrant and successful society. This debate has shown that we ignore at our peril the talents and abilities of any section of our society and of any individual. There are many important challenges ahead of us. We want to build diverse cultures within a framework of integration. I am sure that the Jewish community will continue to be at the forefront of helping us to build a more inclusive and cohesive society.

10.52 am

Sitting suspended.

Digital Switchover (North-East Wales)

11 am

Ian Lucas (Wrexham) (Lab): It is a great pleasure to serve under your chairmanship for the first time, Mr. Williams. I hope that the conversation over the next half hour will be of interest to you; I suspect that it will.

Television broadcasting provision in north-east Wales in general and Wrexham in particular is complex. In my living room in central Wrexham, it is possible to receive analogue TV signals from three separate regional broadcasting areas: Wales, north-west England and the ITV Central English region. At present, it is difficult to obtain information about which channels individual viewers watch and, in particular, how many viewers in north-east Wales watch out-of-area services from England. In 1999, at the birth of the National Assembly for Wales, the Welsh Affairs Committee suggested in its inquiry at Westminster that that figure might be as high as 10 per cent. across Wales. I suspect that in north-east Wales the figure might be higher.

My first request of the Minister is to ask him to commission research, perhaps through Ofcom in Wales, on viewing patterns in north-east Wales. That is not merely a subject of academic interest. At present, only Welsh TV channels engage with the development of civic society in Wales—a development that is now rapid. If viewers in north-east Wales do not watch channels from Wales because the services do not interest them, their disconnection from the rest of Wales will grow, which could have profound implications for devolution in Wales.

Local TV signals in north-east Wales are broadcast from three transmitters: the Wrexham-Rhos transmitter, Winter Hill in north-west England and Wrekin in the ITV Central region. In my living room, the signals vary in quality; Winter Hill is best, Wrexham-Rhos is next and Wrekin is worst. Poorer quality signals blur in analogue but they are still perfectly visible.

I raise the issue now to explore the effect that digital switchover will have on TV reception and whether it will limit my constituents' choice of the number of channels that they can watch. With digital signals, poorer quality transmission leads to intermittent signals rather than blurring. When transmission is interrupted viewers are much less likely to stick with a channel. After switchover, I want to see maximum choice for my constituents. Those who wish to must be able to receive transmission from Wales and those who wish to must be able to receive transmission from England. If digital switchover means that the habits of a viewer are disregarded overnight, there will be considerable outcry.

I am certain that the possible impact of switchover has not yet registered in the minds of the vast majority of my constituents. The current position is simply unacceptable. Viewers in Wrexham cannot receive digital services from Wales through freeview. Signals come from Winter Hill in north-west England and thus there is no BBC Wales, HTV Wales or S4C on freeview channels. That has the considerable impact on coverage of Welsh affairs that I mentioned earlier. Can the Minister assure me that following switchover, viewers in Wrexham, which is the largest town in north Wales, who want to receive freeview digital TV services from Wales will be able to do so?

As I said, I want my constituents to have maximum choice and I believe that those who want to watch English television too should have the right so to do. Will it be possible for individual viewers to choose which digital signal they receive? At present, different regions can be viewed on the same television set. Given the break-up effect of poor digital signals, is it possible that choice could be reduced by switchover because channels such as ITV Central might no longer be available to viewers? What steps can a viewer take to ensure that the number of regional channels that are available through analogue signals can be viewed on digital in the future?

I would also be grateful if the Minister clarified what steps will be taken to ensure that the cost of maintaining viewers' level of choice will be met. I anticipate that the costs will include those of not only a digital box, the idea of which is beginning to enter the public consciousness, but additional aerials. If one might require an additional aerial to preserve a signal from north-west England and the ITV Central region, for example, the cost of securing it will be considerable.

Given that the changes are driven by Government policy and that individuals on poorer incomes might not be in a position to fund such extension of reception, will the Government take any steps to support the provision of additional aerials and boxes? In short, what help will there be for consumers who are prejudiced by digital switchover?

As the Minister knows, the changes in Wales will happen in 2009-10. I have been fortunate to receive helpful briefings from Ofcom and Digital UK, and to have had a number of discussions with broadcasters from Wales in particular but also with some from outside Wales. I want to thank them for their help. There is a common interest in ensuring that the digital switchover happens and is successful. I have grappled for some while with the complexities of switchover in order to get my head around them, and it is clear that Digital UK has a big job on its hands in explaining the implications of switchover not only to the general public but to the media and politicians, who at this stage have not appreciated the scale of what is to occur. I have found that one of the most helpful phrases is "analogue switch-off", rather than "switchover". The phrase "switch-off" makes it clear that what is there at the moment will disappear. That has not yet entered the public consciousness as something that will have a profound impact.

It is clear that, for the reasons that I have set out, switchover will have a localised impact. It is vital that the information from Digital UK should be localised. What plans are in place to focus on localised information from Digital UK? Like many others, I recently saw the beginnings of the national advertising campaign, and I have benefited from a briefing meeting with Digital UK, for which I am grateful. We need more localised information.

Chris Bryant (Rhondda) (Lab): Some of the issues that face my hon. Friend's constituency are differently cast in mine. It seems that there is an enormous inequity

as freeview is not available to many households in Wales, which is worse off than other parts of the country in that respect. When freeview becomes available to everybody because of analogue switch-off, as my hon. Friend calls it, it will be only a poorer version of the freeview that is available in many rural and semi-rural areas of the UK. Will that not make a lot of people feel that they are not getting the same deal from the BBC as the people of Chelsea and Westminster?

Ian Lucas: Absolutely; I echo my hon. Friend's concern. My other concern, based on my dislike of monopolies, is the suggestion that satellite television rather than freeview can be used to allow access to television services. That is unfair in the extreme. Those of us who hold strong views about Sky and who do not want to use satellite services do not wish to be forced to obtain a satellite aerial from a particular broadcaster because it is the only way to obtain a secure television signal. It is important that we work to improve freeview reception. I welcome freeview—it is a tremendous innovation—but the service needs to be broadened and spread to as many households as possible.

I do not want to be negative about the digital switchover. Digital television has tremendous potential, and I know that the local media community in Wrexham has a great appetite for services to be broadcast that represent what is happening there. We in north-east Wales feel that we do not receive a satisfactory level of coverage from existing services; the BBC within Wales focuses on other areas of Wales to the exclusion of our culture, and services from the north-west of England do not generally cover our area.

There is a great appetite and capacity among those in the media community in north-east Wales, especially at Yale college and the North East Wales institute at Wrexham, to explore digital television and especially local digital television. About two years ago, the BBC in Wales held a laboratory broadcasting experiment in Wrexham for a week, which led to the successful, high-quality production of local television; it was viewed within a room and not broadcast, but it showed the capacity to make programmes and the appetite for viewing local news in a more localised manner.

One of my major concerns about freeview is the development of gaming shows and channels that seem to appear from nowhere, and without discussion or consultation about their content. I hope that the strength of appetite for local digital television will in due course be registered by the Government, and that it will be taken forward in order to benefit areas such as north-east Wales, and particularly Wrexham.

I am grateful to have had the opportunity to put my concerns on to the radar. It is important that Members of Parliament engage with the issue, because we are leaders in our communities and can put such matters before our constituents. I am pleased to have seen some local recognition of the debate, and pleased that the issue has now been discussed. Of course, that discussion is coupled with the launch of Digital UK.

The Government are making good progress with the roll-out of digital television, and I commend them for that, but I hope that the local issues that I have raised—I make no apology for them—are addressed as early as possible, because the earlier they are dealt with, the better the resolution will be and the more positive the outcome will be for digital television.

11.13 am

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Shaun Woodward): I congratulate my hon. Friend the Member for Wrexham (Ian Lucas) on initiating this debate on digital television and the digital switchover as it affects his constituency. He is right to want to put his concerns on the radar. Indeed, he should make no apology for raising local issues. Everyone in the country has a huge opportunity. It is right that Members of Parliament should take a strong and extensive interest in the subject because of the changes and the opportunities that their constituents will undoubtedly have once we complete the analogue switch-off in 2012. I am delighted to have the opportunity to talk about what the switchover and the switch-off of the analogue signal will mean generally in the United Kingdom and specifically for people in north-east Wales and in my hon. Friend's constituency.

My hon. Friend raised a number of important questions that I hope to answer, and those that I cannot answer I shall refer to Ofcom. He spoke about a number of specific issues, some of which will need to be explored further. I will be happy to write to him and to meet him in order to explore the reality of the matter during the next few years before the change comes into effect in his constituency.

As my hon. Friend said, it is important to recognise the enormous opportunity that the switch-off and the digital revolution will bring to the UK and to his constituents. However, we may not yet have taken on board quite what that revolution will bring. Indeed, the Culture, Media and Sport Committee said in its recent report on the digital switchover that we might almost be hitting the "lowest common denominator" in our vision of what it could bring about.

Yes, it will mean that people will have access to many more channels—channels that are currently enjoyed by most people in the UK, but not all. When the full programme of switch-off is complete, and the signal is boosted once everyone has access to digital, people will have a great deal more than the 33 channels, which is sometimes all we speak of. If we get it right, if we manage to get the synthesis between ourselves and the software and hardware manufacturers—those that make the televisions and those who provide the services, through whichever platform—we will truly have revolutionised the way in which people can enjoy all kinds of services, of which the television channels are only a part. Indeed, companies such as Microsoft Entertainment are beginning to explore the full potential of digital television.

I hope that my hon. Friend's constituents, like those of my hon. Friend the Member for Rhondda (Chris Bryant) and others, will be able to enjoy all the benefits. We are already beginning to see a glimmer of that, with people being able to enjoy things such as the World cup and using the red button to gain access to all kinds of other dimensions of the game.

By the end of March this year, almost three-quarters of UK households had converted at least one television set. It is worth pausing on that point, because in some ways the debate has been characterised as if the Government were forcing people to make the conversion. That is not the case. We will have switched off everything by 2012,

[Mr. Shaun Woodward]

but three-quarters of households have already embarked on this great venture. They are not being pushed into doing it. They want to do it—and for a very good reason.

People realise the opportunities. Consumers in Britain and in my hon. Friend's constituency are demonstrating that they want to be part of the change. None the less, we must recognise that some out there have not yet taken on board the advantages that digital television can bring. On the evidence that we have seen, some may feel that, because of their age—the most likely reason—or because of disability and not because of income, it is too great a challenge at the moment.

Part of our policy is to ensure that the digital revolution and the change to digital television is available for everybody, and that we provide help or know-how to those for whom age or disability are barriers to taking it up. In trials that we have conducted—for example, we held one in Bolton—we have found that, if we offer help to people, regardless of age or disability, not only do they want to do it, not only can they do it, but if we ask them afterwards how they feel about it, 98 per cent. of them say that it has made their lives better.

Chris Bryant: Yes, everybody wants to go digital in Rhondda because they want to watch Channel 4 instead of—or at least as well as—S4C, and they want to watch some decent rugby. The way in which the Government have structured broadcasting in the UK and broadcasters have managed to attract rights is deliberately geared towards making people go in that direction. However, the difficulty is that the only way to go digital in Rhondda is by paying money to Sky. I can count the dishes outside the houses in Rhondda to find out how many have gone digital. The problem is that people have been waiting for some time for a freesat service from the BBC, ITV and Channel 4. I hope that the Minister will bash some of those broadcasters' heads together to provide a non-Sky freesat option as soon as possible, so that people in Rhondda have some choice.

Mr. Woodward: My hon. Friend makes a fair point. There is a need for a little head bashing, although not necessarily only inside the BBC and one or two of the other channels—it should take place across the whole industry.

My hon. Friend makes a good point about his constituents. I am sure he is out there every night, assiduously counting the number of satellite dishes going up. There are short-term issues that have to be addressed, but those must not mask our opportunity. He mentioned why people in his constituency and elsewhere may have gone digital—to access particular television stations. However, by the time digital switchover is completed in 2012, there will be literally scores of channels and opportunities of different kinds, not least through the potential of high-speed broadband.

As I mentioned, Microsoft Entertainment is exploring with British Telecom and others the kind of services that it might be able to bring into people's homes. That will make traditional terrestrial channels look like something from the ark. There is real excitement ahead.

My hon. Friends are right to point out the short-term problems, which are not inconsiderable. However, the potential is such that, by 2012, the argument will not be, "Why did the Government make us all do this?" People will look back and say that this Government were right to have had the foresight to get this done and that the opportunity they created was enormous.

To use my hon. Friend's term, we have to head bash among ourselves to make sure that the technology that we are encouraging people to have in their homes will match the kind of services in which they will be able to take part. If we have one particular problem, it is this. We begin the process in 2008 and end it in 2012, but the technology going into people's homes in 2008 will be different by 2012. That is not the Government's fault. None the less, it would be foolish for them not to recognise the changes and the speed with which the technology is changing.

I say to both my hon. Friends that it is significant that, in Wales, take-up has been high. I recognise what part of the reason for that is. None the less, 80 per cent. of Wales has already made the switch. It is worth recognising that that is probably to do with more than the problem of access to some television stations.

The high take-up in Wales is very good news, but it leaves us with the important issue of the 20 per cent. who will need to convert before Wales switches over in 2009. Although many people are now converting their second and third sets too, many have yet to convert at all. We the Government, the broadcasters, Digital UK, Ofcom—all the organisations involved in providing help—have a great deal to do between now and 2009, and I do not underestimate that. We must encourage people to take up digital TV and understand the barriers to which I have alluded.

As a Government, we remain platform-neutral. How people make the switch is up to them, although I recognise the point made by my hon. Friend the Member for Rhondda: for some people, satellite may be the only option because of where they live.

It is vital that we put out as much information as we can to try to help people. I welcome the national information campaign that Digital UK, the broadcasters' organisation for switchover, has launched. Between now and switchover, Digital UK will be communicating with every single TV viewing household in the country to help them to prepare for that change.

We must also ensure that nobody is left behind. That is why we are putting together a special assistance scheme, from all the work that we have done, specifically focused on those for whom conversion may be a problem. I reassure my hon. Friend the Member for Wrexham that we do not for one second underestimate issues around low-income households in the UK. However, from the evidence that we have seen, being in that bracket tends not to be the barrier to conversion. Age and disability tend to be—not exclusively, but by and large. For that reason, to make sure that the assistance scheme is appropriately targeted, we have decided to aim it at those groups.

I turn to the specific points raised by my hon. Friend. Extending digital terrestrial television in Wales is particularly challenging. The hills and valleys in much of Wales make that difficult to achieve with

ground-based transmitters. There are more than 200 transmitters in Wales—a far greater concentration than anywhere else in the UK. At present, only nine carry digital signals, covering about 57 per cent. of the population.

That will all change at switchover, and I should like to make some specific points that I hope will reassure my hon. Friend. First, after switchover, the coverage of freeview services across the UK will greatly increase, reaching the same proportion of the population as analogue signals do today. In Wales, we expect digital terrestrial coverage to go from its present level of about 57 per cent. to about 96.7 per cent. of Welsh homes, a larger percentage increase than in any other part of the UK. Coverage will increase substantially in Wrexham because the Wrexham-Rhos transmitter, to which my hon. Friend alluded and which is currently analogue-only, will be converted to digital. Secondly, people who receive their signals from one of the Welsh transmitters will be able to receive all the public service broadcasting channels in their Welsh versions. Those include S4C, the relevant BBC channels, ITV Wales, Channel 4 and Five.

Thirdly, people who currently have a choice of English or Welsh transmitter should continue to have that choice after switchover, although the Wrekin transmitter, in the ITV Central region, will not convert until 2011. I should make clear that there is no plan to change the boundaries of ITV regions. I recognise that that means that some of my hon. Friend's constituents, who currently do not have a choice of region even with adjustments to their aerial, will not have it after switchover either. However, all the regional services are available on satellite.

All our experience shows that even viewers who were sceptical about digital TV liked it when they got it. This month marks the fifth anniversary of the BBC's first interactive TV service, which covered the 2001 Wimbledon championships. Last Saturday, digital viewers of England's match against Paraguay had a variety of interactive options as they watched the game. That is the point about digital TV—it is about creating choice and ensuring that consumers across the UK are able to enjoy the services that broadcasting companies, and many others now entering the ambit of television, will provide them. Analogue television is about viewers being given what they are served by the broadcasters. With digital, the viewer is in control. For example, HomeChoice video on demand, which gives access to vast libraries of material, is already with us. It will grow with initiatives such as Sky's link-up with Easynet and the BT-freeview hybrid.

Whatever platform we are talking about—digital terrestrial television, cable or satellite—digital will offer a greater choice of channels and services for people at home. FilmFour will soon come to the freeview platform, and will be joined by two new channels from Five. That choice makes freeview by far the strongest digital terrestrial platform in the world, joining Sky, which is already one of the strongest satellite services in the world.

Cable will also make changes. Sky and Telewest currently lead the way with high-definition television, presenting the viewer with another opportunity to enrich their experience. All in all, digital is an exciting venture and a great opportunity for consumers. The Government's job is to ensure that no one is left behind, that there is no digital divide, that the elderly and disabled are not alienated from the technology and that everyone in the United Kingdom is able to enjoy the digital revolution.

11.30 am

Sitting suspended until half-past Two o'clock.

Rural Post Offices

2.30 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I want to use the debate to focus our attention on the change that will be coming to the post office network, particularly in rural areas. It is clear to anyone who has a pair of eyes in their head that change will come. When one hears the likes of Adam Crozier and Allan Leighton talk about substantial branch closures possibly being on the cards, it is clear that there will be some sort of change. My concern is that if that change is to come, the process of change should be shaped principally by the people who know best: the people who live in the communities and are most directly affected, and the postmasters and postmistresses who make their living from the provision of post office services in rural areas.

Between March 2000 and March 2006, the number of rural post offices in Scotland fell from 1,285 to 1,128, which represents a decrease of more than 12 per cent. According to a parliamentary answer that I received today, the total number of post offices in Scotland has fallen by 368 in the past eight years, to 1,688 in 2006. Almost one in five of Scotland's post offices have shut since Labour came to power, and that is in the context of the Government, in recent years, giving substantial sums in direct assistance to the rural post office network. I acknowledge that, and like many rural MPs, I am grateful for that investment.

I am also sure that I am not the only one in the House who has seen the process of attrition at work. In the first instance, there is a cut in hours, which then affects the overall financial viability of the business. Another business opportunity then comes along for the sub-postmaster or sub-postmistress, or they reach retirement. They then move on and nobody can be found to take their place. Thereafter, there is a temporary notice of closure, which is temporary in name only because we know that it means that another post office has been shut and will never open again. Many of us fear that that process will speed up in the months and years ahead. It will do so not only because the Government have failed to provide a coherent long-term policy for the rural post office network, but because so many of their policies are undermining its viability.

It is currently estimated that only one in 10 rural post offices make a profit. In that context, it is astonishing that Ministers have failed to accept the huge damage that removing Post Office card accounts will do. In my constituency alone, 1,700 people choose to collect their benefits in that way. In Scotland, the figure is almost 200,000, and in the UK the corresponding figure is 4.5 million. According to the National Federation of Sub-Postmasters, the accounts bring in, on average, 10 per cent. of the sub-postmaster's income. The card account contract for post offices from 2003 to 2010 is worth an estimated £1 billion to the network.

The loss of, first, pension books and now Post Office card accounts is not the only way in which Departments have removed business from post offices. Baroness Prosser told the other place that the Government's plans to set up specialist high-street offices to vet passport applications will "dig into" the £12 million that the Post Office makes from processing passports. We are also seeing a concerted attempt to persuade people to pay their vehicle excise duty online.

Most recently, the Post Office has lost the BBC TV licence contract to PayPoint. Once again, that will mean that rural post offices will lose business. It also demonstrates a failure by the Government to think in a joined-up way. The situation in the Northern Isles particularly concerns me, because they have few PayPoint outlets. The outlets are all in Stromness, Kirkwall and Lerwick—the main towns. There are no outlets in the rural parishes or in the outlying islands. I realise that that is not directly the Minister's responsibility, but it is germane to the debate.

I have been in correspondence with the BBC and was recently told by Pipa Doubtfire, a head of revenue management, which is a glorious title, that customers who currently save stamps but are unable to visit a PayPoint outlet will still be able to use their savings card—that is good news—although they will need to telephone TV Licensing and make payments by debit card.

It is clear that my constituents in the outer isles and the rural parishes will no longer have any means of paying over the counter in a savings scheme such as the one they have had with TV Licensing stamps. We were told that TV Licensing would be writing to those who have paid in that way. The letters were worth waiting for. Two of my constituents in Shetland received letters telling them that their nearest PayPoint outlets were in Tidworth in Wiltshire and in Whitchurch near Winchester. I have no doubt that they are admirable communities, but they lack the important quality of proximity to Shetland. In the interests of helpfulness, I shall send a map or an atlas to TV Licensing to show it exactly where Shetland is.

Julia Goldsworthy (Falmouth and Camborne) (LD): My point is in a similar vein. Letters have recently been sent to people both in my constituency and across the south-west by South West Water encouraging people not to pay their bills at the post office, but to find other easier, more efficient and more convenient ways to pay, such as through PayPoint. That again undermines the services that the Post Office provides, and although it is not the direct responsibility of the Minister, I hope that he will examine that problem.

Mr. Carmichael: My hon. Friend makes a good point. We must also be clear that part of the responsibility for the loss of the TV licensing contract was because of the Post Office itself and the manner in which it failed to compete properly for it.

The Government are always telling us that choice is a great driver and that competition is a great virtue. Why is it that we have simply replaced one monopoly provision with another? If the market and choice are as good as people say, why are not both PayPoint and the Post Office still available? It is clear that PayPoint is not able to cover the full range of services that are necessary.

David Taylor (North-West Leicestershire) (Lab/Co-op): I must declare an interest. I am from the fourth generation of a family that ran a post office in my village for most of the past century, but it has not done so in recent years. Does the hon. Gentleman agree with the following

in respect of the problems in rural areas? At least urban areas had the urban reinvention programme and people knew where they stood. There was an opportunity to make submissions, although a third of the network was lost. If we are not careful, the benign neglect and under-the-counter approach, if I may pun in that way, will lose us a third of rural post offices and more. That will happen merely because of benign neglect and not standing up to the utility companies and others to ensure that there is adequate business for the post offices on which they can build a continued presence in the rural communities that they have served for a century and more.

Mr. Carmichael: Yes, we are talking about the loss of over-the-counter services, and under-the-counter neglect. That is a good metaphor, but we have probably taken it as far as possible. The hon. Gentleman makes a good point, and it is why I am hoping that the debate will be part of a process whereby we can talk about the issues and see the opportunities that exist. Despite all the gainsayers, I still think that there are tremendous opportunities for business in rural post offices. In many instances, a wee bit more flexibility and imagination is required.

It is necessary to have a bit more short to medium-term certainty in respect of the Post Office. Part of the long-term solution will have to be to establish what, if any, Government assistance will be given to the rural post office network. We know that the current annual £150 million for rural post offices will finish in 2008. My concern is that, not for the first time, the Government are refusing to let post offices know how much longer the vital funding will last. When will the announcement be made? What will the scale and duration of funding be beyond 2008? Will the Minister give us an indication of when we can expect an answer to that?

Mr. Philip Hollobone (Kettering) (Con): I congratulate the hon. Gentleman on securing the debate. Given the threat of the Post Office card accounts going in 2010, is it not the case that until the Government make an announcement on funding for rural post offices, every rural post office in the country will face the threat of closure within the next five years? The situation is as bad as that.

Mr. Carmichael: That is certainly the case and it was ever thus. These businesses have always operated on very tight margins in communities where there is often an expectation that businesses operate on low margins and that the people who operate them have made a lifestyle choice as much as an economic business choice. I agree that there is a need for clarity and strategic thinking in the Department of Trade and Industry about what has been missing and what I hope we will see from here on in.

I am aware of the number of hon. Members present and do not want to take up too much time, but I want to consider a few of the opportunities for changing, improving and expanding post office services. One of the greatest opportunities is in the financial services sector. Currently, only 4 per cent. of villages in the United Kingdom have a bank whereas 60 per cent. have a post office, but only 40 per cent. of current accounts can be accessed over post office counters. That is a particular problem in Scotland because neither HBOS—we still fondly call it the Bank of Scotland—nor the Royal Bank of Scotland offer access to their current accounts at post offices. What steps is the Minister taking on that? Is there still an ongoing dialogue between the Department of Trade and Industry and the clearing banks concerned?

The Minister will be aware of research published by Citizens Advice in January this year which shows that many people find it difficult to open the basic bank accounts that are offered at post offices. Has the Minister seen that report and, if so, what action will be taken to help to increase the uptake of those accounts? Citizens Advice recommends that people should be able to open basic bank accounts at post office branches and that all current account holders should be able to withdraw cash over the counter at post offices. Until now, the sticking point has always been the unwillingness of clearing banks to co-operate. Does the Minister agree that if banks are unwilling to reach agreement with Post Office Ltd to allow their customers to withdraw cash from the post office network, Post Office Ltd should consider becoming a member of the Link network, which would allow that to happen? The income generated from that venture could make a significant contribution to sustaining the network of rural post offices, which are a valuable community resource.

Branches could also generate business by acting as mini-depots for parcels that recipients are unable to take delivery of from couriers and delivery companies, of which there is a substantial number outwith the Royal Mail. We all thought that the internet and e-mail would be the death of post offices, but in fact they have had unforeseen and beneficial consequences with the growth of phenomena such as eBay, Amazon and other internet-based companies. In my constituency, a number of mail order companies are operating out of Orkney and Shetland.

The volume of goods bought over the internet is increasing exponentially. It currently accounts for £18 billion of spending in the United Kingdom, or 2.5 per cent. of all household spending. That offers great potential both for Royal Mail in terms of increased deliveries and for post offices if they could act as collection points, interacting with private companies as they have always done hitherto with Royal Mail.

Pete Wishart (Perth and North Perthshire) (SNP): I presume that the hon. Gentleman is coming to the Liberal Democrats' key policy to part-privatise Royal Mail. Given the success of such privatisations of public services in Scotland, what is the prospect of success with Royal Mail?

Mr. Carmichael: Part-privatisation is an exciting and innovative scheme. It would involve a substantial element of employee share ownership, which is something that the hon. Gentleman has supported. I am surprised if he thinks that Royal Mail should be treated differently. It is a policy that I would not have countenanced a few years ago, but with the opening up the letter post market to liberalisation—that was done without proper consideration for the protection of the universal service obligation—it is essential and the only

[Mr. Carmichael]

way in which we can ensure that the Royal Mail maintains its market position as things stand.

The Government must be prepared to bring the experts into the process. I do not mean the clever people in suits at the Department of Trade and Industry; I mean the sub-postmasters and sub-postmistresses. At the moment, it strikes me that the Government are willing to listen to Postcomm, but the people in the front line and at the sharp end of the process are often not heard or, if they are heard, they are ignored. Sub-postmasters and sub-postmistresses know better than anyone the challenges facing the rural network today. They have many interesting and exciting examples of things they have done in their own businesses to try to arrest the decline. That should be looked at, and where there is good practice it should be worked into the remainder of the network.

Tomorrow I host a seminar in Orkney, which I hope will be attended by local sub-postmasters and sub-postmistresses, as well as representatives from Postwatch and local people. I shall host a similar event in Shetland the next day. I am sorry that the Department of Trade and Industry was unable to send anyone. It said that we were not part of a process and that it would let us know when it decided what it was going to do. I think that my approach has something to commend it and I will ensure that the Minister is well informed of the outcome of the seminars. I particularly regret that Postcomm declined to send anyone to the seminars. As I told the Minister last week in the Chamber, its attitude is that it finds out all it needs to know about Orkney and Shetland by sending someone to Edinburgh, Dundee and Perth. That frankly demonstrates a particular lack of understanding. If TV Licensing finishes with the map and feels that it does not need it any more, it could pass it on to the chief executive of Postcomm.

How will the Government ensure that the voices of local sub-postmasters and sub-postmistresses are heard? They will be crucial in shaping the future of the Post Office. Can the Minister tell me that he has some thoughts about how to ensure that their voices and ideas become part of the future shape of the post office network?

Several hon. Members *rose—*

Hywel Williams (in the Chair): Order. Many hon. Members wish to speak and I appeal to them to keep their speeches short.

2.47 pm

Chris Bryant (Rhondda) (Lab): I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing this debate. He may be wondering why on earth the hon. Member for Rhondda is speaking in a debate on the rural post office network—*[Interruption.]* That has not occurred to him, so the first part of my speech was unnecessary.

An interesting issue that is rarely commented on is that we tend to divide the rural post office network from the urban network, when many of us live in areas that are semi-rural or semi-urban. My constituency is not geographically large. Many people live in small villages where the only public service may be a pub or a post office, yet because the population density is relatively high in the area, it counts as an urban area, although communications may be difficult. The truth is that nearly everyone in the Rhondda lives within 150 m of a farm and we still occasionally have sheep coming down the street, so I think I am qualified to speak in the debate.

The significance of post offices in any community is dramatic. The hon. Gentleman referred to tax discs. Historically, people got their new tax disc from a post office but had to find the right sort of post office because not every post office in urban areas provided that service. People had to drive around trying to find the right one. It is difficult to find out online which post office to go to. However, it is much easier to buy a tax disc online. Thanks to a great recent innovation from the Department for Transport, we can do that now because the problem of checking whether a car is insured has been overcome—it can now be done electronically. It is a fine system and that is how I bought my tax disc earlier this year.

Many people use post offices to obtain or renew their passport—to get the forms and so on. In Britain, 86 per cent. of people have passports. I understand that that figure is the highest of any country in the world. Again, therefore, the passport plays an important role—but not as significant as it once did. Many people now get in touch directly by telephone or get the forms online, and the Post Office has thus lost an element of its business.

The hon. Gentleman referred to the BBC licence fee. Many people now pay that, and have for many years, either online or through direct debit. They never go through the process of buying a licence. However, many of my constituents do buy it. They save up stamps or money and when they know that the licence fee is due they have enough money to pay it. I entirely share the hon. Gentleman's worries—the BBC needs to attend to the issue—about what happens in areas where there is still a large cash economy, where many people do not have the ability to write a cheque for £130 or whatever it is now, and where those people still expect to pay by cash but will not be able to, because there is no PayPoint outlet available locally. I do not see why, in those areas, the Post Office cannot find a means to fill in the gaps. The areas must be readily identifiable, and the contract must already have specified them, so I do not see why we cannot move forward in that way.

The main reason, however, why my constituents use the post office is to collect their pension and other benefits. In the hon. Gentleman's constituency of Orkney and Shetland, 3,000 people use Post Office card accounts for the collection of their benefits or state pension. In all four of the constituencies of the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), 6,700 people do so, but in my constituency 16,300 do so. Nearly a quarter of my electorate use the Post Office card account system to collect their benefits. The Minister may think that the issue is one that Opposition parties talk about a lot. Actually, in the main, it is one that dramatically affects Labour constituencies. In former mining constituencies and places where there used to be large shipbuilding industry, where many people are on incapacity and other benefits, the issue is of dramatic significance.

Another small but significant matter affects my constituency. The traditional postal service of sending a letter or parcel is particularly significant in areas where many people are in the armed forces. The people running most of the post offices in my constituency say that every week they send fairly large numbers of parcels to troops in Afghanistan, Iraq or other places. In most former mining constituencies, joining the armed forces is still the preferred career choice for a 15-year-old or 16-year-old. I am aware that for those families their post office is thus a particularly important resource.

New services have of course been introduced and the hon. Member for Orkney and Shetland referred to some of them. One is withdrawing cash. I tried to withdraw cash the other day from a post office but I was unable to do so; I bank with the Royal Bank of Scotland, despite the fact that it lent money for many years to the Conservative party.

Many of my constituents also choose to organise their travel money through the local post office, although that service is poorly advertised. Many people think that if they live in Blaencwm they must go all the way to a bank in Treorchy or Tonypandy to organise money. Actually they can do it perfectly easily from one of the post offices that are much closer to them.

David Taylor: My hon. Friend makes his points powerfully. Is he not illustrating the fact that the problem in the sub-post office network in Wales, England and elsewhere is not necessarily lack of initiative on the part of individual sub-postmasters and sub-postmistresses, but the fact that there has been poor leadership in the top management of the Post Office? That was evident from the framework for a pilot computer system in Leicestershire to see how well it would operate nationwide. The framework was very weak indeed; this was perhaps before my hon. Friend came to the House. Is not the top management in the Post Office the problem?

Chris Bryant: My hon. Friend makes an important point about leadership, which I think extends much further than the example he gave. How are ordinary postmasters or sub-postmasters served by the leadership generally? They need some confidence about the direction in which their business might go in the next three, five or 10 years, but they also need confidence that the services that they can offer will be well advertised not just for their own little business but for the whole network in the region and the country. From my experience, I do not think that the services are well advertised.

One further area that is relevant to potential new business is financial services. In communities such as mine, financial services from an honest broker such as the Post Office could be particularly valuable, especially in areas with high debt and with many people, including loan sharks, trying to force people into debts that they cannot afford. Of course, state aid is a difficulty. The Post Office receives direct financial support from the Government, which puts it in a difficult position in relation to other financial institutions, which would say, "You can't steal our business on the back of a subsidy from the Government." However, I think that we could be cleverer about it. There are communities in which we should be able to extend the relevant financial services much more significantly, perhaps in co-operation with credit unions and similar organisations. I wonder whether the leadership, both in Government and in the Post Office, could look at such matters more intelligently and acutely.

Mr. Andrew Turner (Isle of Wight) (Con): Does the hon. Gentleman agree that the issue of state aid would be better illuminated were the aid to be more transparent? At the moment, state aid for the rural post office network goes into the Post Office at the top level, filters down who knows where and ends up who knows where, benefiting who knows whom. If the aid were to purchase a particular service in an area of need, it would be easier to defend, and the rest of the network would clearly be free of that state aid.

Chris Bryant: The hon. Gentleman makes a pretty good point. I think that the hinge to the matter is proving the market failure. The market clearly fails in certain parts of the country, so it should not be difficult to advance a decent argument in favour of subsidy to enable the Post Office to interact in the market more effectively than it has so far. Therefore, I agree with the hon. Gentleman.

I am conscious of the time, and many other hon. Members want to speak. I want to finish by talking about the Post Office card account. I have already mentioned that 16,300 of my constituents use it weekly, fortnightly or monthly as their means of access to their benefits—their income. Those people feel deeply troubled by the current state of play. They worry that the Government are reneging on a commitment to them. They are worried that they will not be able to withdraw cash locally. That is the issue for them—whether they can do it locally. They do not particularly mind whether it is at a post office or somewhere else. They just want access to the money that they are entitled to.

That is why I hope that the Minister will be able to push us a little further forward in the debate by explaining what guarantee the Government will make that people will be able to access their benefits locally. One of the many petitions that my constituents have put together is from Tonpentre post office. I should happily welcome the Minister if he wanted to visit Tonpentre some time. Since the Rhondda is the area with the highest use of the Post Office card account in Wales, and the fourth highest in the country, he might consider that a valuable exercise.

Julia Goldsworthy: Has the hon. Gentleman any examples from his constituency of the Post Office card account being undermined in a rather underhand way? A constituent who made a pension credit claim wrote to me recently. He was informed as he was sorting out his claim on the telephone that only his first payments of the pension credit could be paid into his Post Office account and that all subsequent payments would have to be paid into a bank account. When he queried that and said that he understood that that was not Government policy, the person at the other end of the telephone told him that they were just a messenger. If that is indeed a message coming from the Minister, does the hon. Gentleman agree that at least the commitment to sustain the arrangement until 2010 should be continued, and not undermined in such a way?

Chris Bryant: I have come across a similar incident, but I was a bit more aggressive in pursuing it, and my constituent's problem was sorted out by the following week. Clearly, some officials need better training on precisely what the rules and regulations are, and perhaps the Minister will have an opportunity to say something about that later.

The important issue for my constituents is that they should be able to transact their pensions and other benefits in a way that is as efficient as possible for them, rather than for the Post Office and the Government. This is about their rights, as much as it is about the Government's drive for efficiency.

3 pm

Mr. Owen Paterson (North Shropshire) (Con): I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on raising this important issue for public debate. Although we disagree on some areas of public policy, I think that we are as one on this important issue.

I have a rural constituency—I shall try not to repeat too many of the comments that I have made on numerous occasions on this issue—and on a hot August day two years ago, I drove around it and visited 28 of my 32 rural post offices, and I have been on the case pretty well ever since. On that day, I established just how important benefit payments are—they are the core function of those post offices, some of whose turnovers include as much as 40, 50, 60 or 70 per cent. from pensions and benefit payments. That leads to a whole series of other activities. There is the sale of Post Office products, such as stamps, and of things related to postal activities, such as stationery, glue and pens. The vast majority of my post offices sell dried and frozen food, and there are also off-licences. The key element is that, in most cases, the post office is the information centre. The village notice board is usually located in the post office, and that is the place to advertise jobs. The post office is the centre of activity.

I took one of my most active postmasters to see the then Minister with responsibility for post offices, who is now the Chief Secretary to the Treasury, and I want to give hon. Members this memorable quote from my constituent:

"If the post office goes, the shop goes; if the shop goes, the village goes."

The post office has a serious social function, because those who visit it often live alone and may be elderly. If they do not turn up for their payment or their pint of milk, that will be brought to people's attention. That has an incalculable social benefit that none of us can put a finger on, but which is very tangible. That is the first message: post offices have a function way beyond the mechanics of delivering benefits and other Government products efficiently.

I am afraid that the Government have massively mishandled the issue, because it touches a whole number of Departments, but there is absolutely no coherent view of it. We saw that in how benefits cards were brought in. The previous Government were going to introduce swipe cards, which would have cut out fraud, been efficient and kept benefits and payments going through the post offices, at an income of roughly £400 million. This Government came to power, swept aside that approach and introduced the card account without telling anyone that it would be a temporary measure.

It was only in a debate such as this that the Under-Secretary of State for Work and Pensions, the hon. Member for Warwick and Leamington (Mr. Plaskitt), announced that the card was always intended to be temporary. He read partially from a Government document, and I am grateful to the Speaker, because I put a point of order to him, and he insisted that that document was placed in the Library. To the astonishment of everyone involved—no one in the Post Office knew anything about this—it was revealed that the contract between the Government and post offices had made this statement all along:

"The POCA is intended to be an interim step for Account Holders"—[*Official Report, Westminster Hall*, 15 February 2006; Vol. 442, c. 495WH.]

None of us knew that—an enormous deception and fraud was perpetrated on millions of benefit recipients.

Several trials have now been imposed at very short notice, and some 40,000 card holders have been forced into taking direct payments from February to March. There has not been much debate about that. I have had correspondence showing that people received letters in February that bluntly told them:

"I am writing to advise you that I am arranging to pay your Pension Credit into the same account as your Carer's Allowance. This means that your Pension Credit will no longer be paid in to your Post Office card account...You do not have to do anything at the moment as we will make the changes for you...Once we start to pay your Pension Credit into your bank account, you will need to close your Post Office card account. You will need to get an account closure form from any Post Office".

That is not exactly consultation; it is a central Government diktat, with no right of appeal. The issue was not properly debated on the Floor of the House, although Back Benchers have brought it up in this Chamber. In one fell swoop, however, we shall absolutely hammer the groundwork that forms the basis of the post office network.

I have the great honour to be the secretary of the all-party group on sub-post offices, on which I serve under the chairmanship of the hon. Member for Vauxhall (Kate Hoey), who sadly cannot be here today. *[Interruption.]* I am sure that the hon. Member for Rhondda (Chris Bryant), wearing his semi-rural hat, ably deputises for her. Adam Crozier, the chief executive of the Post Office, came to one of the group's meetings at the end of February or perhaps in March. He revealed that his task—he is under the cosh and under great public scrutiny—is to make the Post Office efficient. He currently has 14,400 branches, but he said that he needed only 4,000 to deliver an efficient physical post service. He has had some unjustified flak for asking, quite publicly, what he is supposed to do with the balance of post offices above the 4,000 that he needs to run the Post Office efficiently if the rug is pulled out from under them and there is no Government justification for them and no Government view on them.

This is where I would be very critical of the Government, because there is absolutely no clear overview and no co-ordination. We saw a classic example recently when the BBC decided to switch its TV licences from the Post Office to PayPoint. I wrote to

Michael Grade, the chairman of the BBC, who wrote me a sensible letter dated 5 June. He explained that there were serious commercial gains to the BBC from switching from the Post Office, that the arrangement accounted for only 2.11 per cent. of the turnover of Post Office Ltd and that, as far as the BBC was concerned, it was a straight commercial decision. That is fair enough for the BBC, given that it spends very large sums of public money, and that some of us can be critical of how it does so. In this case, I would not criticise what it is doing, because it is being careful and going for a sensible business decision, but I would criticise the Government for not co-ordinating things. I specifically asked what discussions the BBC had had with Ministers, and its chairman said:

"Regarding your query about what discussions have been held with Government Ministers in relation to the contract with the Post Office, the Department for Culture, Media and Sport was kept informed by BBC management of the decision to put the contract out to tender and, once a decision had been made by the Board, about the announcement and timing. There were no discussions about the decision itself, as this was a matter for the BBC."

What is happening is that each Department that uses, or did use, the services of the Post Office branches is allowed to go off on its own, and there is absolutely none of the joined-up government that we were all told about back in 1997; there is no co-ordination at the centre. I should like the Minister to tell us clearly who actually makes the decisions. Is it the Department of Trade and Industry or the Department for Work and Pensions? Why was the issue not discussed beyond the Department for Culture, Media and Sport? For the BBC, it was a sensible commercial decision, but for a large number of post offices, it is yet another slice of income and another step nearer the grave.

At some stage, someone will have to make a grown-up decision, because no decision is being made at the moment. We have not yet had a debate on the Floor of the House. We have debates only in Westminster Hall, thanks to energetic Back Benchers who bring the issue up at fairly regular intervals.

Mr. Alan Reid (Argyll and Bute) (LD): I agree with the case that the hon. Gentleman is making. Does he agree that the BBC should have a duty to make available to people in rural areas and on islands points where they can renew their licence? There are several islands in my constituency, just as there are in Orkney and Shetland, and there is no pay point on them. The BBC should not have awarded the contract to PayPoint, whose computer tells people where the nearest pay point is as the crow flies. In my constituency, that means that people would often have to swim across two or three miles of water.

Mr. Paterson: That is a valid point. It is not relevant to landlocked North Shropshire, although we have a few meres, but it is a good point, and perhaps the hon. Gentleman should take it up with the chairman of the BBC. It is a clear example of how an agent of Government activity such as the BBC, which takes large amounts of taxpayers' money, makes a decision on its own because it makes sense from its point of view in terms of spending its pot of public money.

The point that I am trying to make is that there is absolutely no co-ordination. Someone will have to make a grown-up decision on how that Government money is spent—and to keep the network going, Government money will have to be spent. Instead, the Department for Work and Pensions goes off on its own, without any consultation, imposing trials in a brutal manner. I would like confirmation that the result of the trials will be revealed to Parliament, that we will have a chance to debate them before the matter is taken further and that we will not get any more dictatorial letters basically bludgeoning vulnerable, nervous pensioners into taking their payments direct when they do not want to do so. That is one thing on which we really need a promise—a promise that there will be a proper statement to Parliament on the results of the trials, and that we will afterwards debate the subject properly on the Floor of the House.

I also want a complete guarantee that someone in Government will then stand up and say, "Yes, I am the Minister in charge of these various activities. I will co-ordinate things, and here is our strategic view for the future," because, bluntly, we just do not have one. The subject affects too many people. I shall quickly give the figures to remind the Minister just how big the issue is. According to the National Federation of Sub-Postmasters, there are 7,854 rural post offices and 12 million customers a week. Some 84 per cent. of the rural population live within 1 mile of the post office, 75 per cent. of rural post offices have a shop attached and 58 per cent. of rural residents use the attached shop once a week or more. Frequently, the post office is the only place where one can withdraw cash, because only 4 per cent. of villages have a bank, but 60 per cent. have a post office.

I shall end on the universal bank. I went to see the Chief Secretary to the Treasury, and was told, "Don't worry, there will be changes; we will bring the Post Office into the commercial world, but you will pick up new business. You will get the universal bank." However, from parliamentary questions that I have asked, we now know that some substantial banks are still not part of the scheme, including HSBC, Halifax, Bank of Scotland, the Royal Bank of Scotland and Abbey.

My final question is: what steps are the Government taking to bring in banks that are not part of the scheme? It is no good closing down some of the Government areas of activity and promising that the private sector will pick them up if that is not being done. However, the question to which I really want to know the answer—this is probably the third time I have asked it—is who will get a grip on the problem, and who will come up with a coherent, clear strategy for the 14,400 post offices? At the moment, we do not have such a strategy, and post offices are suffering death by 1,000 cuts. Very large numbers of post offices will go unless the Government wake up.

Several hon. Members *rose—*

Hywel Williams (in the Chair): Order. A number of Members still want to get in, so may I ask hon. Members to keep their speeches short? I intend the winding-up speeches to begin at 3.30 pm. I call Pete Wishart.

3.13 pm

Pete Wishart (Perth and North Perthshire) (SNP): It is a real pleasure to speak under your chairmanship,

[Pete Wishart]

Mr. Williams. I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on raising this important issue.

All of us who represent rural constituencies understand the value of the post office to our constituents. We also understand the adverse impact on communities when post offices are lost. When I travel around my constituency, I observe that there is almost a constant assault on the infrastructure of our small villages and towns. If it is not the post office, it is the local bank; if it is not the bank, it is other community facilities in the constituency. When I look round my small villages and towns, I observe that there are three things that define a community. One, obviously, is a post office; the second is a local school; and the third is a local pub. It is those things that give a set of houses a character that defines them as a community, and it is these things that we really need to fight to maintain in order to ensure that our villages and small towns continue to be viable.

The term "post office" is a complete misnomer; it gives no suggestion of the full range of activities that they undertake, or of the myriad functions that they provide. As well as selling stamps and all the rest of it, they are now probably the only part of the retail sector in some small towns and villages. There are a couple of post offices in my constituency where people can buy their petrol, for example. There is also a place where local arts and crafts can be bought and are used as a means to entice tourists, show them what is available in the locality, and encourage them to spend some time in these wonderful rural areas.

The point has also been made that post offices serve a key local function, providing local information to people. It is, on occasion, where people meet to go to other community events, and they provide a great social hub. Some of these places are more like community centres than just post offices, and on that basis are worth maintaining. We call the people who look after such places sub-postmasters, but they are much more than that. They are almost part social workers, part care attendants, and on some occasions provide an almost pastoral role; they might say, "Wee Jeanie is far too late; she's not turned up at her usual time this week." They can sound a gentle alarm bell, asking, "Is she okay? Is everything all right?" They provide that sort of role. Some are almost like lifestyle gurus and personal advisers, and we can see their impact on their community.

That is why I believe that the threat to our rural post office network has disastrous consequences for our villages and small towns. When a post office closes, it means that people have to travel much further to access some services. That affects even the more active members of the community. Around half the people who use post offices walk to them. If that post office is closed, it means that a car journey is involved, and then the health benefits are lost and the environmental impact of that is brought into play.

For some more elderly, frail members of our community, and groups such as disabled people, the post office is a lifeline; they require post offices in order to access all the critical services that they need daily. Postwatch showed us that when post offices close, the business does not automatically transfer to the post office in the next town, because as a car journey is involved, going there is more of a hassle, and probably people will go to a larger town in order to access those services, so there is a net loss in business for such post offices. We can see that there is an impact, in terms of those businesses continuing to be sustainable.

It has been recognised by everyone who has spoken that a subsidy is required if post offices are to continue to operate. They are loss-makers. Someone mentioned that 90 per cent. of all post offices are unprofitable and require some sort of support. In order even to start to be self-financing, or even approach profitability, they need a unique selling point, and traditionally, they have had that; it was the range of products that they could sell. So it is almost perverse that post offices are losing business, but are, at the same time, being deprived of essential services by Government. The Post Office card account has been mentioned several times already today; it is of crucial importance to the post offices being able to process benefits, including child benefit and unemployment benefit. All those things are essential as part of their core business, but they are being deprived of that. They are asked to be sustainable, while they are being deprived of those essential services.

Perhaps we could go to the post office in future to get our ID cards; perhaps that could be a means to try to resurrect some sort of business for local post offices. It is unfortunate and unfair that we have identified that post offices have a profitability issue, but we are not giving them support; in fact, we have taken away from them the very things that could make them profitable and self-sustaining.

My gut suspicion is that the Government want out of the whole business of post offices; that is what I really believe. I read with great alarm the remarks by Adam Crozier, who spoke of an "imperative" need for a "radical transformation" of the networks as a result of the collapse of Government work, such as benefits and pensions payments. He reckoned that such payments have fallen from 60 per cent. of the work that post offices do to 10 per cent. He said that it is simply not sustainable to have 1,000 offices with fewer than six customers each. When I read such remarks, it gives me the clear impression that the Government do not want anything to do with the businesses, which they view as more of a millstone than a real service.

I look around the Chamber and recognise the people here; I observe that there are lots of Scottish Members here, and I think that we are all in the 10 largest rural constituencies in the whole United Kingdom.

Mr. Paterson: And Shropshire.

Pete Wishart: Shropshire is, too, I am told by the hon. Gentleman. *[Interruption.]* Well, I am in the presence of so many people who represent large constituencies—

Julia Goldsworthy: None of them Labour Members, though.

Pete Wishart: That is the point; it is unfortunate that there is only one Labour Back Bencher here. I am grateful to the hon. Member for Rhondda (Chris

Bryant) for contributing, but where are the others? We really need to engage in this debate. We need to tell others what it is like in rural communities, and how important post offices are.

For the reasons that I gave, I believe that the Post Office should remain in the public sector; a public sector ethos is required for the Post Office to survive. It is imperative that it be given a subsidy, given the centrality of its functions in rural communities. I have to say that I look with alarm at some of the proposals brought forward by the Liberal Democrats, including part-privatisation. I have observed part-privatisation in other public sectors in Scotland, and the disastrous consequences.

Mr. Carmichael: It is estimated that the Post Office network—never mind the Royal Mail—requires something in the region of £2 billion of extra investment over and above that already put in. If that is not to come from our proposals, where does the hon. Gentleman suggest it should come from?

Pete Wishart: I am grateful to the hon. Gentleman for mentioning that. It is obviously a UK figure and, with great respect, it is the Scottish element that concerns me. The Liberal Democrats boast about their partnership arrangements in the Executive in Scotland and money was found for what they call the abolition of tuition fees, and for free personal care. This issue is so important to the centrality of communities that the money has to be found. Clearly, money was found for those pet projects of the Liberal Democrats, which we supported, so we should be able to find the money in the public sector to do that. I have real concerns that if we go down the part-privatisation route, the situation could be made worse. I caution communities and sub-postmasters to look carefully at the Liberal Democrat proposals and see the dangers inherent within them.

I will conclude because I have taken eight minutes. Rural post offices have to be maintained. A public sector ethos must be attached to them and a subsidy must be maintained in order to do this. They are central to our communities, they are worth fighting for and I hope that the Minister listens to us very carefully—and I hope that the next time we have one of these debates, he brings some Labour Back Benchers with him.

3.21 pm

Mr. Geoffrey Cox (Torridge and West Devon) (Con): I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing the debate. I shall be as quick as I possibly can in the hope that someone will be able to follow me.

I represent the district of Torridge and the borough of West Devon, which together form my large constituency. I can tell the hon. Member for Perth and North Perthshire (Pete Wishart) that it is the second largest in England. It is a remote and sparsely populated constituency that shares many of the problems that rural constituencies experience. I imagine they are very familiar to those around the Chamber. I am delighted to be one of two representing the south-west of England—the other is the hon. Member for Falmouth and Camborne (Julia Goldsworthy).

Our communities share the following characteristics: we have a fragile rural economy; a dearth of affordable housing; an ageing population; social and health services in deficit struggling to reach isolated communities; and a lack of investment and employment opportunities. Those are exacerbated by the threadbare public transport network, and there is a sense that our communities are under strain.

This week's report from the Commission for Rural Communities surprised no one—except perhaps the Government—in its portrayal of the reality of rural disadvantage and poverty. At the same time, the countryside—certainly the south-west of England—is undergoing a major, painful change. The state of livestock agriculture is a subject on which many hon. Members have spoken many times. I do not wish to paint an exclusively pessimistic and gloomy picture, but there is no doubt that the blow after blow sustained by the industry has driven it nearly to the edge of extinction.

When we see countryside communities in the midst of such turmoil and change, familiar institutions provide the confidence that small communities need that there will be continuity and that there will be a future for them. Par excellence, the institution that most gives comfort to rural communities, which sends the message that their definable identity and character will survive the changes through which they are going, is the rural post office.

Familiar institutions assume great importance in the circumstances of rural communities at the moment, and the post office is an outstanding example. As other hon. Members said, it is at the very heart of the identity and character of a village. It is a centre of social life, which reassures people that the community to which they belong is remembered and recognised by the outside world.

A sub-postmaster in a small village in the countryside does not enter his occupation seeking monetary reward. Many of them have spoken to me of the gratification it gives them to feel that they are central to the community in which they live. They can engage in friendly conversation with an elderly resident who lives alone, for whom that visit is the one recreation of the day, and they miss them and ask after them if they do not come, as the hon. Member for Perth and North Perthshire said. That is a vital social function.

I recently completed a survey of every post office in my constituency. Benefits and pensions are collected through the Post Office card account by 9,000 people. There are about 60 post offices in my constituency and well over 90 per cent. replied to my request for information, for which I am grateful to the postmasters and postmistresses. Of those 60 post offices, 79 per cent. are more than 2 miles from another post office and 46 per cent. are more than 5 miles. The Post Office card account is relied on by 58 per cent. of them for more than half their income and by a further 23 per cent. for over a quarter of their income. How do the Government believe that they can survive if the card account is withdrawn?

Of those post offices, 77 per cent. said that their business would be in jeopardy if the card was not continued or replaced by something similar, and 66 per cent. would have to lay off part-time or full-time staff. Other services are provided by 90 per cent. of them,

[Mr. Geoffrey Cox]

such as the village shop or newsagent. Where will people go, how will the services be delivered and where will the residents, many of them elderly and without transport, go to conduct the business they need?

It is vital that the Government plainly and unequivocally commit themselves to the future of rural post offices. They must confirm that they will develop a replacement for the Post Office card account and that they will continue to recognise the important social function fulfilled by post offices. They should, without delay, announce that they will work with Post Office Counters Ltd to develop new services and that they will not divert card account holders to bank accounts in the meantime.

Steadily and relentlessly, the foundation of the rural post office network is being eroded. The hon. Member for Falmouth and Camborne mentioned South West Water's disgraceful letter, in which it encourages people to use PayPoint, which does not exist in half the villages in my constituency, to pay for water. One might mention SWEB Energy key recharging—another function that has gone.

When the Government offered the lifeline of the card account, sub-postmasters embraced it and made it a success. Despite the discouragement of six or seven different forms and the cold welcome given by Department for Work and Pensions officials to prospective card holders, 4.5 million signed up, many just to support their local office. Despite the subsidy and the as yet unrenewed commitment to preventing avoidable closures, it is no wonder that so many who spend their lives in small rural post offices distrust the Government's word.

They will be looking with anxious expectancy upon today's proceedings and listening intently to what the Minister has to say. It is essential that the Government do not let them down. They should provide a raft and lifebelt to this vital social function, which these people, who are so important to the lives of rural communities, genuinely deserve.

3.28 pm

Mr. Philip Dunne (Ludlow) (Con): I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing this excellent debate, and I agree with many of the points made. I want to make three quick points, but before I do so, I want to say that I regret that the Government report from the DWP, which they told the Select Committee on Monday would be available the night before this debate, will not be available until next week. We have not had the benefit of seeing that report before this important debate. That is a good reason to endorse the comments made by my hon. Friend the Member for North Shropshire (Mr. Paterson) that we must have a proper debate with full information.

On the threat to our post offices, I endorse the comments of my hon. Friend the Member for Torridge and West Devon (Mr. Cox). I, too, have undertaken a survey and visited virtually all the post offices in my constituency. Of those, 86 per cent. said that the withdrawal of the Post Office card account would jeopardise their business, and 14 per cent. said that it might jeopardise the future viability of their business. That is the response from all the post offices in my constituency. It is the eighth largest in England and shares a lot of features with those constituencies represented by other hon. Members in the Chamber.

The DWP undertook three pilot studies of alternatives to the POCA. It transpires—not transparently, but as a result of problems raised by my constituents—that one of the pilot areas for the second scheme happens to be in Shropshire. I give the Minister the example of Mrs. Janet Price, who received a number of letters requesting her to cancel her account. She ignored the letters because she did not want to cancel it, and she eventually received a threatening telephone call on a Saturday afternoon from a member of the agency's staff. When I first heard about that, I found it hard to believe, but it clearly was the case. I have had a letter of apology from the chief executive of the Pension Service, and a letter from the Under-Secretary of State for Work and Pensions, the hon. Member for Warwick and Leamington (Mr. Plaskitt).

I raise this issue because I have been accused, as have other hon. Members, of employing scare tactics to claim that post offices are under threat when they are not. That is absolutely not the case. In the letter, which I received last month, the Under-Secretary said:

> "Undue pessimism and scare stories, suggesting that thousands of post offices will close and that customers will no longer be able to collect their benefit or pension at the post office, are not totally misleading, but, by spreading unfounded fears, are not in Post Office Ltd's interests."

We have just heard that 2,630 post offices closed in the two years to March 2005. Where is the evidence-base for claims like that? These are not scare stories. The Minister has heard evidence from hon. Members on both sides of the Chamber, and I hope that he will take cognisance of those genuine concerns in his response. I hope also that we will be allowed to have a proper debate on the Floor of the House.

3.31 pm

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I congratulate my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) on securing the debate. He rightly made it clear that the future of the rural post office network is vital to communities across the length and breadth of the United Kingdom, not least those in the highlands and islands of Scotland, which he and I both represent.

I welcome the Minister to his place. I secured a debate on the future of the rural post office network in this Chamber on 11 January, in which his predecessor described the rural post office network as an "inefficient physical structure". He showed a lack of commitment to the post office network and a pretty crude financial approach. I very much hope that the Minister will do somewhat better in his response.

Rural post offices are at the heart of our rural communities. As we heard, there were 7,854 of them at the end of March. More than two thirds of villages with a population of 500 to 1,000 people have a post office, and those communities have enormously strong support for their post offices. In the village of Drumnadrochit in my constituency, which has a population of about 1,000, more than 500 people signed a petition to support their local post office. That is half the population of the village.

My hon. Friend set out some constructive ideas for the Post Office, to which I hope the Minister will respond in similarly positive terms. His ideas shed light on two key questions that the Government must answer: what is their vision for the Post Office, and how will government be joined up to achieve that vision?

Mark Williams (Ceredigion) (LD): Does my hon. Friend appreciate—I am sure that he does—that there are great concerns about funding the rural network post-2008, not least in Wales, where the National Assembly Government are waiting to hear what the Minister has to say? His reluctance to give a statement on future funding is jeopardising the position of many post offices in Wales, not least in my constituency, where we have lost three in the past six months.

Danny Alexander: I am grateful to my hon. Friend for making that point, because I want to discuss that. Ministers have been reluctant to set out their visions for the future. Last week, in response to my question in Prime Minister's questions, the Prime Minister talked about hundreds of millions of pounds of subsidy and the need to

"make ends meet within the public finances while providing rational and logical support to post offices."—[*Official Report*, 7 June 2006; Vol. 447, c. 250.]

Yet again he failed to take the opportunity to express his support for post offices and the vital social and economic role that they play. It is that kind of talk that sends a shiver down the spine of rural communities. There are real fears that the Government's vision of rural post offices is of closures, not big improvements. Indeed, the record of recent years is not inspiring. We have heard that the social network payment runs out in 2008. Will the Minister give us a clear indication of when an announcement will be made about that? Post Office Ltd is currently required to prevent unavoidable closures, but that commitment runs out this autumn? What will happen after that?

As we heard, Ministers did not lift a finger to prevent the BBC from taking TV licences away from post offices; likewise, the contract for the new passport offices. A number of hon. Members talked about the Post Office card account being removed in 2010 and gave worrying reports that new customers are already being denied access to them. So the Post Office is not even waiting until 2010 to implement what is a disastrous policy. Will the Minister give us an assurance that guidance will be issued within the DWP to ensure that there are no more incidents such as those quoted by my hon. Friend the Member for Falmouth and Camborne (Julia Goldsworthy) and the hon. Member for Rhondda (Chris Bryant)? Will he tell us what progress has been made through work with the Post Office to develop what might be called a post office card account-plus for 2010 onwards? I hope that all POCA customers can be migrated to such an account automatically, without the hassle of changing accounts and the pressure that the Government have previously applied to people to opt out of post office-based systems.

The DVLA and the supply of vehicle licences in post offices have been mentioned. I understand that the contract for that service is up for renegotiation next year. Will the Minister ensure that the interests of rural communities in having such services delivered by post offices are taken into account when that is considered, as they were not taken into account when decisions were made on the TV licence and the POCA? In such cases, each Department behaves as if the involvement of the Post Office is some sort of problem. The case for the use of the post office network to deliver public services should be decided on a cross-Government basis, not piecemeal by Department.

Perhaps the Minister could reflect on the wider social and economic benefits that post offices offer to rural communities. He might be aware of research that shows that for every £1 that the Government spend on rural post offices, £4-worth of benefit is delivered to the rural economy. Supporting rural post offices should be seen as an investment in our rural communities, not derisively referred to as a subsidy, as the Prime Minister did. What estimates has the Minister made about the overall social and economic value of the rural post office network?

To pick up on a point raised by my hon. Friend the Member for Orkney and Shetland, what discussions is the Minister having with the banks to ensure that more bank accounts can be accessed in post offices? Will he press for the Post Office to be allowed to join the Link network, thereby enabling it to offer cash withdrawal services to the entire community? I know that there have been negotiations on this subject for some time, and that there is some resistance within the Link network to allowing the Post Office to join. It is important that the weight of the Government's efforts are put behind the Post Office in ensuring access to the Link network. That would ensure that when the hon. Member for Rhondda visits the post office and uses his Royal Bank of Scotland card, as I would do myself—I am perhaps ashamed to say that that is my bank, in the context of this debate—we can access cash at the post office rather than being turned away, thereby opening them up to a much wider range of business.

Will the Minister also look imaginatively for new Government services that can be delivered by the post office network? In Fife, documents can be checked for the police in post offices—that has been piloted very successfully—and the idea of post offices providing transport services and selling tickets has been suggested. The Minister will also be aware—indeed, it has been mentioned today—that a number of private companies are following the Government's lead and taking services away from post offices. South West Water has been mentioned in that respect. I can also report that First Group has decided to withdraw the facility to purchase season tickets for its rail services from post offices as of May this year.

If the Government behave as though they have no responsibility to support the community network that the post office network serves, how can we be surprised if vastly profitable private companies follow their example? A Government vision for the Post Office is vital if it is to deliver services effectively in the future, but it is also vital that the public, particularly people living in rural areas, are directly involved in the debate. Will the Minister assure the House that the Government will engage in a full public consultation so that they have to listen to the views of the communities affected? He could learn a lesson from the direct public

[Danny Alexander]

consultation that my hon. Friend the Member for Orkney and Shetland is undertaking tomorrow and the next day.

The vision can only be achieved if Ministers demonstrate considerably more joined-up Government than they have shown so far. I note that a new Cabinet Committee on Post Offices has been established, under the chairmanship of the Deputy Prime Minister. So, after a torrid few weeks, the Deputy Prime Minister has a chance to redeem himself. On the other hand, he could end up being known as "Two Jags; no post offices." How often has the Committee met and what progress has it made in persuading individual Departments to recognise and support the wider role played by the rural post office network?

It has been reported that without the business from the POCA and support from the Government, 10,000 post office branches will have to close, most of which will be in rural areas. The Minister has an opportunity to show that the Government have a vision and an approach that can enhance and support this invaluable network for many years to come. I hope that he will do that, because the alternative for our rural communities is too awful to contemplate.

3.39 pm

Charles Hendry (Wealden) (Con): We have had an excellent debate. The passion of Government and Opposition Members and the clarity with which they have spoken have come across clearly, but, above that, there has been the sense of cross-party purpose. The issue affects rural areas in every part of the country, from the north of England to semi-rural Wales, south-west England and the south-east. I hope that the Minister will take that clear message away. I hope that he will talk to the business managers of the House and explain that there should be a debate on the issue in the Chamber, in Government time, so that many more Members have the chance to air their concerns.

Over a number of years, we have witnessed a worrying decline in the size of the post office network. In 1999, there were 18,374 post offices, and as we have heard, today there are 14,400. That is a loss of 20 per cent. of the post office network in just five years. Most of us think in terms of constituencies rather than nationally. In my constituency, we have gone from 43 post offices in 1999 to 28 today. That is a one-third reduction in the level of service. For each and every one of those closures, there is a story of human beings who have lost their businesses, and people who have lost a service and a lifeline in their local community.

However, we have not seen the end of the crisis. It is getting worse. The 7,800 rural post offices account for half the branches in the network, but only 10 per cent. of the business. From a parliamentary question earlier this year, we understand that, on average, each post office in the rural network is visited by 355 customers a week. However, we must recognise that 1,000 of those branches have fewer than 50 customers a week. Those branches are at or beyond the margin of survival, and the pressure on them is growing all the time, rather than easing.

This year, the post office network will lose £2 million, and that will double next year. The pressure is getting greater because of the policy changes that are coming through. We have heard from Government and Opposition Members about how those changes have been working out, but, with the difference in budget, post office income from Government contracts this year will be £168 million less than last year.

That will get worse with the withdrawal of the Post Office card account. I hope that the Minister agrees that the Department for Work and Pensions must clearly state that it will not, under any circumstances, put improper pressure on people to move from Post Office card accounts to bank accounts. We have heard too many examples for it to be something that is happening by accident. Ministers must confirm that they will send a message to every single agency stating that they should put no pressure on people to move away from the account if they do not wish to do so.

The problems will get worse again through the moves to put the DVLA online, set up a regional network of passport offices and administer the BBC licence fee online or through PayPoint. They are statements of fact, not blame, because as responsible people we all recognise that those organisations have a public duty to reduce the costs of delivering their benefits and services, and to do so as efficiently as possible. However, the Government's lifeline of £150 million ends in March 2008, so the Minister will understand the huge air of uncertainty surrounding the issue.

The consequences of closure are so great, because as we have heard, in particular from my hon. Friend the Member for North Shropshire (Mr. Paterson), too often the post office is not just a stand-alone post office business, but the last shop in the village and the chemist. It provides a range of other services and many important facilities, and once they go, they are lost for ever.

We must recognise that the decisions that affect the closure of rural post offices are taken not necessarily by the Post Office centrally, but by individual sub-postmasters and sub-postmistresses. They find that they are subsidising a loss-making business, and they decide that they cannot go on doing so. When they consider the value of their property in the centre of a community, they recognise that they can get much more by selling it off as housing rather than by keeping it going as a business. They are human decisions, but they have a huge impact on the community.

A great deal has understandably been made of the comments by Adam Crozier, Post Office chief executive, that he needs only 4,000 post offices to meet his legal service obligations. We must accept that he is not saying what he wants or intends to do; he wants that network size in order to meet a legal obligation passed in an Act of Parliament. We should pay great tribute to the work that he, and Allan Leighton as chairman, have done in turning the Post Office around, but they need to know that, in making the decisions that are right for them as a business, they have the Government's clear thinking behind them, too.

What has been lacking in this debate is a sense of the Government's vision, and the Department of Trade and Industry is at the heart of that lack of vision. We are prepared to give the Minister a small exemption, because he is new to his post, but he must come up with

some answers soon. We are watching the whole network crumble while Ministers simply wash their hands of responsibility for what is going on. We must know what size of post office network the Minister envisages as right for this country in the years to come, and what level of Government subsidy he proposes in order to deliver that network. Many of those businesses will continue to be marginal unless there is Government support.

As the Liberal Democrat spokesman, the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), said, one of our key considerations must be how we can bring new business into the post office network, enabling it to expand its range of services, rather than watch them constantly shrink. Can post offices become the hub for the first-mile postal delivery services, whereby local businesses would bring their post for onward transmission, not necessarily through Royal Mail, but through other suppliers?

Can post offices become a place of storage for undelivered items? A majority of parcels cannot be delivered because the occupants are not at home at the time of delivery. Rather than returning parcels to a sorting office that is sometimes a long way from the communities to which they are delivered, why could not they go back to the post office? It could then be remunerated for providing that service.

The Government must also provide us with a vision for shops, not just post offices, because they go hand-in-hand. What more can be done to encourage the greater provision of more financial services through post offices? The Government must provide us with some wider thinking and some new ideas that explain how we can create greater opportunities, rather than letting the network slip away. If post offices are going to close, the Minister must also explain how the Government will encourage replacement services such as mobile post offices in our most rural communities.

Above all, what are Ministers doing to replace the Post Office card account? The Minister must communicate to his fellow Ministers in the Department for Work and Pensions that their saying that it is an issue for the Post Office alone is not good enough. Some 1 million of the 4.5 million people who hold the accounts have no other system of banking. They depend on the account, and the Government have an obligation to ensure that, rather than being driven to the banks, which for many is not an option, people who choose to bank in that way can continue to do so.

The Government must set out their vision. The Post Office is under better management than it has been for many years, but it needs to know where it is heading. We cannot wait until 2008 or even shortly before that to hear from Ministers how they intend to secure the network; we must know this year. Until that happens, more and more of our citizens will have to watch as a much-loved and vital community institution withers away.

3.49 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): It is a pleasure to see you in the Chair, Mr. Williams. I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing this debate. We have had some excellent contributions, and it should be nothing other than clear that the Government have heard the message. Having listened to the hon. Gentleman spell out his views and to other colleagues spell out their concerns, I shall make some brief introductory comments and then try to respond to their points. If I do not get through them all, I shall write to hon. Members.

The future of the post office network is an issue of relevance to every Member, whether we represent rural or urban constituencies, or mixed constituencies of the sort that my hon. Friend the Member for Rhondda (Chris Bryant) mentioned. We all share concerns about the future provision of post office services in our constituencies. Most of us also recognise, even if we are not always willing publicly to acknowledge it, that there had been underinvestment in the business for decades until this Government reversed the decline with a sustained programme of investment since 1999. Some £500 million was injected to help fund the Horizon IT infrastructure, and in 2003 the Government committed £150 million a year up to 2008 to support the rural network. That was mentioned by many colleagues. On top of that, the Government put £210 million into the urban reinvention programme, including some £30 million of investment grants to improve and modernise the remaining branches. That represents an investment of some £1.4 billion of taxpayers' money by this Government.

Nevertheless, advances in technology, greater mobility and changes in shopping and financial habits have resulted in a growing proportion of people simply not using post offices as they did in the past. Custom across the network has sharply reduced, creating the spectre of a spiral of decline. If the post office network is to survive and to have a sustainable future, it must adapt to the changing circumstances and environment in which it operates. The Government want a post office network that can prosper on the basis of current and future needs, not on those of 20 or 30 years ago. The way in which customers want services delivered is changing, and the huge increase in internet sales has hit many traditional sectors, including the post office.

We must face up to present reality. Major sectors of the network are losing substantial amounts. The rural network is making losses in the region of £150 million a year, and the directly managed Crown offices have been losing about £70 million annually. It is clear that the status quo is not sustainable. Several important steps to restructure and revitalise the Post Office have already been taken, but the future of the network rightly remains an issue of national debate. It is clear that there are still considerable challenges ahead. I shall try to address some of the points that hon. Members have made.

In response to the hon. Member for Wealden (Charles Hendry), let me say that there is clearly strength of feeling on the matter. It is a huge national issue. I am sure that there will be debates in due course when the Government arrive at conclusions. In the meantime, there are the usual channels for securing debates. There are also Opposition days and these opportunities in Westminster Hall.

I very much agree with the hon. Gentleman's comments about commending Allan Leighton, Adam Crozier and the staff for the turnaround in Royal Mail's fortunes, which has been quite spectacular in the

[Jim Fitzpatrick]

past few years. Clearly, we want exactly the same for Post Office Ltd. I am grateful for the generosity of his remarks and for his giving me time, given my newness in the job. However, I do not believe that I will have very much time—this is far too important an issue.

The hon. Member for Orkney and Shetland opened the debate with comments about listening to sub-postmasters and sub-postmistresses. We have a good relationship with the National Federation of Sub-Postmasters, and I expect to meet Colin Baker, the general secretary, very soon. Indeed, officials of the Department of Trade and Industry and other ministries are directly in contact with that organisation.

On the BBC decision in favour of using PayPoint rather than the Post Office, I obviously regret that the Post Office was unsuccessful in re-tendering for the contract for over-the-counter TV licence sales, but I point out that the contract decision was a commercial matter for the BBC, which has a duty to licence holders to achieve value for money with its licence fee income, as the hon. Gentleman mentioned. To use both Post Office and PayPoint outlets would have been even more costly.

The hon. Gentleman also raised the question of why Post Office Ltd did not win the UK Passport Service authentication by interview tender. The decision was a commercial matter for the UK Passport Service, which set its tender specifications on bases that were considered necessary to provide the required levels of network coverage, security and physical suitability. Having reviewed what it could offer, Post Office Ltd made the commercial decision to withdraw from the tender process. However, the planned interview offices will not take any existing business away from post offices or offer any alternatives to the passport check-and-send service available from selected post offices.

The hon. Gentleman and several other hon. Members asked when the Government would make announcements about a subsidy beyond 2008. The Government are carefully considering options for the network beyond 2008. I am sorry, but at this point we are not working to a fixed timetable. There has already been extensive informal consultation with key stakeholders, and we expect to consult more widely in due course.

Finally, the hon. Gentleman asked why all banks do not have accounts available at post offices. He was correct in saying that there were some difficulties with some banks. However, all the banks have at least a basic bank account that can be accessed at a post office and many allow their customers to access their current accounts at a post office, but extension of those arrangements is a commercial matter for the Post Office and the banks. The Royal Bank of Scotland, HSBC and Halifax do not allow access to their current accounts. We are asking them to reconsider that, but clearly such a service is very much in their gift.

Discussions have taken place on the Post Office joining the Link network. It was not possible at a particular time, but discussions are ongoing. It is on my agenda to have meetings with Ministers in other Departments, including the Treasury, to consider what we can do to try to facilitate the process.

My hon. Friend the Member for Rhondda asked about state aid. As I said, we have been committing £150 million per annum since 2003. That support is provided directly to Post Office Ltd to maintain non-commercial branches that otherwise would close. The funding is used to meet the fixed element of sub-postmasters' pay and the huge infrastructure costs incurred in running such a large network, including, for example, IT and cash distribution.

The hon. Member for Falmouth and Camborne (Julia Goldsworthy) and several other hon. Members asked about the Post Office card account. She referred to a letter received by a constituent. If she wishes to write to me or preferably to my colleague with responsibility at the Department for Work and Pensions, I am sure that the matter will be considered. I believe that it was also raised by the hon. Member for Ludlow (Mr. Dunne).

My hon. Friend went on to ask about other services that the Post Office might exploit. It is now the UK's No. 1 provider of foreign exchange, with 12 million transactions last year. It continues to broaden its range of financial services with its instant saver account, which was launched in March, and it is the largest independent provider of travel insurance, with 1 million policies sold annually. I am sure he knows that the Government are a big supporter of credit unions.

My hon. Friend the Member for North-West Leicestershire (David Taylor) made a point, but as he is not in his place, I shall move on to the hon. Member for North Shropshire (Mr. Paterson). I understand that the DWP has committed itself to placing the trials documentation in the Library, but I am sorry that I do not know the date. As the hon. Member for Ludlow said, we expected that information earlier but it has not been provided yet.

The hon. Member for North Shropshire also asked about the BBC over-the-counter licence service. I have already mentioned the commercial decision. The Prime Minister made this a cross-cutting issue with the announcement that MISC33 has been set up under the stewardship of the Deputy Prime Minister. I know that that was not welcomed by some colleagues, but the fact that a formal Cabinet Sub-Committee will review the issue demonstrates that it has moved up among the Government's priorities. The first meeting will be held shortly.

On the migration of services, if the hon. Gentleman will forgive my making a small partisan point, I may say that it was the Conservatives who introduced payment into a bank or building society as an option in the 1980s. Even before the migration from order books started in April 2003, customers were already choosing to adopt alternative methods of payment. Forty-three per cent. of DWP customers had already opted to receive all their benefits by direct payment.

The hon. Member for Perth and North Perthshire (Pete Wishart) asked about sub-postmasters. We have discussed the statistics on the few people who use the smaller number of sub-post offices. I had planned to quote, if I had time to do so, from *The SubPostmaster*, the magazine of the National Federation of Sub-Postmasters, a letter that was published last August. It demonstrates just how quiet some sub-post offices are, although I decided that I might be regarded by

colleagues as flippant, which was not what I intended. I wanted to try to introduce balance and to say that some smaller branches simply are not viable in any way, shape or form. If they are kept open, they will require subsidy, and the Government are about balancing public accounts and achieving the best value for the taxpayer.

The hon. Member for Torridge and West Devon (Mr. Cox) asked about financial sustainability. I have made points about some of the technical changes in society. The hon. Member for Ludlow mentioned that there were 2,600 closures in the past three years, but the vast majority—more than 2,000—were related to the managed urban reinvention programme, to which we committed £210 million. The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander)—

Hywel Williams (in the Chair): Order. We now move to the next debate.

Pain Treatment

4 pm

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): I start by expressing my gratitude for this opportunity to raise such an important subject, which affects the lives of millions of people in this country daily.

Chronic pain affects one in seven people in every parliamentary constituency throughout the United Kingdom. Inadequately managed, conditions associated with pain can have a devastating impact on the quality of life of individuals and their families. In terms of repeated appointments, chronic pain costs the NHS the time equivalent of 800 full-time general practitioners, and it generates an incapacity benefit bill that is estimated by the Department for Work and Pensions to exceed £3.8 billion a year. The biggest cost of chronic pain is borne by employers and the wider UK economy. More than £18 billion a year is wasted in lost working days and reduced productivity.

The commonest causes of chronic pain are back pain and arthritis. Other causes include headache, injury, nerve pain, vascular pain, pelvic pain, cancer and rarer forms of pain, such as complex regional pain syndrome, or reflex sympathetic dystrophy syndrome, as it is sometimes called.

I applied for a debate on this subject because of a courageous constituent of mine, Trudy Lapinskis of Whittlesey, who suffers from an advanced form of RSD. She has borne and continues to bear her condition with great stoicism, but not fatalism, and has shown great determination to publicise RSD to as wide an audience as possible, in order to help other sufferers, particularly those in the early stages, when diagnosis and treatment could be so effective in improving quality of life. In Trudy's case, early diagnosis would have avoided the severe disability that she has to live with today. This debate is by way of a tribute to her and her unstinting work on behalf of other RSD sufferers.

RSD is a chronic pain disorder. Common symptoms include intense burning pain, extreme sensitivity to touch, swelling, sweating, and changes in the colour and temperature of the skin over the affected limb or body part. RSD affects the nervous system, bones, muscles, skin and circulatory system. The aetiology, or cause, of RSD is most commonly a trauma or injury to an extremity, although it can affect any part of the body. The trauma does not have to be severe. Unfortunately, something as common as a sprained ankle, a knock or even a splinter in a finger can lead to RSD, which can then become a potentially disabling and lifelong problem.

In some patients, an exact cause cannot be identified. The first symptom associated with RSD is a pain that is usually described as a constant burning or deep aching pain. It progresses into severe chronic pain and swelling usually occurs in the injured extremity. At that point, the oedema is localised and the skin is very sensitive to touch, with even a slight breeze being capable of causing pain. Diminished motor function and a decrease in muscle strength are associated with the joint in the extremity. Tremors and muscle spasms can also be present.

[Mr. Malcolm Moss]

Most patients experience a significant difference in the temperature of one limb as compared with the other. Osteoporosis might be noted on bone scans and, as swelling in the injured area becomes pitted, the risk of skin infections increases. In some cases, those symptoms spread to other extremities, where no injuries have occurred, and the disorder becomes much more difficult to manage. Out of all chronic pain conditions, RSD is the most severe. According to the McGill pain index, arthritis has a pain rating of 18, a fracture rating of 19, cancer 26 and chronic back pain 27, while incredibly, RSD has a rating of 42.

RSD can affect anyone—male or female, adult or child—and at any age, but studies show that it is more common in people between the ages of 25 and 55 and is seen more frequently in women than in men. It is not more prevalent in a particular race. RSD used to be considered rare in children, but there has been a recent increase in the number of cases reported among children and teenagers. In view of all that, it is imperative that awareness should be raised among GPs and consultants, with early diagnosis and treatment encouraged, to minimise the terrible suffering brought on by the disorder.

I turn to a more general analysis of the problem of pain. Back pain affects most of us. Four out of five people will experience back pain lasting for more than a day at some time in their lives. It is the nation's leading cause of disability, with 1.1 million people disabled by it. At any one time, 430,000 people in the UK receive social security payments primarily for back pain.

A recent national opinion poll showed that pain is experienced every day or on most days by one in five of the 975 people surveyed, which equates to almost 10 million people throughout Great Britain, while a further one in four people said that they had pain some days. The proportion of people with pain taking time off work has increased from 35 per cent. in a group surveyed in 2002, to 49 per cent. in 2005. Half of those questioned were depressed because of their pain and 72 per cent. were less active because of their pain, with work, household activities, family life, sex, social and leisure activities, and the enjoyment of life being affected.

Pain in the elderly is common. There is much evidence that it is treated badly because the elderly are often uncomplaining, because pain is not recognised, and because doctors are frightened of using strong painkillers, especially after the Shipman inquiry. Children also suffer from chronic pain, which is under-recognised and under-treated. Unrelieved pain in childhood can lead to long-lasting effects on social and physical development, and increases the chances of lifelong pain in adulthood.

Pain is the commonest presenting symptom at the first consultation with a doctor and is second in the top 10 most important symptoms listed by patients, but all too often it is ignored and thought to be unimportant. Why is that? Pain is generally regarded as a warning signal, and it is thought by doctors and lay people alike that, when the cause of the pain is discovered and treated, the pain will go away.

There are acute pains that indeed behave in that way, such as appendicitis, toothache, bone fractures and infections, but chronic pain—that is, pain lasting for longer than three months—serves no useful purpose. It is usually caused by a defect in the signalling mechanisms for pain within the nervous system and is poorly understood. The patient with chronic pain is often subjected to investigation after investigation and multiple consultations, only to be told that a cause for the pain cannot be found, or that it is "only arthritis" and that no treatment is available. How demoralising is that?

Rarer types of pain, such as complex regional pain syndrome or RSD, might not be diagnosed at all, leading to long-term disability from pain, and an implication that it is all in the head. Cancer pain is dreaded by all. The cause might be known, but for about 8 per cent. of sufferers the pain is so severe that it cannot be relieved, even by large doses of morphine.

What can and should be done to manage chronic pain? Sadly, chronic pain cannot be cured, but in 95 per cent. of people it can be partially relieved and managed, such that the sufferer regains control over his or her life. Health professionals in this field want pain to be designated as the fifth vital sign after pulse, blood pressure, temperature and respiratory rate, so that pain is measured whenever a patient consults a doctor or nurse and so that the level is recorded consistently when a patient is in hospital.

The important first step is for the health professional to believe that the pain is real, to decide where the pain is coming from and to treat the pain, not necessarily the disease. That can be done by alternative medicine practitioners, nurses, physiotherapists and doctors. It may not be easy and may require a high level of skill and training to get it right. However, treatments will not be effective if the patient does not understand his or her pain and continues to seek a reason.

Treatment includes the judicious use of drugs—not just painkillers but drugs that modify the pain signals, such as anti-epileptic drugs and antidepressants. Physical methods are also used, such as TENS—transcutaneous electrical nerve stimulation—acupuncture, injections, nerve blocks, sophisticated spinal stimulators and spinal drug therapy. An effective way of helping with control over pain is a specialised pain management programme. I am talking about a multidisciplinary approach to pain management whereby a doctor, nurse, psychologist and physiotherapist, working together over a period, help the patient to gain control over the pain.

However, all that takes time, and pain management does not fit easily into the target-driven, rapid-treatment ethos of the modern NHS. The recent NOP survey shows that now 14 per cent. of patients with pain have seen a pain specialist compared with only 7 per cent. in 2002, but what of the other 86 per cent? Facilities for pain management are much more developed in the USA and parts of Europe. There is a desperate need for education of general practitioners: as undergraduates, medical students receive, on average, about four hours' training on pain and they spend even less time on the prescribing of drugs for pain.

Specialist services exist in most hospitals in the United Kingdom, but their services are stretched, and some hospital services, such as at Oxford, have been withdrawn. In Southampton, the service closed and has been relocated in primary care, and at other

hospitals—for example, East Sussex—there are threats of closure. Relocating a pain service in primary care should be achieved with adequate funding and planning, not by a sudden decision to close existing services or to dispense with the appropriately trained personnel. Primary care has many priorities, and pain services are unlikely to be near the top of the list. Pain management is generally known as a Cinderella service.

There have been schemes to link pain management with rehabilitation and back-to-work programmes, crossing the boundaries between the NHS, social services and the Department for Work and Pensions, but those have been sporadic, although the results have been encouraging. One scheme whereby patients with back pain were allowed to return to work part-time but retained benefits for a period proved very successful. Why are such schemes not more readily available? An individual approach is necessary; one size does not fit all.

It has been estimated that 10 specialist sessions in pain management are needed for every 100,000 of population, but nowhere in the United Kingdom achieves that, and services are scarcer in the midlands and Wales. Education is needed at all levels of the health service, and many more specialist nurses, doctors, psychologists and physiotherapists are required to support properly sufferers of the most severe pain. Proper pain management is not easy and presumably does not come cheaply.

Inadequate assessment and treatment of pain should be replaced by early recognition of the problem; listening to the real needs of the patient; education and more education at all levels of the health service; funding for high-quality clinical and scientific research; and adequate provision of specialist services in both primary and secondary care.

This was not a specialist area of mine, although I did spend two and a half magical years as the Minister for Health in Northern Ireland. The issue crossed my desk, but I have to admit that, given all the other priorities, I never spent the time on it that I should have. Perhaps it requires a constituent with this particular problem to bring the issue to the attention of an MP before these things are brought into the wider domain.

I welcome the opportunity to have the debate and to put these ideas on the table for debate. I hope that the Minister will presently answer the points that I have made. I end by paying tribute to a constituent of mine who suffers immense pain with stoicism and great bravery. She is planning a huge conference at the Methodist Central Hall in London in December and has attracted prominent speakers in this field from all parts of the world. I hope that her courage will begin to open the doors to knowledge about this condition for other pain sufferers.

4.16 pm

The Minister of State, Department of Health (Andy Burnham): I congratulate the hon. Member for North-East Cambridgeshire (Mr. Moss) on securing this debate on what is, as he says, an extremely important topic. I listened carefully to him. He spoke with clarity and commitment not only about the position that his constituent finds herself in, but more generally about the issues faced by those suffering from pain, and particularly chronic pain. I take on board the issues that he raised about the treatment and management of pain in the NHS. In particular, I listened carefully to his comments about the treatment of complex regional pain syndrome or reflex sympathetic dystrophy. He is right to say that pain can have a devastating effect on the quality of an individual's life. It can take different forms and have different effects, depending on the individual. It is both a sensory and an emotional experience and is generally associated with tissue damage or inflammation.

I, too, pay tribute to the hon. Gentleman's constituent, Miss Lapinskis. I will look out for the proceedings and the conclusions of the conference that she is organising. I hope that he will pass on to her my best wishes for a successful conference. We will certainly want to see what progress the conference can make.

We are not starting from scratch when it comes to managing pain. In recent years, a number of initiatives have focused on pain and its management. In 1999, the clinical standards advisory group issued a report on pain services—"Services for Patients with Pain"—which the Government welcomed. The researchers undertook in-depth interviews in 12 NHS trusts with pain service staff, ward staff, post-operative surgical patients, pain clinic patients and carers. They undertook site visits to interview hospital managers, health authority officials and others, and undertook a range of survey work with organisations and individuals with a relevant interest.

The report concluded that pain services are highly cost-effective, producing savings for the national health service, but there is a "but", and perhaps here I will agree with the hon. Gentleman. The group found that there are variations in the commissioning arrangements for pain services and the resources dedicated to them. The group recommended that commissioners review local provision of pain services, looking particularly at the provision of more specialised treatments on a networked basis.

The Royal College of Anaesthetists believes that the relief of pain should be a fundamental objective of any health service. Good practice should ensure provision of an evidence-based, high-quality, adequately resourced service dedicated to the care of patients and to the continuing education and development of staff. The hon. Gentleman was right to draw attention to that point, and in particular to the training component of courses for junior doctors. I am sure that his comments will have been heard by officials in my Department.

Having considered what has gone before, I want to consider what is happening now and the plan for the future for the services that are available to deal with pain. As I said, pain can affect different people in different ways, so a range of different services and interventions will be needed to ensure that patients receive the care that is right for them. We are committed to ensuring that patients and their needs lie at the heart of all health and social services. As far as pain management is concerned, we need to ensure that patients receive help that is tailored specifically to their personal needs. That is why we have never centralised the management of pain services and why we believe that local flexibility is crucial to ensure that the NHS can and does respond effectively.

[Andy Burnham]

Services are generally provided across a range of providers, such as community services, teaching hospitals, specialist units and so on, to ensure that patients get the care that they need. Treatments range from education to spinal cord stimulation and complex psychological treatments. One-to-one physiotherapy is often delivered to individuals in a pain management service oriented to rehabilitation rather than pain relief. Sometimes other health professionals, such as occupational therapists, offer one-to-one treatments, too. More than one treatment is often necessary, particularly in the treatment of complex pain.

The treatment of long-term chronic pain is different from that of acute pain. We are talking about the ability not just to handle pain but to live with it in the long term. As the hon. Gentleman said, that is a different thing. Of course, it has an effect on a person's quality of life, their sense of well-being and their mental health, and all those factors are relevant considerations.

The hon. Gentleman might know that the Department has driven forward the expert patient programme, driven by the NHS, which provides opportunities for people who live with long-term chronic conditions to understand their condition in depth and to develop new skills to manage it better day to day. The number of course places on the expert patient programme will increase from 12,000 to 100,000 by 2012. The programme's success and the response of individuals who have taken part have been such that the Government are committed to trebling investment in it. In 2006-07 its budget will be £13.4 million.

We realise that commissioners may need additional support to set up specialist pain services, particularly in areas of the country where more provision is required, so we have issued guidelines to help. Those specialist national service definitions look specifically at specialised pain management services, which are for patients with chronic pain who require local specialist clinical expertise.

In North-East Cambridgeshire, to use the hon. Gentleman's constituency as an example, services are commissioned from a number of acute providers, including Peterborough, Addenbrookes, Hinchingbrooke, King's Lynn and West Suffolk. More distant providers include the input centre at St. Thomas' in London, the other major tertiary hospitals in London and the Queen's medical centre in Nottingham. Those pain management services all treat patients with a wide range of conditions.

Other local services include pain clinics. People with persistent pain may be able to attend a specialist pain clinic for assessment and possible pain management, together with advice on living a fuller life in spite of pain. Pain clinics vary in the treatments offered and not all hospitals have a specific pain clinic. Sometimes a consultant with an interest in pain will prescribe drugs or give injections to try to control it. Other clinics have teams of doctors, psychologists, nurses, physiotherapists, occupational therapists and others. The hon. Gentleman's constituents can take advantage of other sources of pain management. For example, most physio services will offer treatment for RSD and multiple sclerosis, including pain relieving treatment techniques.

This year, the primary care trust's local delivery plan has identified the need for more general physio and musculoskeletal specialist posts—I hope that the hon. Gentleman will welcome that—which will in turn provide faster access to such treatment. I understand that funding has been allocated to support that development.

I shall turn now from provision in the hon. Gentleman's area to that offered nationally. The Department is developing a musculoskeletal services framework to sit alongside the expert patient programme and specialist services work. It is designed as a good practice guide to help NHS patients with musculoskeletal problems, and is a core pathway-based approach for all stages of musculoskeletal problems. The system relies heavily on referral to hospital for most conditions, but many patients with musculoskeletal problems do not need to be treated in hospital and could receive faster and more appropriate care in a community setting. People in such a position need and want treatment closer to home and I think that there will be no difference of opinion about it being right to move in that direction.

The most common presenting symptom in people with musculoskeletal problems is pain. Qualitative studies have shown that what the group involved most wants from the NHS is pain control and help with improving functions. Providing services for prompt symptoms control through education, non-pharmacological and pharmacological treatment is pivotal to enabling an individual to maintain normal activities of daily living. Pain management is addressed throughout the framework. A patient booklet, co-sponsored by Arthritis Care and the Department of Health, has been developed alongside the framework.

A number of other initiatives are in train, too, which I shall mention briefly. End-of-life pain needs specific handling, so in March 2004 the then National Institute for Clinical Excellence published guidance on supportive and palliative care services. That important document sets out services that help patients and carers cope with cancer and its treatment throughout the cancer journey, including through the management of pain. Although it is orientated towards cancer, many of the principles and recommendations in the guidance apply equally to other conditions.

The NHS has been required to set out action plans to achieve compliance with the recommendations, and their implementation is being monitored by strategic health authorities. The implementation of the guidance will be incremental and will be supported through the increased funding provided to the NHS.

The hon. Gentleman mentioned the need for better training for health professionals. As he will know, the Department of Health is not responsible for settling curricular matters for health professional training. However, we share a commitment with statutory and professional bodies that all health professionals are trained so that they have the skills and knowledge to deliver a high-quality health service to all groups of the population with which they deal, whatever their condition. We take on board his points and I am sure that they will be borne in mind.

I want to say a brief word about the Government's manifesto commitment on palliative care. We made this pledge:

"In order to increase choices for patients with cancer we will double the investment going into palliative care services, giving more people the choice to be treated at home".

That is why we set out a programme of action on end-of-life care in the White Paper, "Our health, our care, our say". As it is developed and implemented, it will provide the necessary support so that all people, regardless of age or condition, can, where appropriate, choose where they die.

We have committed an additional £50 million a year to improve the provision of and access to specialist palliative care. Our latest information is that the allocation has funded a range of activity nationally, including the provision of an extra 44 palliative medicine consultants, 172 clinical nurse specialists and 46 specialist palliative care beds.

In conclusion, we recognise the need to broaden the access that patients with a variety of conditions have to high-quality care and pain management services. We recognise that there is still some way to go to ensure that all people who need it have access to such care, but we have started to implement a number of initiatives to stress the importance of pain management.

This has been a good debate. I am grateful and pleased that the hon. Gentleman has managed to secure it. He is right; it is the core business of the national health service to get the treatment and relief of pain right, and it is right that we consider it in the broad sense in which he has brought it to us. I wish his constituent well with her conference later this year and also congratulate her on the work that she is doing to draw attention to a condition that needs help and specialist support.

Biodiversity

4.30 pm

Mrs. Madeleine Moon (Bridgend) (Lab): I am sure that you, Mr. Williams, are well aware of the fact that this is Wales biodiversity week. Interest in and support for biodiversity is manifest in the increasing number of people who are becoming members of wildlife organisations such as the Royal Society for the Protection of Birds, Butterfly Conservation, local wildlife trusts, recording groups for bats, badgers, fungi, insects, plants, invertebrates and arachnids, and the National Trust.

People want to get involved and do what they can to help biodiversity. They join wildlife groups, watch wildlife programmes on television, read the myriad press articles, and attend events in large numbers, even in the inner cities, including events like the excellent sustainability week in London. Why? They do it because biodiversity impacts on our whole life. It provides the support systems that sustain human existence, from our health to the fertility of our crops. The many species of plants, insects and animals that live in a diverse range of habitats gives us that sense of the place where we live, and can act as an incentive to visit other places.

The world is losing biodiversity at an ever-increasing rate as the result of human activity. In the United Kingdom, 71 moths are recognised to be endangered or vulnerable, mirroring parallel declines in common bird species such as the ptarmigan, the skylark, the grey partridge and, in some areas, even the common sparrow. Summers are not the same without our butterflies; the high brown and marsh fritillaries and the wood white and white-letter butterflies are all in decline. When farmers need to import bees to pollinate their crops, we know that we have a serious problem. Sadly, the list of decreasing species in the Joint Nature Conservation Committee barometer is at about 45 per cent., with insufficient data on a further 15 or 20 per cent. of species.

In preparing for the debate, I communicated with a number of organisations and they raised the same concerns. There is tremendous recognition of the Government's commitment to biodiversity, through the Countryside and Rights of Way Act 2000, the Natural Environment and Rural Communities Act 2006, the Commons Bill and the Clean Neighbourhoods and Environment Act 2005. However, it was felt that we urgently need statutory reporting responsibilities to be built into legislation to take forward the Government's commitment and to record progress.

There is a need for increased species and habitat prioritisation, data collection and research, so that policy making can be evidence-based. Finally, dare I say it, we need increased financial resources for UK BAP—biodiversity action planning. Clear commitments have already been given, and I stress that biodiversity and wildlife groups recognise how much the Government have done.

The Government, with European Environment Ministers, set a target in a Commission communication entitled "Halting the loss of biodiversity by 2010—and beyond", yet in Wales, where the natural environment runs deep within the soul, the Welsh environment

[Mrs. Madeleine Moon]

strategy has a different target. By 2015, 95 per cent. of Welsh sites of special scientific interest are to be in a favourable condition, and by 2026 all sites of international, Welsh and local importance are to be in a favourable condition.

Although I recognise that setting such targets is a devolved matter, wildlife groups are concerned that the disparate nature of those lower targets will have a major impact on the UK's ability to meet its target. The environment does not recognise man-made borders, and Offa's dyke will not hold back the tide of biodiversity loss.

RSPB members have called for increased funding for management agreements and the species monitoring of agri-environment schemes in Wales. However, with the Countryside Council for Wales losing more than 30 staff in the past year, meeting common targets has become almost impossible. If we in Wales are to play our part in meeting the UK target, the Department for Environment, Food and Rural Affairs must help by ensuring that additional funding and support is available.

Section 40 of the 2006 Act replaces section 74 of the 2000 Act, so that from October 2006 Departments must allocate a Minister with a duty to conserve biological diversity and to monitor how public bodies working with the Department are conserving biodiversity. To see how this was working, I asked questions of all Departments on the allocation of ministerial responsibility, which revealed that although most Departments had assigned Ministers, they were awaiting guidance from DEFRA—guidance that will also be followed by local authorities—on how they should undertake their monitoring role. I give credit to the Department for International Development. It sent the most comprehensive reply and demonstrated a clear commitment to the task, which stood out against the replies of other Departments.

The need for a statutory responsibility to report progress in meeting biodiversity duties was raised by all the wildlife organisations to which I spoke. I am aware that DEFRA commissioned Entec to look at the subject some time ago, and there is universal hope that that will lead to targets being set as part of the comprehensive performance assessment and to best value performance indicators, with biodiversity integrated into performance assessment systems, especially in local government. Yet again, it will fall to DEFRA to urge the Audit Commission and the Department for Communities and Local Government to take that forward.

Indeed, local, regional and national Government could follow the excellent example of Hampshire county council, which has a corporate biodiversity management plan in place for all its directorates—they must all demonstrate how they will meet biodiversity targets. It would be good, would it not, if Departments, and local and regional government, had such plans in place by the 2010 deadline?

Targets need to be integrated for the purposes of recording, monitoring, mapping and tracking habitat, species loss and the growth of invasive species at local, regional and national levels. I urge that butterflies are recognised as indicators of both a healthy environment and the effectiveness of the Government's land use policies.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Barry Gardiner) *indicated assent.*

Mrs. Moon: I am glad to see that the Minister agrees.

Funds must be available to continue with moth recording and monitoring. I have arranged a moth recording night in the Palace, with moth recording equipment being installed on the roof of the House, and I hope to integrate that with a bat recording evening, so that we can show that there is wildlife even in this most sterile of places.

The statistic that 50 billion moths are required to feed the blue tit population of the UK is staggering, but it is frightening to know how many birds are estimated to have died this spring because their food supply was not available. We need Natural England to commit to species-based project work at its launch in October, so that recovery work on species such as stone-curlew, bittern and black grouse can continue.

How are we to do that? The UK BAP is key to the way in which the Government work in England and Wales, through its agencies and non-governmental organisations and the voluntary sector. I am aware that the 2005 UK biodiversity action plan reporting round will be announced on 20 June by DEFRA. It is hoped that the new Natural England body will place greater emphasis on the UK BAP in its strategic direction document, following the DEFRA announcement. Strategic partnerships to implement the BAP targets with NGOs have proved critical in the past, but it is unclear if that will continue with Natural England, and I would welcome clarification. There is concern that the UK BAP has lost its momentum and that commitment has dwindled. I received an e-mail from a biodiversity co-ordinator who described the situation in her region thus:

"We have a lack of knowledge of BAP habitat and species distribution. Our Phase 1 habitat data is now 10 years old and was not completed in the first place. There is no finance available for commissioning up to date survey work. This makes it difficult to set local targets and to evaluate the importance of sites and parcels of land in the local and national context. Our SING site network falls into this same category. I think it would be fair to say that the only ones that have been thoroughly surveyed are the ones that are about to be developed."

She ended with the words:

"God, I feel quite miserable now!"

We need to acknowledge that securing the capacity to move towards the 2010 halting of biodiversity loss is becoming harder. Setting up local nature reserves is becoming a problem for NGOs and local authorities, and no finance is available for their management. Short-term, project-style funding prevents the setting of local priorities and reduces the capacity for long-term planning, and voluntary organisations are unsure about whether they can continue to research, keep staff and match fund grant aid for projects. The RSPB tells me that it estimates that the additional extra expenditure required to meet the UK BAP targets is £338 million a year. Where is that money to come from?

I am sure that the Minister will be pleased that there is positive news amid the gloom. The Government have recognised the critical role played by volunteers in the life of the UK. The role of NGOs and their volunteers in promoting Government policy and halting biodiversity loss must also be recognised. Butterfly Conservation, wildlife trusts, the RSPB and local wildlife groups rely heavily on volunteers for their monitoring work. Butterfly Conservation's volunteer audit showed that their volunteers alone contributed 77,000 person days a year, equivalent to more than £5 million, even at a basic rate of £60 a day. Add to that the huge army of volunteers working with the wildlife groups, and volunteers' value to biodiversity becomes incalculable.

EU structural funds could be set up to fund the creation of jobs to promote and enhance biodiversity, and funding for any development likely significantly to damage biodiversity could be refused. Planning application forms could include a requirement to report on the impact on biodiversity of a proposed development, and a percentage of the planning delivery grant in England could be specifically targeted for biodiversity. I recognise that some of the issues are outside the Minister's responsibility and that of his Department, but I am sure that it will be for DEFRA to promote such things in other Departments.

We must harness the new interest shown by industry in environmental matters. This week I was especially pleased to receive an invitation from the CBI to a meeting that aims to bring together business people and parliamentarians with an interest in the opportunities and challenges posed to businesses by action to protect and improve the environment. The Government placed the environment high on their agenda back in the mists of 1997, when some other political parties could not even spell "biodiversity". They introduced significant legislation to increase environmental protection and biodiversity. To keep up that momentum, we need statutory duties to report on progress. We need a renewed commitment to the UK BAP agenda from all agencies, including Natural England. We need funds to ensure that policy decisions are based on empirical evidence gleaned from monitoring and research, and, of course, the finances to do it all. The legacy of the Government should not be the national threat of the spread of Japanese knotweed or the 21,000 per cent. increase of the Blair's shoulder-knot moth as a result of the growth of suburban cypress trees. In the words of the RSPB,

"We must stop the rot, protect the best and restore the rest."

Minister, I am afraid that responsibility lies heavily on your shoulders.

4.44 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Barry Gardiner): This is the first time I have responded to a debate under your chairmanship, Mr. Williams, and I am very pleased to be doing so.

I congratulate my hon. Friend the Member for Bridgend (Mrs. Moon) on securing this debate on biodiversity issues. Her timing is impeccable; as she mentioned, this is Wales biodiversity week, and many events are taking place to raise awareness of biodiversity. They will get people out there to experience the huge variety of life. I took the precaution of looking some of them up on the website; one of the events is a bats and moths barbecue, which takes place in Bridgend on Sunday. That is not, I am relieved to hear, a chance to try out unorthodox recipe suggestions, but a project involving the use of ultrasound to pick up bat activity in a local park. That is great—the event is being promoted in a humorous and interesting way and getting people engaged. That is the point.

Such awareness raising is becoming more and more essential. As my hon. Friend said, across the world, changes in biodiversity due to human activity have happened more rapidly in the past 50 years than at any time in human history. The issues highlighted, particularly by the latest scientific evidence, show that an unprecedented effort is needed at all levels in all countries to achieve significant reductions in the rate of biodiversity loss.

My hon. Friend mentioned various levels of possible action, and I absolutely agree that the commitment to biodiversity knows no boundaries, whether within or without the United Kingdom. It is not simply a matter of Offa's dyke, but a global issue that we have to tackle at international, national and local government level and within local communities. That is how we must address the issue.

Progress is crucial. Biodiversity is a vital component of the planet's life support systems. It helps regulate our climate and benefits people directly through its contributions to health and well-being. It provides food, fuel, water, air and natural medicines—all the ecosystem services that we have taken for granted and assumed were free goods for far too long. We are beginning to discover that in the whole battle against climate change. We know that the pressures on global biodiversity continue to increase, particularly as a result of global warming, the degradation of habitats and continuing infrastructure development.

The Government remain absolutely committed to meeting our targets and improving biodiversity conservation in this country and abroad. Our key commitment is to meet the 2010 target of reducing the rate of biodiversity loss. All our domestic targets in England, Wales and other UK countries are consistent with and represent important milestones along the way towards that aim. Considerable work is being done to meet those targets and much has been achieved already.

Indeed, I would like to congratulate the Welsh Assembly on the publication of their Wales environment strategy, a document that reaffirms the commitment to halting biodiversity loss and working towards a definite recovery from the losses that have occurred to date. The document clearly identifies actions to help achieve further progress and underpins Wales's contribution to our UK and international commitments, directly supporting the challenging targets for 2010.

Our overall goals, as stated in the UK's biodiversity action plan, are to conserve and enhance biological diversity in the UK and contribute to the conservation and sustainable use of global biodiversity. The biodiversity action plan sets out the Government's commitments through a series of individual habitat action plans and species action plans, which specify clear targets and the actions designed to meet them.

[Barry Gardiner]

The UK BAP is of great importance in co-ordinating and driving conservation work at national and local levels, identifying priorities for action and setting biological targets for the recovery of species and habitats. It provides the framework for costed and targeted national action to address 436 of our most threatened habitats and species in the UK. Across the UK, further support comes from approximately 150 local biodiversity action plans developed by local partnerships to engage local communities and help deliver conservation action. In many cases, those plans are really making a difference.

The 24 local biodiversity partnerships in Wales have done an enormous amount of work to prepare and implement local plans that support the UK biodiversity action plan. Local biodiversity action plans in Wales comprise a range of successful projects that are inspiring and enthusing new partners and sectors, including tourism and business, to get involved and contribute to further progress. The plans are also helping to demonstrate the wider social and economic benefits from conserving and enhancing our natural environment. In particular, recent activities have led to the completion of an intertidal survey for the entire Welsh coastline, the rediscovery of a rare lichen, Cladonia peziziformis, at two separate sites in Wales and the establishment of a valleys bat group.

I am aware that the biodiversity action plan for Bridgend has immense value as a means of harnessing the enthusiasm and commitment of local people to help the Government towards meeting their targets for biodiversity. The plan, which also focuses

on local conservation priorities and targets, continues to operate alongside the Bridgend unitary development plan and helps to inform it.

At the national level, effective co-ordination of a considerable range of activity is driven by the UK biodiversity partnership. That forum brings together all the partners involved with the BAP, including funders, experts, business, Governments and non-governmental organisations. A standing committee guides and supports the partnership in implementing the BAP, helping to facilitate the exchange of information and overseeing progress reporting.

The biodiversity partnership is currently taking forward a series of review processes, including action to examine the targets set for UK priority species and habitats. New revised targets will be published this year. In addition, a national reporting round will provide the latest measure of progress under the UK BAP. It will be published next week, and the results are likely to show that while some priority species and habitats are still declining, the past three years have seen some notable successes. Some 22 per cent. of habitats and 11 per cent. of priority species are increasing. Overall, more priority species are showing improved trends in 2005 compared with 1999 and 2002.

It is particularly encouraging that we are starting to see improvements in a range of important species—in parts of our long-cherished national biodiversity. The population of the lesser horseshoe bat has increased by 42 per cent. in Wales and by 39 per cent in south-west England since 1999, and the population of the Deptford pink has increased substantially at a number of sites in England and Wales. The status of those species as BAP priorities has been a major factor in the success.

A number of species of moths have been designated as top priority under the UK BAP because of their widespread decline. As my hon. Friend mentioned, we know that moths are vital to the countryside; they both pollinate plants and provide food for other species. It is therefore significant and worrying that more than 50 species of larger moths are highly threatened, and others are also at risk. Sadly, more than 25 species of moths have become extinct in Britain during the past century, ranging from the gypsy moth, last seen as native in around 1907, to the Essex Emerald, which disappeared just 15 years ago, in 1991.

Those data highlight our concerns about the pressure faced by native species and emphasise the need to create better opportunities to conserve our wildlife. However, there is some good news in that the discovery of new colonies, ecological research and habitat management have helped the situation of 27 priority moths since the UK BAP was published a decade ago. Research also shows that the greatest proportion of species with relatively stable populations lies in the south-west, including Wales. The current review of national priority species under the BAP will examine those issues, and may increase the number of priority moths that benefit from increased awareness and additional resources for survey, monitoring, research and conservation, although there is a range of important species to consider.

Clearly, there are considerable challenges that we must address. Overall, however, I am pleased that the latest PAP reporting round shows many individual successes. Many more populations and habitats are remaining stable or their rate of loss is at least now beginning to slow. Much hard work has led to those improvements, and the progress is significant and pleasing, given that it can take time to reverse the serious decline of previous decades, however successful our policies and actions might be over a limited period.

Further important progress has also been made in protecting our nationally important wildlife sites across the UK. More than 72 per cent. of our sites of special scientific interest are now in favourable condition, which represents a tremendous improvement in the past few years. It means that we are on track to meet our 95 per cent. target by 2010.

Significant work is taking place at all levels and across all sectors to deliver the additional progress that we need. Environmental stewardship has already made an important contribution by supporting farmers in adopting new approaches that can conserve our biodiversity. A real, positive difference has been seen in wildlife and in the countryside since environmental stewardship was introduced. In particular, we are seeing more farmland birds, and a greater variety of bird life. More than 1 million hectares of land are now covered by environmental stewardship agreements. That means that more and more farmers are being rewarded for farm management that conserves and enhances wildlife and landscapes rather than simply existing as farming for the subsidy, as under the old common agricultural policy principle.

We also need to build on the progress that we are making in urban areas. The consideration of the impacts on local biodiversity of new house building is a matter that should be addressed by regional planning bodies and local planning authorities when preparing regional spatial strategies and local development documents. In preparing those plans, they must have regard to national planning policies. I am pleased to tell my hon. Friend that relevant policies are set out in planning policy statement 9 on biodiversity and geological conservation, which was published in August 2005. At local authority level, as well as at national, regional, Government and Whitehall level, this issue, specifically the point that she made about incorporating biodiversity into the thinking of local planners—that is essential—is being addressed. The Government took the step last August.

PPS9 makes it clear that planning policies should aim to maintain and enhance, restore or add to biodiversity interests, and recognises that it is possible to build in beneficial biodiversity features as part of the design of new developments. PPS9 is also supported by a recently published good practice guide, which includes practical examples of how authorities can plan positively for biodiversity.

In addition, under the Natural Environment and Rural Communities Act 2006, which comes into force on 1 October 2006, we have created a formal duty for all public authorities in England and Wales to have regard to the conservation of biodiversity in the exercise of their functions. Furthermore, the launch in June 2005 of the Government's new policy for ancient and native woodland, backed by numerous practical initiatives and projects, represents another important step forward in promoting enhanced biodiversity in our woodlands and forests.

Last month, I also launched a consultation on the review of the England forestry strategy. The consultation identifies national priorities and policies over the next five to 10 years, to which our trees, woods and forests can make a particularly significant contribution. The aims include the safeguarding of our national resource of trees, woods and forests for future generations to support the protection and enhancement of our environmental resources, biodiversity and landscapes.

Climate change is having a major impact on biodiversity in the UK, just as it is around the world, and we can only expect much bigger challenges to come. In the past year, we have seen some very sobering trends, particularly on migratory species at home and abroad. It is imperative to act now to reduce our emissions of carbon dioxide and to combat the effects of climate change on our natural habitats and the plants and animals that rely on them.

We need to base our policies and actions on the best possible scientific advice. Our priorities in moving forward include the development of a more robust evidence base to support our scientific understanding of the impacts of climate change on biodiversity. We must use the evidence to raise awareness, to aid decision making at all levels and to shape our policies and adaptation strategies for the future. Already, important work has been carried out on compiling a framework of biodiversity valuation methodologies and on providing information on economic values of biodiversity that are currently available.

The Government are also aiming for a wiser and more sustainable use of water and wetlands. I am pleased, for example, that more than 170 water and wetland sites of special scientific interest will benefit from £500 million of investment as a result of the fourth periodic review of water prices. In the past 12 months, substantial progress has also been made on action to include wider biodiversity requirements in river basin planning and management.

Sound progress has also been made in developing proposals—

It being Five o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Thursday 15 June 2006

[MR. MIKE HANCOCK *in the Chair*]

Human Rights Annual Report 2005

[Relevant documents: First Report from the Foreign Affairs Committee, Session 2005-06, HC 574, and the Government's response thereto, Cm 6774.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Watts.]*

Mr. Mike Hancock (in the Chair): Order. As the air conditioning is still not right in the Chamber, it is appropriate for hon. Members to take off their jackets if they choose to.

2.30 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I wish to introduce this debate on the report of the Select Committee on Foreign Affairs on human rights, which was published in February this year and is our response to the Foreign and Commonwealth Office's annual report on human rights, which was published in the autumn last year.

Every year since 1998, the Foreign and Commonwealth Office has published a report on human rights around the world. The Committee then takes evidence, either in writing or orally, including evidence from Ministers, on various aspects of the report. We are particularly interested in the response of human rights organisations, two of which—Amnesty International and Human Rights Watch—gave evidence to us. We also received many other submissions for consideration before adopting our report.

The report that we published in February was the first from the new Select Committee that was established following the general election. I pay tribute to my colleagues on the Committee. It has 14 members so it is more difficult to reach a consensus than in the previous Committee, which had 11 members. This report was agreed by consensus—not all are—which is a tribute to all its members and the responsible way in which the issues were approached.

We touched on a range of areas and I have not got time to deal with all of them now, but I am happy to take interventions and hope that my colleagues will highlight areas that I do not mention. We looked at some topical and controversial issues, such as rendition, torture and the situations in Iraq and in the middle east. We also looked at a number of other aspects of the work of the Foreign and Commonwealth Office. I welcome the new Minister for Human Rights, my long-standing and right hon. Friend the Member for Makerfield (Mr. McCartney), to his post and I hope that he will respond as far as possible to the issues that I raise.

I want to place one issue on the record at the beginning: the concern, which is reflected in our report, that the Minister for Human Rights is again also the Minister for Trade. The Committee was concerned that there might be a conflict of interests between those two aspects of one ministerial role. In its response to us, which we received a few weeks ago and which was published on 2 May, the Foreign and Commonwealth Office said:

> "There is no tradeoff between a robust policy on human rights and promotion of trade."

I want to press the Minister on that. For example, on a Government trade promotion visit to a country where human rights are a matter of concern, how easy is it to put on a human rights hat while trying to win hundreds of millions of pounds of contracts for British companies, British jobs and British investment? Can the Minister give a commitment that he will not moderate his criticism of a country's human rights policies—as a new Minister, I am sure that he can give new commitments—and that he will be robust in his criticism on human rights matters rather than bowing to what will inevitably be a tendency in some quarters to say, "Go soft on that because it might damage our commercial interests."?

Mr. Andrew Smith (Oxford, East) (Lab): I commend the Committee for its work. I put a counter-argument: while my right hon. Friend the Minister is robust and has a reputation for being a straight talker, is there not strength in not allowing trade issues to be totally divorced from human rights so that where there are contacts—there are many because of the commercial importance of trade—human rights are to the fore?

Mike Gapes: That is another argument and clearly that is the Government's view, but the Committee's concerns are real and I hope that when the Minister responds he will deal with them.

Another issue that we touched on was the changes in the internal mechanics of the Foreign and Commonwealth Office, linking its work on sustainable development with its work on human rights. The human rights democracy and government group used to be more free standing within the FCO structure, but that is no longer the case. In its response, the FCO said that that does not represent any downgrading of its human rights work. We hope that that will be so and during the coming year we will look closely to ensure that it is so.

In our report we highlighted a number of important international issues. One is about what is happening in the United Nations. The past few months have seen an important change eventually agreed within the UN: the disbanding of the old, discredited United Nations Commission on Human Rights and its replacement by a new UN Human Rights Council. The Committee was concerned about the way in which some countries were clearly trying to sabotage the effectiveness of the new body, even before it was established. We hope that the new organisation, the Human Rights Council, will be able to do its job properly and effectively. We know that the Government have been supportive of that. In its response, the FCO made many positive statements about how the new council may be different in both form and effect from its predecessor and we hope that that will be the case.

Jeremy Corbyn (Islington, North) (Lab): Will my hon. Friend say a little more about that? Did his Committee consider the role of civil society and non-governmental organisations, which were an important factor in the UN Commission on Human Rights? I recognise that

[Jeremy Corbyn]

there were criticisms of the commission, but as yet the Human Rights Council has not indicated what form of operation it will have and how it will be involved. I am sure that my hon. Friend agrees that it is important to represent civil society, particularly in countries with repressive regimes.

Mike Gapes: I agree and I hope that the Minister can give us a progress report on how things have developed during the first few months. It is too early to make a judgment yet.

David Taylor (North-West Leicestershire) (Lab/Co-op): An example of the weakness of the UN Commission on Human Rights is Libya. How confident is my hon. Friend that the new Human Rights Council will be able to tackle abuses of the sort that the Committee clearly felt were taking place there?

Mike Gapes: We cannot know. In practice, we must see how the new council develops. It is hoped that with a more streamlined and effective structure we will not have the difficulties of the past, but some countries in the United Nations that will be elected to represent regional groupings will not have good human rights records. That has always been a problem, although the new Human Rights Council seems to have fewer of those countries involved than the previous commission did. We must see how it works out in practice.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): This is perhaps one of the most important aspects of the whole report. There were a number of weaknesses with the old commission. One was that positions had to be met largely by consensus—the hon. Gentleman has already mentioned some of the members with poor human rights who were on that body—but perhaps one of the most difficult paradoxes with the old system was the conflict between naming and shaming on the one hand and not interfering with a country's sovereign rights on the other. Did the Committee look into that and did it come to any conclusion?

Mike Gapes: That issue was touched on in the evidence that the Committee received, particularly from Human Rights Watch and Amnesty International, but I have to say that we need to do more work on the subject. I am sure that we will look into it in coming months.

We also considered the International Criminal Court, which is now dealing with its first few cases. I should be grateful if the Minister would tell us how many countries have now ratified the treaty establishing the court, and whether he anticipates any further cases being referred to it in the near future. Our Committee strongly supported establishing such a court but, clearly, it has to be effective and to deal with cases in a timely way. I should be grateful for an update.

I shall now touch on a few subjects in greater detail. I have already mentioned rendition and torture, but associated with them is, of course, the United States' facility in Guantanamo Bay. Our Committee has consistently pressed the Foreign and Commonwealth Office for greater clarity on its policy on Guantanamo. We have pressed Ministers to be more outspoken in their condemnation of the very lengthy detention—now running into several years—of a number of suspects there, who have no legal status and for whom there is no legal process.

British detainees were released, but people who were resident in this country are still detained there. The fact that no British citizens are detained there does not alter the fact that many hundreds of people from all over the world are detained there. There are strong, principled objections to the existence of that facility and to the way in which it operates.

In February our report called on the Government to "make loud and public" objections. Since then, I have been greatly encouraged by the fact that the Attorney-General, in an official speech, gave what he called a "personal view" about the camp, calling it unacceptable. The Foreign and Commonwealth Office response to our report uses the same word—"unacceptable"—to describe the circumstances under which detainees continue to be held. I note that last week even President Bush said that he would like to empty the camp, although he does not feel able to do so quite yet.

Clearly, there is a dilemma for the United States: how will it deal with the several hundred people in Guantanamo? Will it release them, transfer them back to the countries from which they came, or shift them to the territorial United States and detain them there? Many people there may well represent a continuing serious threat, but that does not mean that Guantanamo can be a long-term solution to the problem arising from events in 2001 and 2002, which is when most of the people there were taken into detention in Pakistan, Afghanistan or areas related to them.

Will the Minister take this opportunity to state clearly the Government's position on Guantanamo Bay? I am asking him to speak not personally, but officially. Will he say that the existence of Guantanamo is unacceptable and will he today call for it to be closed down? If he is not prepared to go that far, will he at least tell us what changes in the circumstances in which detainees are held would make it possible for the British Government to call for it to be closed or, alternatively, would make continued detention of those men acceptable to our Government? There is still a lack of clarity on the Government's position as a whole, and greater clarity would be helpful.

I now come to rendition, an issue that our Committee has been pursuing for more than 16 months. We know that there have been flights associated with the US Central Intelligence Agency into, out of or through the UK in recent years, but it is far from clear which of those movements, if any, were connected with the concept of rendition. In February this year, when our Committee was in Washington, we had discussions with a number of officials, including people in the State Department, and it was suggested to us that the flights might simply have carried cargo of various kinds—individual American agents, forensic evidence, computer discs, documentation—and not necessarily detainees.

There have been a number of ministerial statements on the subject, and we were recently at last given clear statements that, since 1998, Ministers have agreed to only two requests by US authorities to render a suspect

through the UK or our overseas territories. It is regrettable that it has taken so many questions, so much effort and so many repeated requests to get the Government to make those statements. Much of the controversy around the issue would have been avoided if earlier statements had been made, if there had been earlier clarity on the facts of the situation, and if the Government had been more forthcoming earlier.

In particular, the Government could have avoided a lot of bother with our Committee if they had responded fully and frankly to our Select Committee when we first raised the issue in early 2005. Instead, we got what seemed to us a reluctant drip-feed of information. Eventually, answers were given—not, in the first instance, in response to our inquiries, but in answer to questions asked by Opposition spokespersons in the House. There is a lesson here for Departments, including the Foreign and Commonwealth Office: if they want to avoid ongoing controversy about an issue, it is better to come up with the facts early rather than in a drip, drip, drip fashion, while there are ever more headlines on the subject and ever more issues raised about it—and eventually the information comes out anyway.

I am not saying that we have all the facts now, but we certainly know more than we did when we started asking questions. It would have been helpful if, over the past 18 months, our Committee had been given more information in response to our questions, rather than our finding it out from other sources.

The Council of Europe recently published a report by a Swiss member, Dick Marty, but as far as I can see—and I have read it—it contains very little that is new and little hard evidence. I understand that a report of the European Parliament temporary committee is due. It, too, is investigating the issue, but I am not aware that the report contains any new information. The European Parliament adopted a resolution, almost unanimously, just a few days ago. It was supported by all the political groupings. I do not want to raise controversy within the Conservative party, but the European People's party supported it, as well as the Socialist group, the Liberal group and others. That resolution called overwhelmingly for the closure of Guantanamo Bay.

There is other related information. A recent report by Amnesty International alleges that our Government provided the United States with information that led to two individuals being rendered from Gambia. Can the Minister comment on that report and give us any information about that accusation? It would be helpful to know whether there is any basis for that allegation or whether it is false. Ministers are aware that public concern on the matters is genuine. We need clear, full explanations, otherwise the speculation will continue, and there will be endless, almost frenzied, media interest, which is not helpful either for governance or for human rights in general.

Finally, before I make some rapid progress in order to conclude, I refer to the Government's response to questions about the use of intelligence gained through torture. They did not respond fully to our recommendation that they should clearly set out their policy on the use of information derived by other states through torture, and encourage a public debate on the ethical dilemmas they face. The response we got restates the opposition to torture, which is welcome, and deals with practical considerations, such as the unreliability of evidence and so on. However, it does not engage with the ethical dilemma. It would be helpful to have a clear statement of the Government's attitude as to whether we are prepared to take information or intelligence from dubious sources. Are the Government content with that or do they believe that it raises difficult ethical questions?

In the time left to me, I would like to touch on the situation in a few specific countries. Other countries will come up during the debate, no doubt. The first of these is topical: there is a good article by Timothy Garton Ash in *The Guardian* today, which refers to the situation in Burma. Our report highlights the position in Burma, where there is political and ethnic oppression by the military Government. We recommended that the UK Government maintain pressure on the Burmese military regime and work with the United Nations and other bodies to create such pressure.

The Government's response said that they had done so, that council members agreed that Burma faced a number of problems and that the international community should do more to address them. They also said that they were open to further discussion on the issue. In the spirit of further discussion, perhaps it is time for more rigorous statements to be made to other security council members—particularly the Government of the People's Republic of China—about the importance of securing the freedom of the important political leader, Aung San Suu Kyi, who won an election about 15 years ago, but has been restricted, detained and imprisoned ever since. It would be a symbol of the importance of human rights in Asia and the world if she were given her freedom and were able to campaign and organise politically in the way wanted by the vast majority of people in Burma.

I turn briefly to the middle east. I am not going to talk about the Israeli-Palestinian issue or others that we touched on during the debate we had the last time I introduced a human rights report. I would rather talk about two other countries in the region. The Committee's report was critical of the lack of coverage in the Foreign Office report on the human rights situation in Syria. We are pleased that in their response the Government promised to include more on Syria in the report they will produce this year. I hope that they will and that the report will focus on Lebanon, where Syria is implicated seriously in the assassination of former Prime Minister Hariri, and a number of other violent incidents and human rights abuses.

I would like to raise another issue that is not in our report, but is in that of the Foreign and Commonwealth Office—I can be self-critical of our Committee. Today, we have seen terrible events in Sri Lanka. The situation there is deteriorating fast. Bombings, killings and the upsurge in violence raise serious issues of human rights abuse, and I hope that the Government will do far more to get the Sri Lankan negotiations back on track in order to stop the upsurge in violence and stop the human rights abuses.

David Taylor: My hon. Friend moved on from the middle east before I had the chance to haul him back to Turkey. One of the recommendations in the report related to the importance of human rights improvements to Turkey's accession to the European Union. Neither

[David Taylor]

the Committee's report nor the Government's report drew any conclusions on northern Cyprus, which has now acceded to the EU under the assumption that more effort would be devoted to removing the de facto borderline there. Would my hon. Friend care to comment on why there is no reference to the lack of human rights of some of those in southern Cyprus due to the Turkish-backed regime in the north?

Mike Gapes: I can tell my hon. Friend honestly that our Committee does not have the resources to concentrate on every issue in the world. We hope to consider the situation in Cyprus and other parts of the EU as part of different inquiries when we visit different EU states. I am sure that the Committee will be able to comment on that at some point. I shall bear in mind his remarks for next year and the Minister has no doubt heard what he said and may want to comment on it.

I would like to touch on the position in several African countries. I have already mentioned China, which has an important role in the world now: its global reach is very great. One of the countries in which China is playing an important role is Sudan, from which it imports a considerable amount of oil and where it is providing assistance in infrastructure programmes. As we know, the civil war in Sudan between the north and the south ended. However, a major conflict in the Darfur region continues to cause grave concern and has led to the deployment of an African Union peacekeeping mission, which seems to have little impact on the situation there.

In the Government's response to our report, they described the AU mission as having

"done a good job in very difficult circumstances."

I do not doubt that the circumstances are difficult, but I would question whether what has happened in Darfur could be described at this moment as a "very good job". I do not believe that the African Union mission there is strong enough and the impression we get from media reports is that the situation there is still extremely bad. The AU mission is underfunded, overstretched and probably not able to cope, at this stage, with the tasks that it has to confront.

Mr. Clifton-Brown: Is there not a great paradox here? The Chinese invest £3 billion in Sudan's oil industry, which gives the Sudan economy the oxygen it needs to carry out human rights abuses and genocide against some of its own people, while the west puts in hundreds of millions of pounds worth of aid and peacekeeping assistance. Is it not about time that the five permanent member nations of the Security Council got together and dealt more satisfactorily with big problems like Sudan?

Mike Gapes: I agree, and that is why I was just about to call for the United Nations to focus more on assisting the African Union in Sudan, by sending a blue-helmeted UN force to assist AU forces in protecting the human rights of the people in Darfur and elsewhere. Probably the only way forward is to strengthen that mission, and the Chinese clearly have an important role to play in making that possible. As a permanent member of the Security Council, China can block such an initiative or support it.

Jeremy Corbyn: On the issue of the African Union and its effectiveness or otherwise in dealing with problems in Africa, is my hon. Friend in a position to say anything about attitudes towards Somalia with regard to the serious issue of human rights abuses that have been routinely happening in the southern sector around Mogadishu, or the possibility of the AU promoting a transitional Government to cover the whole country?

Mike Gapes: Somalia has not had a central Government with any authority for 15 years or so. The situation there is that of a classic failed state. The African Union should have a role, but other countries in the region will be interested because Somalia is a littoral state, and terrorist camps and other bases could be established there, which would be a threat to many neighbours. The whole international community should take serious action in Somalia to try to ensure that we get a stable Government there. If the US's renewed interest in Somalia, after many years of absence, can be translated into a positive engagement of the international community, that would be a good thing.

Before I finish, I would like to touch briefly on a few other African countries. The situation in Zimbabwe causes considerable concern to our Committee.

Mr. Greg Hands (Hammersmith and Fulham) (Con): I thank the hon. Gentleman for giving way. Does he share my concern about the somewhat incredible news that Britain is building a huge new embassy in Harare that will greatly expand our capacity in Zimbabwe and the number of people on the ground there? Apparently, it is one of the largest construction projects in the country. I am reliably told that Robert Mugabe is boasting about Britain's so-called inward investment into Zimbabwe and support for his regime. I find that surprising.

Mike Gapes: I am not sure whether Mr. Mugabe's boasts can always be given credibility. I suspect that most of the inward investment that the Zimbabwean Government are currently getting is probably linked to the Chinese, who recently agreed a contract whereby Zimbabwe supplies chrome to China in return for the construction of new power stations. That will probably far outweigh any other construction work done by anybody. However, the hon. Gentleman's point needs to be looked at, and my Committee can no doubt consider that when it next meets. China is again engaged with a country in Africa with serious human rights abuses. Will the Minister comment on China's policy on Africa? Is he prepared to raise, in his human rights dialogue with China, questions about Chinese foreign policy and its attitude to autocratic, undemocratic and repressive regimes in Africa?

I would also be interested to hear the Minister's comments on the conflict in the horn of Africa, which we touched on in our report. The situation there has the potential to lead to terrible problems. There has been famine and great displacement of people over many years. After all, Live Aid came about as a result of the programmes about that region that were broadcast over 20 years ago. We need to look closely at the fact that although there are now elected Governments in Eritrea and Ethiopia, there is nevertheless serious potential for renewed military and border conflict in that region.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Before the hon. Gentleman moves on, will he comment on whether he finds the UK Government's position on Zimbabwe inconsistent? The annual report rightly condemns torture in Zimbabwe and the repression of the Movement for Democratic Change, yet the British Government also seem to have a policy whereby failed asylum seekers from Zimbabwe who face the threat of reprisal for coming to Britain to seek asylum, among other things, are in some way removable. Does the hon. Gentleman agree that there is a credibility problem with condemning Zimbabwe for human rights repression on the one hand, but saying that it is in some way okay for people who are at risk to be sent back there?

Mike Gapes: The Committee has not considered asylum policy as it is not within our remit. As a Member of Parliament with constituents in exactly the situation that the hon. Gentleman describes, I would be concerned if they were removed to a situation in which their lives could be threatened and repressed. I know that there have been some legal judgments and court appeals, but I am not quite sure, off the top of my head, what the current situation is. The Government should consider this matter closely, not just in relation to Zimbabwe, but for other countries for which they usually make annual assessments, in which circumstances change—Sri Lanka is another case on which we might comment—as a result of which, people could be sent back to difficult circumstances.

I conclude—I shall not take any more interventions—by commending the FCO for the quality of its report. Over the years, our Committee has made several suggestions and we are pleased that the report's quality has improved and that many of our suggestions about its content and style have actually been taken on board. This report is, again, an improvement on previous reports. I am also pleased that the universal declaration of human rights is boldly printed at the beginning of the report. I hope that we will continue to argue internationally that human rights are universal, particularly with fast-growing countries that have different political traditions and have not yet embraced the virtues of democracy. As the General Assembly said in 1948, there should be

"a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance".

3.6 pm

Sir John Stanley (Tonbridge and Malling) (Con): I am pleased to follow the Chairman of the Foreign Affairs Committee, the hon. Member for Ilford, South (Mike Gapes), and I congratulate him on steering his 14-member Committee to a unanimous report in response to the Foreign and Commonwealth Office report, which is about 300 pages. It is therefore necessary to be selective, and I shall confine my remarks to just four areas of serious human rights concern.

I start more or less where the hon. Gentleman finished: with Zimbabwe. I am glad to see, from the interventions so far, that this matter is of considerable concern to Members on both sides of the Chamber. I am sure that that is also true of Members in the House generally. To appreciate the sheer magnitude of the violation of fundamental human rights in Zimbabwe, one need go no further than the opening page of the section on Zimbabwe in the Human Rights Watch "World Report 2006" covering the calendar year 2005. It commences:

"The continuing erosion of human rights in Zimbabwe was highlighted in 2005 by Operation Murambatsvina, the government's program of mass evictions and demolitions which began in May, and, which, according to the United Nations, deprived 700,000 men, women and children of their homes, their livelihoods, or both throughout the country."

The report goes on:

"The evictions and demolitions led to widespread homelessness, lack of freedom of movement, loss of livelihood and minimal access to food, water, health care, education, and justice for hundreds of thousands of Zimbabweans...The scale of destruction was unprecedented, and the victims were mainly the poor and vulnerable in Zimbabwe's cities and towns including widows, children, elderly and chronically ill persons."

If one wants to appreciate visually what the so-called operation constituted physically on the ground, one need look no further than the remarkable satellite pictures that were published in *The Independent* on 31 May showing the 30,000-strong community at Porta Farm outside Harare—30,000 is approximately the size of Tonbridge in my constituency—before and after the destruction of that community, by it being razed to the ground. Those satellite images show graphically and with visual clarity just how appalling the destruction there was.

I am glad that the Foreign and Commonwealth Office—it refers to this in its report—managed to bring the issue of Zimbabwe before the Security Council in July 2005. However, simply bringing the issue before the Security Council is not good enough when 700,000 people have been driven from their homes and the economy has been so wrecked by the Government's policies that 4 million people are estimated to be in need of food aid. We now finally have the first ever Security Council resolution to refer the issue of Darfur to the International Criminal Court, and now that we have achieved that precedent, it should surely be the clearly stated objective of the British Government and many others around the world to refer the situation in Zimbabwe to the court.

The second issue that I shall raise concerns a serious human rights abuse involving more than 100,000 people. I have scoured the FCO's annual report and the index, but, regrettably, the issue does not appear to warrant a single mention. For more than 10 years, more than 100,000 Bhutanese refugees have been in refugee camps in southern Nepal, but, sadly, they have been more or less forgotten. In March, I had the opportunity to visit the Sanischare camp in southern Nepal with, I am glad to say, my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) and a parliamentary delegation. We found charming, disciplined and industrious people who had maintained their refugee camp to a commendably high standard. It was immaculately clean and, for a refugee camp, remarkably socially progressive; indeed, there was a facility for women who had been subjected

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to abuse, as well as special recognition of the needs of the disabled and the handicapped. The camp was a tremendous tribute to the progressiveness and spirit of the Bhutanese refugee community in Nepal.

Those people have suffered quite outrageous treatment from three separate Governments. They were outrageously treated by the Bhutanese Government, who ethnically cleansed them from their part of India, or their country, more than 10 years ago. They have been, and continue to be, outrageously treated by the Indian Government, who refuse them passage across India and back into Bhutan. They have also been outrageously treated by the Nepalese Government, who refuse to allow them to work or to trade outside their camps and who, perhaps most reprehensibly, refuse to allow them to go to third countries, even when such countries are willing to take them.

On returning from Nepal, I pursued the issue with the former Foreign Secretary—the current Leader of the House—and I received a reply on 6 June from the Minister for the Middle East, who concluded:

"The Deputy High Commissioner from New Delhi visited Thimpu in April and raised the refugee issue with the Bhutanese Foreign Minister and the Indian Embassy. We have urged the Bhutanese and the Nepalese Governments to resolve this issue."

I must tell the Minister that raising the issue and urging its resolution is unlikely to achieve any more success in the next 10 years than it has in the past 10 years.

The Bhutanese will remain trapped where they are unless and until there is a significant change of policy, and if I may, I should like to propose such a policy change. In many ways, the long-standing refugee problem that we faced in Europe in the 1950s was similar. We had to solve the residual problem of the world war two refugees who were still in refugee camps in Europe at the end of the 1950s. The issue was resolved by the UN taking the initiative and declaring 1959 world refugee year, with a particular focus on refugees in Europe. Third countries took in most of the refugees, and houses were built at public expense for those who remained.

I speak with just a little personal knowledge of these matters because I was a United Nations Association volunteer labourer in a refugee camp in Austria. Hon. Members might be amazed and shocked to know that I was eventually promoted to work leader, although I was almost certainly the least technically proficient on any building site that there has ever been. Despite my limited involvement, however, world refugee year was a success, and the refugee problem in Europe was solved.

I put it to the Minister in all seriousness that that is the route to solving the present problem. If the United Nations takes the initiative and declares that 2007 will be the year in which we solve the Bhutanese refugee problem, I am certain, given the discussions that we had in Kathmandu, that a sufficient number of third countries would be willing to take what is, when shared around, a quite small number of refugees and that the small number who remain could be looked after in Nepal. I put that to the Minister as an alternative that would bring about a solution to this neglected, but still serious refugee and human rights problem.

Mr. Clifton-Brown: I thought that my right hon. Friend was going to mention that people in the camps are not allowed to go out and work in the locality in Nepal, while local people are allowed to come into the camps to use their very good health care facilities. That means that the numbers in the camps will continue to grow as the years go by, which will make the problem all the worse.

Sir John Stanley: I am sure that my hon. Friend was paying close attention to what I said, but he will see from the record that I said that the Nepalese Government prevented those in the camps from working outside. However, I agree that that is a serious human rights abuse, and people in the camps should be allowed to work and trade outside.

I turn now to the final two issues, which I shall treat from a human rights standpoint. First, there is Iraq. I appreciate that any Minister must be in the business of putting the best face on Government policy, however dismal the apparent consequences prove to be. However, I nearly despair when, in response to the unending stream of murderous activities in Iraq, Ministers, from the Prime Minister down, repeat, almost parrot-like, "We have established democracy in Iraq." It is still to be proved whether that will be the case in the longer term, but I put it to the Minister that democracy is not the only human right. Other fundamental human rights need to be put into the equation for Iraq. I want to highlight a few of those in the context of Iraq.

What about the rights of children in Iraq? A new food security survey of Iraq has recently been carried out by the UN World Food Programme and UNICEF. That survey has shown that acute malnutrition among children in Iraq is now significantly worse than it was before our invasion of the country. I refer to the Reuters report about the survey on 15 May:

"David Singh, a spokesman for UNICEF's Iraq Support Centre in neighbouring Jordan, said the number of acutely malnourished children had more than doubled, to 9 per cent. in 2005 from 4 per cent. in 2002, the last year of Saddam's rule."

What about the very important human rights of women? That is another group of key human rights in which things have gone backwards since the invasion. It is not just a matter of women's clothes, although I was certainly struck by a piece in *The Sunday Times* of 4 June. The heading of the article was "Men in black terrorise Iraq's women". In that long section was a further piece headed: "Western clothes are death sentence". Besides those issues, the right and ability of women in Iraq today to continue to come out of their homes and do a job is in question. I was, again, struck by a long section in *The Independent* on 8 June, under the headline "For the women of Iraq, the war is just beginning". That piece, by Terri Judd, included this passage:

"One Basra woman, known only as Dr Kefaya, was working in the women and children's hospital unit at the city university when she started receiving threats from extremists. She defied them. Then, one day a man walked into the building and murdered her."

The article continues:

"Dr. Kefaya was only one of many professional women murdered in recent months. Speaking to *The Independent* near Saddam's old palace in the middle of Basra, Mrs Aziz reeled off

the names of other dead friends. Three of her university class have been killed since the invasion.

'My friend Sheda and her sister. They were threatened. One day they returned to their house with two other women. They were all shot,' she said. Her language is chillingly perfunctory.

'And my friend Lubna, she was with her fiancé. They shot him in the arm and then killed her in front of him' ".

Women's rights in Iraq are going catastrophically, disastrously backwards.

What about the right to live in the country of one's birth, another fundamental human right? Again, a drastic deterioration is going on there. As Islamic militancy has risen, more and more non-Muslims, some of whose families have been in the country for generations or even centuries, have felt it necessary to uproot themselves and leave the country. Tens of thousands of Christians have now left Iraq. As kidnapping and murder have become ever more rife, more and more people with money have been forced to abandon their homes and leave the country.

I was struck by an article in *The New York Times* by Sabrina Tavernise, under the heading, "As Death Casts Its Shadow, The Middle Class Flees Iraq". I have two quotations, which I think are incredibly powerful, from individuals in that dilemma:

"'We're like sheep at a slaughter farm,' said a businessman, who is arranging a move to Jordan. 'We are just waiting for our time'."

The second reads:

"'Now I am isolated,' said Monkath Abdul Razzaq, a middle-class Sunni Arab, who decided to leave after the bombing. 'I have no government. I have no protection from the government. Anyone can come to my house, take me, kill me and throw me in the trash.' "

That is why huge numbers of people are abandoning the country of their birth, Iraq.

Lastly, and possibly most fundamentally, what about the right to stay alive—the right to life—in Iraq? No one knows how many people are being murdered in Iraq each day, but we have a fair idea of the order of magnitude from what is being, reasonably consistently, reported. The "Today" programme yesterday said that 25 to 30 people a day are being murdered in Baghdad—about one an hour. How many people, we may wonder, will be murdered in Iraq during this debate? An adviser to the Iraqi Ministry of Defence reported last month that it was also about one an hour in Basra. The former Prime Minister, Mr. Allawi, said in March:

"We are losing each day an average 50 to 60...if not more."

That is probably the order of magnitude. It adds up to thousands of murders a year.

This week, the Foreign Affairs Committee had a private, informal meeting with one of the leading British journalists in Iraq. As it was private, the Chamber will understand that I shall not give his name. He made a telling comment, which perhaps sums up the situation. He said, "Iraq is in a civil war fought by assassins and death squads." What I want to put to the Minister is, first, whether the Government will look at Iraq in the context of the totality of its human rights—not simply whether elections have been held, but in the context of the rights of children and women, people's right to remain in their homes, and their right to life.

When the Government have looked at the human rights dimension in its totality, will they answer some key questions? First, is the presence of the United States, together with our presence, hindering or helping human rights in Iraq? Secondly, if we withdrew, would that result in a deterioration of the human rights situation? Would it perhaps improve it? A third and equally important question is whether, given the huge commitment of armed forces that we are making in Iraq, we could get a better human rights benefit if they were deployed elsewhere.

That brings me, lastly, to the subject of Afghanistan. At the outset I want to say that I am wholly persuaded, as I am not in the matter of Iraq, that our forces in Afghanistan can make a human rights difference. Yes, I acknowledge that suicide bombing has started there. I recognise that the Taliban are trying to build themselves back, and that, monstrously, they have destroyed schools just because girls go to them, and murdered schoolteachers because they teach girls and not just boys. However, I am in no doubt that the human rights position in Afghanistan is vastly better now than it was when the Taliban were in Kabul. They are nowhere near Kabul at the moment, and I hope to goodness that they go nowhere near it in future. But, and this is the key policy issue for the Government, are we too heavily committed to Iraq, when compared with what we are receiving in return, and are we too thinly committed to Afghanistan, when compared with the human rights that we must hang on to there? That is the key human rights judgment that the Government must make, and I hope that they address it.

3.30 pm

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate my hon. Friend the Member for Ilford, South (Mike Gapes) and his Committee on their report. It is such an extensive body of work that there is no time to give attention to anything but a small fraction of it, so I shall address two areas that are different from those raised by the right hon. Member for Tonbridge and Malling (Sir John Stanley).

I want to touch on the sections about Indonesia, and particularly China. I welcome the Committee's conclusion, which refers to progress on human rights in Indonesia. It calls on the Government to engage with Indonesian partners to move further towards reform, particularly in light of the USA's decision to reinstate military-to-military ties with Indonesia; and it recommends that the Government expand their annual report to cover the West Papua conflict.

Such coverage would be most welcome, because there is a serious situation in West Papua, and little news gets out of there because few journalists get in. When discussing West Papua, we should always remember that in a shameful episode in the history of the United Nations, its people never had the right that they should have had to exercise self-determination. Although I welcome what the Committee and the Government have said about encouraging the Indonesian Government to engage in dialogue with the West Papuan representatives and to proceed with full implementation of the autonomy

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legislation, I point out that there is an unresolved issue in West Papua about the status of the so-called, and indeed perversely named, Act of Free Choice. No such free choice took place in West Papua, and the issue of self-determination must be faced. It would be better if the British Government, along with others in the international community, made the United Nations face up to it.

I want also to touch on the report's sections about China. Like Amnesty International, other human rights organisations and many constituents who contact me about this issue, I am concerned about the continuing and serious violations of human rights in China. As set out in the reports under debate, those violations include torture, execution, excessive force in policing labour and rural unrest, repression of dissent and the free exchange of information, especially through the internet, and forced repatriation of North Korean asylum seekers without recourse to a refugee determination procedure.

Various political and religious dissidents are in prison, as a result either of unfair trials under so-called national security legislation or of administrative detention. For example, after trying legally to register a political party, the China Democracy party, Qin Yongmin is serving a 12-year prison sentence following an unfair trial on charges of

"plotting to subvert state power".

There is a great proliferation of rules and regulations relating to the internet that put those using it to call for political and social reforms or to spread sensitive information, even about SARS—severe acute respiratory syndrome—for example, at risk of arbitrary detention, imprisonment or even execution.

Jeremy Corbyn: Does my right hon. Friend not find it extraordinary that the world's internet service providers have colluded with that policy in China, and indeed assisted, through the systems that they have installed to make money out of the Chinese market, the persecution of individuals?

Mr. Smith: I find that approach not only extraordinary but shameful. It represents collusion with unacceptable and repressive practices.

Shi Tao is a journalist serving a 10-year prison sentence for sending an e-mail in 2004 to a United States-based pro-democracy website. His e-mail summarised the content of a Chinese central propaganda department document that had been orally transmitted to editorial staff instructing them on how to cover the approaching Tiananmen square anniversary. On the basis of that e-mail, Shi Tao was convicted of

"illegally providing state secrets to foreign entities."

There are countless other such cases.

Torture, as referred to in the reports, is systemic, and the Chinese authorities use it extensively. It is reported in many state institutions as well as in work places and homes. It is used by many different types of official, including police officers and prison guards, and worryingly, it is used increasingly by officials outside the criminal justice system, such as tax collectors and birth control officials. Allegations of torture are rarely investigated, and those who should be held accountable often escape prosecution or receive only light punishments. In many cases, prisoners have died as a result of torture.

Zhou Jianxiong is one of many victims of torture in China. He was an agricultural worker from Hunan province who was tortured to death by birth control officials in his hometown of Chunhua on 15 May 1998. He was tortured to make him reveal the whereabouts of his wife, who was suspected of being pregnant without permission. Zhou was hung upside down, repeatedly whipped and beaten with wooden clubs, burned with cigarettes, branded with soldering irons, and he had his genitals ripped off. We are talking about the most ugly and abhorrent practices, and they are taking place on a terrifying scale.

As to the death penalty, each year China judicially executes more people than do all other countries put together. Between 1990 and 2000 at least 19,520 executions took place. Recent research by a Chinese parliamentarian suggests that the execution rate in China might be as high as 10,000 per year. Murder, rape and other crimes of violence all attract the death penalty, but so too do many non-violent offences including bribery, embezzlement, forgery, tax fraud, car theft and cattle rustling. Official sources have indicated that the recent preoccupation with applying the death penalty to economic crimes might even have arisen to help China meet the challenges of World Trade Organisation membership.

I could cite many examples of people being executed for relatively minor crimes. Executions in China take place by shooting, or increasingly by lethal injection. The introduction of the lethal injection raises serious concerns about the increased involvement of the medical profession in the execution process. Amnesty International is increasingly concerned that the timing of executions might sometimes be orchestrated to meet the needs of the organ transplant industry. That is another horrific practice about which constituents have expressed to me their outrage.

China says that it has strengthened its regulations and guidance, and that taking organs from executed prisoners must be done with their consent. However, in truth it is a lucrative industry. Transplant tourism, recently condemned by the British Transplantation Society and leading transplant surgeons in this country, is utterly abhorrent to people. As China understandably gains more prominence through its growing economic might and its enormous historical, cultural and scientific contribution to the world, it is important that we speak out. Its people are held back and its standing is damaged by those utterly unacceptable practices.

Gross violations of human rights continue in the more remote parts of China. For example, in the Xinjiang Uighur Autonomous Region there are arbitrary and summary executions, torture, arbitrary detention and unfair political trials. Such things have been aimed predominantly at the majority ethnic population, the Uighurs, who are Muslim. The political prisoners held in the region may number many thousands, although no one can be sure. As in Tibet, the Chinese Government's fear of separatism is the principal cause. The authorities continue to discriminate against the Uighur population in favour of recently arrived Han Chinese in religious, cultural and employment issues. Since the escalation of

the global war on terrorism, human rights violations appear to have intensified in the autonomous region and there is concern that the international community has perhaps become less keen to confront China about its behaviour towards the Uighurs.

Mr. Hands: On the question of Uighurstan, does the right hon. Gentleman agree that the approach of the neighbouring central Asian republics, which contain ethnic kinsmen of the Uighurs, is reprehensible? To curry favour with China they have sold their cousins down the river and are refusing to have any contact with the Uighurs, which in my view is a great pity.

Mr. Smith: I was not aware of the detail that the hon. Gentleman has drawn to my attention. It is incumbent on everyone, whether they are ethnic kinsmen who are next door or, as we are, people who are some distance away, to highlight the abuses that are happening and the denial of what should be the basic rights of the people in that region. In respect of the other autonomous region, Tibet, it is more widely known that freedom of expression, religion and association continue to be severely restricted. There are persistent reports of deaths in custody, torture and ill treatment.

I endorse the comments in the conclusion of the Committee's report. Not only are the abuses abhorrent, unacceptable and to be resisted, but, as the Committee concluded,

"the UK-China human rights dialogue appears to have made glacial progress. We recommend that the Government set out in its response to this Report what measures it uses to determine whether the dialogue is a success, what it sees as the achievements of the dialogue to date, and why it wishes it to continue."

I can understand how the Government have to respond on this issue. I simply implore my right hon. Friend the Minister to adopt a robust attitude on these matters in the opportunities that will come his way, given his trade responsibilities. He is likely to be visiting China in the relatively near future. I urge him to raise these issues robustly whenever he does so.

As I said, China is a mighty economic and military power, and is becoming increasingly so. It is incumbent on all of us to say not only that its human rights record is utterly unacceptable, but that we need faster progress. One can see some of the difficulties, such as in terms of reforming its judicial procedures—an issue on which the Government are giving some assistance to China. Nevertheless, all of us, including Ministers, must be prepared to speak out on these issues and to use our influence to the maximum to ensure that there is much more rapid progress.

One other particular issue that must be pressed is the access of Amnesty International and other human rights organisations to the People's Republic of China so that they can talk to people and report objectively on the situation and such progress, or lack of it, as is being made. It is scrutiny, advocacy and sending a clear signal that China's economic progress must be matched by human rights reform that will help secure the changes that the Chinese people need if their rights as human beings are to be properly respected.

3.44 pm

Jeremy Corbyn (Islington, North) (Lab): I welcome this debate and the opportunities it provides for us to have a serious discussion about human rights and the role of the UK Government in that issue. I want to make a number of points, but I shall be as quick as I can because I believe that we are trying to finish early—I heard a rumour to that effect.

Mr. Mike Hancock (in the Chair): Very generous.

Jeremy Corbyn: I am sure that it was just a rumour, but I shall nevertheless bear it in mind.

Next week, the United Nations Human Rights Council starts its proceedings in Geneva. In his introduction, the Chairman of the Foreign Affairs Committee welcomed its establishment and hoped that it would be an improvement on the United Nations Commission on Human Rights. As one who has attended many meetings of the Human Rights Commission, I shall not weary the Chamber with all the details of it. Some of its sessions were extraordinarily long and extraordinarily ill focused but there were some advantages to its system.

One such advantage was that the commission had standing reports on various world issues, such as the plight of the Palestinian people, the situation in respect of opposing apartheid, and Cyprus. Above all, there were significant opportunities for civil society and non-governmental organisations to be represented directly in its main plenary sessions. Although a huge number of NGOs and civil society organisations were represented there, it is reasonable to question the NGO status of some of the so-called NGOs. Some were frankly little more than fig leaves for another government organisation.

Nevertheless, there was an important principle that civil society should be represented at the highest level within the United Nations system. It is implicit in the charter, the declaration and the system that operated through the Human Rights Commission. I hope that the Minister will be able to give us assurances in that respect.

I notice that a Minister—I believe it will be the Minister who is present today, but I am not sure—is to be the 40th speaker to address the Human Rights Council. They will be speaking at 10.30 am on 20 June in Geneva. I hope that their contribution will reflect the view from this country that we strongly support the inclusion of civil society organisations within the Human Rights Council system.

I say that for an obvious reason. Where a Government represent a country that has a serious systematic abuse of human rights—for example Burma or, in part, Colombia, or many such places—it is essential that an independent voice is heard and that such Governments are made to answer the allegations that are made against them.

I hope that there will not be endless delays and that the British Government will support a regular review of the human rights position in each country of the world. The idea is that every two or three years—I cannot remember the exact details—

The Minister for Trade (Mr. Ian McCartney): Three years.

Jeremy Corbyn: I thank the Minister for that. Every three years there will be a half-day review on each country's human rights situation. That is important, because it means that everybody is then under the

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microscope. Some countries used to claim that they were regularly under the microscope and that others were never put under it.

The Chairman of the Committee made a point about the horse-trading that went on around resolutions. I do not think that it will be avoided in the Human Rights Council any more than it was in the Human Rights Commission. However, such a review process would mean that the whole thing was more open and, I hope, that there was more focus on what went on there. I hope that the Minister will give me some good news in that regard.

My next point concerns extraordinary rendition flights, the Council of Europe report and Guantanamo Bay. I am pleased that that human rights report and the Foreign Affairs Committee report specifically mention Guantanamo Bay. There can be no defence for its existence as a centre of detention. Anyone who is held there cannot get a fair trial any more, anywhere in the world, because they have been held incommunicado, because of the treatment that they have suffered and because of the way they were taken there in the first place.

One must think about the way in which suspects—as far as the United States was concerned—were picked up in Pakistan. In some cases, the prison authorities and others were bribed to hand over individuals, who were then flown by a circuitous route before somehow ending up in Guantanamo Bay. The British nationals were finally released and were interviewed by police at Paddington Green, but it is interesting that they were interviewed for quite a short time and released without charge, with no further action being taken against them. It is highly significant that, even under British terrorist law, they were released very quickly indeed.

I ask the Minister to consider the situation of those who have a different nationality, but who were ordinarily resident in Britain, who had indefinite leave to remain and who were therefore eligible to apply for British nationality, but who are still in Guantanamo Bay. What action is he prepared to take to pressurise the US to release them, and everyone else from Guantanamo Bay?

There is a further aspect that needs to be cleared up. The US base on Diego Garcia is in the British Indian Ocean Territory. It is a UK possession, but there is a renewable lease to the US for the base to be sited there. I would like to know whether the base on Diego Garcia has ever been used as a staging post for flights from Bagram airbase in Afghanistan, Iraq or anywhere else, through which prisoners on rendition flights have eventually ended up in Guantanamo Bay. If that were the case and there had been human rights abuses as a result, the British Government—just like any other Government who have condoned human rights abuses through inaction and allowing those flights to take place—would be liable for investigation. We need to know exactly what happened on Diego Garcia.

Like the Chairman of the Committee, I have read the Marty report on extraordinary rendition flights. Although the report does not add an awful lot to the information that is already available, what was interesting was the chorus of condemnation from every European Government as soon as it appeared. The Marty report is a serious document, about a serious investigation. Mr. Marty makes the point, as have others, that there is a legal obligation on countries that are signatories to the European convention on human rights to do something about human rights abuses that are brought to their attention.

If such flights are unrecorded and carry unknown persons, the Governments concerned ought to know about them or find out about them. We need to know what happened in Poland and Romania, what happened with the flights that went to Morocco and what the purpose was. We cannot accept the idea that another country—the USA—can take people from point A to points B and C, before they finally end up in Guantanamo Bay or somewhere else, but that that is somehow not our responsibility. I suspect that many member states have simply not been told what is going on with the CIA flights. The Marty report deserves serious consideration and Mr. Marty deserves recognition for his work in trying to bring the matter to our attention. It is now up to parliamentarians in every member state to ask legitimate questions of our Governments about what they are doing about rendition flights.

It is difficult in a human rights debate not to focus on individual countries, and most hon. Members who have spoken have done just that. I, too, want to raise one or two countries, but first I make a general point about migrants. The right hon. Member for Tonbridge and Malling (Sir John Stanley) spoke about the treatment of asylum seekers and refugees in Europe at the end of the second world war, and about the residual numbers who remained in this country, particularly Jewish Polish refugees and others who remained in places throughout Europe. It is true that there was an excellent and commendable effort to ensure that they were properly treated and housed, and where possible allowed to return home after the end of the second world war.

What needs to be drawn to the world's attention, however, is the plight of migrants now. Every day, open boats carry people from west Africa to the Canary islands, which they try to reach because they are part of the European Union. If people can gain asylum in a European Union country, they have a place of safety and some possibility of a decent standard of living, but hundreds of people have died in those open boats in the sea. Hundreds have died in the Mediterranean and in other places around the world. It is not good enough to blame people traffickers for the trade, and just to say that it is all illegal and should not happen. Of course, it should not happen, but if people are driven by poverty and desperation, that is the result and those are the circumstances in which they die.

We rightly condemned everything that happened under the Nazis and others before the second world war, and the way in which Jewish people, fleeing to a place of safety, died in the most terrible circumstances. That is not a parallel—there are different times and different circumstances. Nevertheless, many thousands of people have lost their lives trying to get to a place of security and safety. We cannot solve all those problems, but we can uphold the principles of the 1951 Geneva convention in relation to political, religious or social reasons for seeking asylum. We can also consider the

rights of migrant people fleeing from famine or environmental disaster and trying to reach a place of safety.

Attitudes are beginning to change slightly. The US economy has boomed, as has the British economy, on the backs of many people living a shadow existence and working without legal papers. The Mexican migrants in the United States have now started to demonstrate for their rights. It is interesting that they have received quite a lot of support there, because people recognise the huge contribution that they have made and the treatment that they suffered. We must consider the rights of migrant people and what happens on some of the borders, particularly the border between Mexico and the United States, where many people have died and where George Bush has now deployed the national guard, for purposes that I can only imagine. Migrants have rights as well. We prosper from the work of migrants in our society and we should recognise that.

I want quickly to raise some questions about specific countries, so that the Minister can reply and, if not, so that he can write to me. My constituency includes people from all over the world, but one community that concerns me a great deal is the Congolese community, which has been in north London for a long time. The original Congolese arrivals were the family of the murdered former Prime Minister, Patrice Lumumba, but many others have come since then, over the past 40-odd years.

Many of those from the Democratic Republic of the Congo have come from the most awful, violent situation to seek a place of safety in this country. I should like to be assured that there will be no removals to the DRC, because I do not believe it to be a safe place to which people may be removed. I recognise that the Government support the transitional Government in the DRC, and want the elections that are due at the end of July to be successful. However, there are serious concerns about the funding of irregular armies in the eastern Congo by neighbouring countries—principally Rwanda and Uganda at present—and about the export of the DRC's mineral riches through those countries, neither of which has enormous mineral riches of its own.

I know that the Government take the issue seriously—indeed, much more so than many other European countries or the United States. However, the elections alone will not solve the DRC's problems. They will be solved when a genuine peace is reached and there is real transparency on the exploitation and export of minerals from the DRC, which there certainly is not now. There is a ghastly war there, in which 3 million people have died. Those are first world war levels of casualties, which are far higher than the horrors that have been described in Iraq and other places, but there is no obvious end in sight. However, we know that many people are making a great deal of money out of the conflict, because of the DRC's mineral riches.

The right hon. Member for Tonbridge and Malling described well what is happening in Iraq. My view, which is on the record, is that the war was illegal. That issue has been the subject of huge debate, but we cannot ignore the fact that the massive death rate amounts to recorded deaths in Iraq—by assassination, murder or whatever else—of 20,000 people a year that we know of, and many others as a result of that. The experience of Iraq and its horrors will be with us all for a very long time to come. It would be far better if the occupying forces withdrew. That would be more likely to bring about a long-term political settlement that brought about a degree of hope.

I mentioned Somalia in an intervention on the Chairman of the Committee. Again, my constituency has a substantial number of people from Somalia and from Somaliland living in the community. Indeed, there has been a Somali community in Britain, principally in Sheffield and in Cardiff, for a long time. Obviously, Somalia is a place of enormous problems at present. I would be grateful if the Minister outlined the British Government's political strategy in respect of the situation there. In Hargeisa in Somaliland, there is an elected Government who represent that part of the former colonies of Britain, Italy and France, and who attempt to administer, develop and run the country in a normal way.

In Mogadishu, in the southern part of Somalia, there is no normal functioning Government in the sense that we would understand it. There is a transitional Government, who are attempting to represent the entire country and, as I understand it, they are supported and recognised by the African Union. There have been enormous upsurges of activity between the warlords and what are loosely described as Islamic forces in the south.

I am obviously worried about the present situation, but I am also very worried about what the future will bring. Are we seeing the seeds of another huge war in that region in which there is foreign intervention, or are we prepared to be involved and negotiate to try to bring about some kind of Government covering the whole region, which would prevent further death and bloodshed? I am constantly shocked by the degree of violence that young people who have sought asylum in this country have seen and suffered in Somalia. Obviously, they have a right to asylum in this country.

My final point is also on a collective issue: caste-based discrimination around the world. That issue was raised at the Johannesburg summit some years ago, it has been raised at the Human Rights Commission and no doubt it will be raised at the Human Rights Council. It is discrimination based on caste and descent and it affects principally the Dalit peoples of India, although it exists in other countries, too. I know that the Foreign Office takes the issue seriously.

I should declare that I am a trustee of the Dalit Solidarity Network. We have had numerous meetings with Ministers on the issue, and I thank those Ministers for the meetings. I hope that their preparedness to push for the Ambedkar principles to be included in any foreign investment that takes place in India or other places will produce results, because the degree of discrimination that is practised against 200 million people around the world, who suffer higher infant mortality, lower life expectancy and violent discrimination in some parts, is very serious indeed. Although it is not up to us to run the affairs of every country around the world, that is not the point. It is up to us to do what we can to ensure that basic standards and the basic principles of the UN are understood and upheld. I hope that the Minister can give us some cause for hope in that respect.

4.3 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I am pleased to speak in the debate, although I feel like something of an impostor, because this is the first time that I have spoken on foreign affairs matters. I guess that I was asked to do so because of my interest in human rights as a member of the Joint Committee on Human Rights, and I want to put on record a reference to the great help that we have had from the hon. Member for Ilford, South (Mike Gapes) and the rest of the Foreign Affairs Committee on some of the overlapping areas relating to rendition and so on.

It is also appropriate to say how welcome it is that we are having this debate and to congratulate the Committee on its work. I congratulate the hon. Member for Ilford, South on the way in which he introduced the debate. He was previously unfairly accused of being a Government loyalist, which is a very career-damaging and often majority-damaging allegation to make. It was an outrageous allegation in his case. He has demonstrated that he took a balanced approach to the report and to the Foreign Affairs Committee.

The hon. Gentleman initially spoke about the importance of the Minister's role and of ensuring that no trade-off is seen to exist between trade and human rights. He then pointed out how robust the Minister is; it is a pleasure to see the Minister being so robust and looking so well. I trust that his health is as robust as it appears. He looks better than most of us, I fear.

Mr. McCartney: That's the NHS for you.

Dr. Evan Harris: Indeed, and coming from the right hon. Gentleman, that says a great deal. He is a strong supporter of the NHS, as I am. I suspect that if and when we reach his level of seniority—I shall use that term carefully—we would be pleased to be doing as well as him.

There is a problem with the Minister responsible for trade also being the Minister responsible for human rights. The question is not simply whether there is a trade-off. I have every confidence in the personal integrity of the Minister in not allowing that. It is also a question of perception. In foreign affairs and diplomacy, it is often the perception that may undermine some of the good work done. The Foreign Affairs Committee report has made a fair point in that respect. The Minister should not see it as a personal criticism, and the Government should not see it as a policy criticism in respect of the actual record. That is a moot point, but even in terms of the perception, there is something to be said.

I have enjoyed listening to the debate; indeed, it has been a privilege to hear it. We heard a highly informed and detailed contribution from the right hon. Member for Tonbridge and Malling (Sir John Stanley), who spoke first on Zimbabwe. I think he accepted the point that I raised in an intervention. Given the appalling human rights situation in that country, the treatment of returning asylum seekers by the Mugabe regime and the unpredictability of that regime, it is hard to see how our Government can see people as potentially removable to that location even if they fail in their asylum application here. There may not be any or many returns at the moment, but the fact that the Government have fought so hard to deprive people in that situation of a meaningful existence in this country in the interim suggests that they are of the view that the situation in Zimbabwe may change at any minute. I do not believe that there is enough evidence of progress on the ground to suggest that. It is unreasonable—indeed, outrageous—that people are left with no means in this country when they are clearly not removable and that the Government have exerted every legal muscle that they can to defend their position.

Hon. Members should be grateful to the right hon. Gentleman for the way in which he put that case and for the way in which he set out the situation on Iraq. I do not have time now to go into the human rights situation in Iraq, but I endorse everything that he said about how bleak the situation is and how we must look at the human rights situation and, indeed, life expectancy when judging not only what damage has been done by our policy, but how best to move on from that. That will not be an easy judgment call, whatever our views on the way forward.

I also share the right hon. Gentleman's view on Afghanistan, which is a separate case from Iraq. Just because we are working with the United States in Afghanistan, that does not mean that the criticisms that are often made of US Administration policy in Iraq automatically flow to Afghanistan. They do not, although there are some concerns.

It was enjoyable to hear the right hon. Member for Oxford, East (Mr. Smith), my neighbour from Oxford, give a learned discourse on the human rights problems in China in particular. He referred to letters from his constituents. The people of Oxford are pretty liberal in writing to people, and I am sure that I have seen some of the letters to which he has responded so expertly today. I look forward to the Minister's response on that point.

The hon. Member for Islington, North (Jeremy Corbyn) gave a typically passionate speech on the plight of migrants worldwide. We also see that passion in his views on UK policy in that regard. We are not debating that subject today, but it is a real problem. We must have, as the UN must, metrics and measurements for the welfare of people that include the huge problems faced by migrants in the world, whether they are voluntary migrants or forced migrants, as they are in many cases owing not just to famine but to war and repression. There is a major problem in that regard.

I share the hon. Gentleman's concerns about Guantanamo Bay. Again, now is not the time to go into detail, but as a medical doctor I want to take the opportunity, in advance of a discussion at the British Medical Association's annual representative meeting in a couple of weeks, to point out the concerns raised by UN special rapporteurs about the role of physicians in Guantanamo Bay. The situation is quite clear, and I quote from their report:

> "The Declarations of Tokyo and Malta prohibit doctors from participating in force-feeding a detainee, provided the detainee is capable of understanding the consequences of refusing food"—

and, indeed, so long as the hunger strike is voluntary rather than under coercion from other people. The report goes on to state:

"This position is informed by the fundamental principle, which recurs throughout human rights law, of individual autonomy."

Paragraph 81 continues:

"According to the United States Government, Department of Defence policy allows health professionals to force feed a detainee in Guantanamo Bay when the hunger strike threatens his life or health."

The rapporteurs say—and I agree—that that policy

"is inconsistent with the principle of individual autonomy, the policy of the World Medical Association and the American Medical Association, as well as the position of"—

this also applies to the International Committee of the Red Cross—

"doctors...some domestic courts, and many others."

There is a fundamental difference. On the one hand, most of the world—the US is on the other hand, as it were—has a fundamental human rights provision about the autonomy of patients. It is bad enough for that right to be ignored in a prison, but for doctors to be actively involved gives an air of legitimacy—the torturer with the white coat. I hope that the Minister will tell us what representations are being made about that particularly nasty aspect of what has gone on in Guantanamo Bay.

It is timely that this debate comes after the suicides in Guantanamo Bay. When one reads the UN report and other first-hand reports of what happens, the only surprise one has is that there have not been more acts of self-harm and suicide. For the US to act in the way that it has and to call those suicides an act of war, purely politically inspired, is extremely depressing.

It is important for the UK Government to set an example, considering the human rights work they do. It is worth putting on the record once again the fact that the debate is a consequence of the Government's decision in 1998 to issue a human rights report. That had not happened before and it gives us something to debate—the Government might see it as ammunition. I have raised the question of potential returnees to Zimbabwe. It is difficult to see how we can maintain as much credibility as we do if we are not consistent.

Another such example relates to our position on certain matters criticised in the Foreign and Commonwealth Office human rights report. I want to draw the Minister's attention to comments made about Pakistan in particular—I am afraid that I am going to talk about religion and follow it up by talking about sex—and the cases that we read about in which the Pakistani Government prosecute, on pain of death, people who blaspheme. That is outrageous, and I think the UK Government have made representations about it. At the same time, the law of blasphemy in this land has not been repealed; the fact that it is not used but is simply a threat is a problem. The Government would have greater credibility on the fundamental issues of free speech if they took the opportunity to deal with the matter. Foreign Office Ministers should make the point to Home Office Ministers that we should not have laws on the statute book that we seek to have removed in other places.

We have heard some mention of human rights in respect of gender. Page 214 of the FCO's report shows well how the UK can set an example, through the issue of sexual orientation. It states how this Government, before preaching to other countries, have set out a series of protections in UK law and human rights law to provide employment protection for lesbian and gay people. Indeed, mention is made of the Civil Partnership Act 2004 and so on. That emphasises the question why the Government have not done something similar for freedom of speech provisions, given the reference to blasphemy in Pakistan on page 216.

I want to draw attention to one more example: the attack made in this country on the Human Rights Act 1998. The FCO's report draws attention to the Human Rights Act in at least two places: on page 194 in respect of torture, which is crucial given the recent debates, and in the annexe on the Council of Europe and other bodies on page 280, where we rightly boast of the fact that we have introduced international human rights law into domestic law through the European convention on human rights. However, the arrangements are under sustained attack by other parts of the Government at the same time as the Foreign Office draws attention to our satisfactory position on human rights law.

I do not have time to go into the subject and neither is this the place to do so, but I may say that it is not clear in any of the cases mentioned by the Government, whether they relate to the Afghani hijackers or the deportation of foreign prisoners, that there is any evidence that the Human Rights Act or the ECHR has had any impact on the UK Government's ability to give the safety of UK citizens the priority it requires. We have not seen that at all. At a time when the Government rightly talk about their record on human rights through the Human Rights Act, it is depressing to see the same Government attack human rights.

I welcome the Committee's report almost in its entirety, but although I appreciate that the Committee cannot go through every topic and every country, it was disappointing to see little mention made of the crucial issue of trafficking of humans for sexual exploitation and labour in this country. The Government's report appropriately mentions that at the time it was written in July 2005, the Council of Europe—a body in which you, Mr. Hancock, have played a fine role in the Parliamentary Assembly—had negotiated the drafting of a convention. We still have not signed, far less ratified, that convention, and as I understand it, that is a matter for the Foreign Office in consultation with other parts of Government. Can the Minister update us on whether we are in a position to sign and ratify that convention? As we know from recent news stories, the problem is serious and could be getting worse.

On the subject of the Human Rights Council of the UN, it is vital that the UN machinery on human rights works and is made to work. I wish it full steam ahead and hope that the Government will do all they can to strengthen its role.

Jeremy Corbyn: Does the hon. Gentleman agree that it is essential that civil society and non-governmental organisations should be represented there at the same time?

Dr. Harris: Yes. That point was made in the report and it is critical that we do that. One can pick and choose one's NGOs as one likes, but the principle is

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that in many cases they lead the way and human rights law and human rights norms follow.

I want to raise some questions on Turkey. There is an excellent section on Turkey and the European Union in the Committee's report. There is no doubt that Turkey's human rights record is improving, but does the Minister understand the alarm with which news of further trials and arraignments on freedom of speech issues—for criticism of the Turkish state or of Turkish history in relation to the Armenians—is greeted? The issue is contentious, but the mark of a democracy that is mature and liberal enough to join the European Union is that such debate is tolerated and that the courts eventually, at the end of a long and painful process—sometimes it is literally painful for the accused—either come to the right decision or provide recourse to the ECHR. It is not acceptable that an applicant state to the European Union should have such repressive laws, still not fully repealed, on freedom of speech.

That is mentioned in some detail in the report, but it is not clear—I would like reassurance on this—whether Ministers recognise that we cannot be partially right on human rights. We either comply in our domestic law with the basic norms or we do not. Leaving one area to be dealt with by the courts is not acceptable.

Two points are of particular interest to me because of my membership of the Joint Committee on Human Rights. The question of rendition was introduced well and in a balanced way by the hon. Member for Ilford, South. The Government's role in that, and their willingness to be proactive, is a real problem, and I want to refer briefly to the Joint Committee's report on rendition. It made two points on the matter, which echo the work of the Foreign Affairs Committee.

The Joint Committee report states that

"we do not accept the Government's view that, by the means described in its response to the Foreign Affairs Committee"—

the report that we are debating today—

"it has adequately demonstrated that it has satisfied the obligation under domestic and international human rights law to investigate credible allegations of renditions of suspects through the UK to face torture abroad."

The report sets out what more the UK has to do in respect of its human rights obligations. It stated that

"the Government should establish a clear policy as to the action to be taken in cases where aircraft alleged to have previously been involved in renditions transit the UK."

Clearly, the Government have not yet responded on their compliance with the UN convention against torture, but I hope that the Minister is aware of that, because it is also a matter for the Foreign Office.

There is an excellent section in the Foreign Affairs Committee report on the thorny question of memorandums of understanding, although the hon. Member for Ilford, South did not have time to speak about it in detail. Again, important points were raised on that matter by the Joint Committee. One was the inadequacy of the current memorandum of understanding. Indeed, the hon. Gentleman stated that memorandums of understanding could not always be relied upon. That is not my personal view; I think that there is a real problem in relying on them at all if they are to be robust on monitoring.

The view of the Joint Committee on Human Rights, when considering in detail the memorandums that have been negotiated so far, is that they do not provide the required rigour. I question whether it is worth the Government going down that path, because it undermines their position on the complete blanket ban that there must be on torture. In the words of the UN special rapporteur on torture, Manfred Nowak, such memorandums undermine the multilateral nature of agreements against torture by seeking bilateral deals with Governments who have a clear record of torture.

Ad personam or ad hominem agreements suggest that a country is not complying, and it is wrong that we should move outside multilateral monitoring arrangements and multilateral norms. I know that the Government, from the Prime Minister down, do not accept that, but such a position undermines our ability to persuade people of the importance of human rights measures while seeking one-to-one agreements.

I look forward to the Minister's response. Once again, I congratulate the Foreign Affairs Committee on making a thorough report.

4.23 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): It is good to see the Minister in his place, particularly after his recent difficulties. I wish him every success in his new job.

We heard two excellent speeches from members of the Foreign Affairs Select Committee, namely the hon. Member for Ilford, South (Mike Gapes), the Committee Chairman, and my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley). Indeed, everyone who has taken part in the debate has made an excellent speech, including the right hon. Member for Oxford, East (Mr. Smith) and the hon. Members for Oxford, West and Abingdon (Dr. Harris) and for Islington, North (Jeremy Corbyn).

I pay tribute to the Chairman of the Foreign Affairs Committee. It was a big subject to be tackled by a Select Committee, but it showed the highest quality in its debates, its taking of evidence and its reporting. As the hon. Gentleman said, the Committee is now bigger and to get a unanimous agreement among 13 members takes some doing.

Among other things, the hon. Member for Ilford, South mentioned Guantanamo Bay and extraordinary rendition, as did other hon. Members. We all want to see those held at Guantanamo Bay brought to trial and acquitted or sentenced as soon as possible. Justice delayed is justice denied, and that applies particularly there.

The Government have made it clear on a number of occasions that they abide by all the conventions on torture and that they will not use torture in any theatre. However, the question of intelligence gained from torture is slightly difficult. One often does not know where intelligence comes from, and even if one does know, it may be obscured. Even if one suspects that information has come from torture, if it could save British lives or the lives of our allies, I would have

thought that the Government had a duty to use it. I therefore slightly take issue with the hon. Gentleman in that respect.

The hon. Gentleman mentioned some of the worst human rights abuses—namely those in Burma and Syria—but he also mentioned the newly arising human rights problem in Sri Lanka. That is a wonderful and civilised country, with the assets of beauty, historical artefacts and a wonderful, gentle people. It is sad to see it disintegrating into chaos. The international community needs to think carefully about what it can do, because the problem should be capable of being solved.

My right hon. Friend the Member for Tonbridge and Malling rightly drew attention to the appalling situation in Zimbabwe perpetrated by its President, Robert Mugabe. My right hon. Friend mentioned Operation Murambatsvina, the so-called "clear the filth" operation—that is what Murambatsvina means—and he alluded to the aerial photographs being taken before and after that operation. It was an appalling act of atrocity.

Not only did Mugabe's Government perpetrate that atrocity, but when some of the international community tried to provide tents, the tents too were seized by the armed forces. That shows how little regard for human life President Mugabe has. What limited food supplies that country has have been manipulated and given to his supporters, and he has ensured that those who do not support him have gone hungry. That is appalling, given that that country used to be the bread basket of Africa and that it exported its food all over the world.

My right hon. Friend mentioned the visit that he led so ably to Nepal. I am delighted, as I am sure he is, that the political situation there seems to have stabilised, at least for the moment. That is a great relief to everyone. I hope that the interim Government hold elections in the near future and become properly elected, and that they manage to take over all the institutions of state and run a proper, democratic regime—including taking over the army, so that it will be possible to equip it in a way that will allow the Maoist threats to be defeated. We discovered while we were there that the army has great difficult in moving about the country. It does not have enough helicopters or the wherewithal to control acts of terrorism, especially in the more remote parts in the west of the country. I hope that the situation continues to stabilise.

My right hon. Friend also mentioned the Sanischere camps in Nepal, of which there are seven. It was good to see that the international NGO community is running those camps to the highest possible standards. As he said, it ought to be possible to come to a conclusion and ensure that those people are properly settled, wherever it may be. They could be returned to Bhutan—I have been there and discussed the situation with the Bhutanese Foreign Minister. The Nepalese could be resettled in their own country, and offers of help have been made to resettle them in third countries. It seems that that situation has a possible solution.

My right hon. Friend mentioned in vivid terms the human rights abuses going on in Iraq, and he questioned the future of our troops there. He was right to do so. We must all think of what we are achieving in Iraq and whether by being there we are helping the formation of democracy or acting as a magnet for further terrorism by making the various groups united in their opposition to what they see as western occupiers.

The right hon. Member for Oxford, East rightly drew attention to the Papua New Guinea problem. It is not often aired on the world stage, but human rights abuses are going on there. The Indonesians are our friends and we ought to be able to impress on them that inflicting killings and other extra-judicial abuses on the people there is not acceptable; we should be able to find a solution to that conflict. He also mentioned in vivid terms human rights abuses in China. These days, we have huge trade contacts with China and it ought to be possible for trade Ministers, when dealing with trade issues, also to emphasise that such human rights abuses are not acceptable.

The hon. Member for Islington, North mentioned the United Nations Human Rights Council, which is the point at which I want to come to what I had prepared to say today. I want to say one or two things about the council and one or two of the other things that the hon. Gentleman mentioned.

Our parents and grandparents witnessed the full horrors of the second world war and with that experience came their determination to set up, through their leaders, organisations to ensure that such atrocities never occurred again. The United Nations and its agencies created legally binding conventions, such as the Vienna convention on torture, for that purpose, but for some reason those are rarely implemented nowadays.

The advance of the modern media is leading to greater news gathering capacity, and one might perceive that human rights abuses are worse nowadays than historically. I am not sure that that is the case, given some of the dreadful atrocities of the 20th century—Stalin's gulags, Pol Pot's killing fields and Germany's concentration camps. Nevertheless, any single human rights abuse is one too many.

More effective action could be taken through the United Nations, although it is clear that all nations must co-operate better to prevent human rights abuses. As I mentioned in my intervention, it is no good if, under the current United Nations structure, any one of the permanent five members of the Security Council can, because of their own economic interests, veto action that could prevent human rights abuses. There have been many obvious examples. Purely because of their oil interests, Russia and France vetoed strong action against the Government of Saddam Hussein.

We need not only stronger co-operation within the United Nations, but stronger co-operation between the member nations and other organisations that could help in the human rights field—for example, the European Union, NATO, the African Union, the Commonwealth and the Organisation of American States.

Late last year, during a visit to the United Nations with a number of colleagues from all parties, I was particularly pleased to hear about the creation of the UN Human Rights Council, which replaces the United Nations Commission on Human Rights. However, as the hon. Member for Islington, North said, it has shortcomings. The resolution at the summit that set it up requires that when member states vote for HRC members, they should merely take into account a candidate's

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human rights record. Worse, the resolution set a higher bar—two thirds of the General Assembly—for suspending an elected member of the HRC. As we heard when we were there, trying to get a resolution from two thirds of all 190 nations of the General Assembly takes some doing.

There are further shortcomings in the Human Rights Council: there are no criteria for membership of it; the peer review mechanism would not automatically affect eligibility for membership; there is only minimal reduction in membership from that of the old UNCHR; the resolution significantly shifts the balance of power away from the western regional group; and finally, the special sessions can be called by only one third of the council's membership.

As has been indicated, the report was wide-ranging. I should like to touch on one or two of the general mechanisms, but I am not going to dwell too much on any individual country's human rights problems. In paragraphs 90 and 96, the report mentions the problems of military exports and international arms trade treaties in respect of human rights.

I supported the Export Control Act 2002. In recent years, legislation has also introduced controls on the transfer of technology and the provision of technical assistance that may be used in connection with weapons of mass destruction. I also support the proposed international arms trade treaty. We do not always follow up on what human rights abuses are perpetrated by arms that have been exported under arms licences. We have sold Hawk jets to Indonesia, but did not see what the Indonesians were using them for. Sometimes, when we suspect that human rights abuses are being perpetrated, we need to ensure that the military export licence is being adhered to properly.

In paragraph 100, the report also makes it clear that we have a duty of corporate social responsibility, and I share the Committee's concerns on the subject. We do business with many countries that have appalling human rights records and we need, by our own example—in this country, we have some of the highest corporate standards—to say to such countries that they need to do better.

As I said in an intervention, we particularly need to remind countries, such as China, which does business with countries with some of the worst human rights records—for example, Zimbabwe, Sudan, Venezuela and Iran—that it too should encourage higher standards of corporate social responsibility. If China, and Russia, wish to exercise their positions as world states, they should uphold such corporate social responsibilities.

Paragraph 82 and those that follow make it clear that one of the ways to prevent human rights abuses is through democracy, and I totally agree with that. In 1975, Freedom House found that only 40 nations of the world were democracies; today, it cites more than 89—twice the number in 30 years. If a country is a democracy, it does not exercise some of the arbitrary abuses of human rights that non-democracies do. We need to work much more closely to encourage democracy.

There are some democratic and human rights successes in the world. The report might imply that the world is all doom and gloom in respect of human rights abuses, but there have been successes. For example, millions of people in Afghanistan defied the threats of Taliban supporters and turned out en masse to elect a President in 2004 and their new representatives to a new Parliament last September. In Iraq, people defied insurgents' fearmongering and voted to adopt a permanent constitution last October, and in December more than 75 per cent. of those eligible voted for their National Assembly, despite all the threats to their lives and well-being.

As has been mentioned, one year ago this month, Syrian troops pulled out of Lebanon after massive demonstrations and after the cedar revolution that had followed tainted elections and the killing of a popular leader. As the report makes clear, the people spoke in Ukraine's orange revolution, in Georgia's rose revolution of 2003 and in the bulldozer revolution in Serbia, which brought Milosevic down in 2000. So it is not all doom and gloom in the world; there are some successes.

Before I conclude, I should like to dwell on one or two other aspects. The relationship between aid and human rights abuses needs to be examined carefully. Under Paul Wolfowitz, the World Bank has shown what can be achieved by taking that approach into account. Like Wolfowitz, I worry about the growth of corruption in Kenya, and the World Bank has suspended five loans to that country. In January, Mr. Wolfowitz suspended all loans to Chad when its President decided to disregard an agreement with the World Bank designed to ensure that oil revenues would not be misused.

The Department for International Development needs to examine carefully how it allocates aid towards democracy building. It should set clear targets and make it clear that if countries do not meet them, the aid will be cut, but that if they do meet them, the aid will be increased. I also feel that we made a mistake with the Hamas-led Palestine Government following the recent election in that country. Cutting off all aid leaves us little or no negotiating power with that Government; one always needs a few levers of power to carry on negotiations with one's adversary.

Finally, I turn to the International Criminal Court, mentioned by my right hon. Friend the Member for Tonbridge and Malling and in paragraph 28 of the report. The court is important and we need to consider it. My right hon. Friend is right to say that if tyrants and dictators like Robert Mugabe feel that there is an effective international court mechanism, that if they are convicted for war crimes, crimes against humanity or genocide, there is a high likelihood that they will be brought before a successfully operating international court, and that that court has the teeth to give out a severe sentence—a life sentence that means life—there might just be some deterrent effect on them. It is a scandal that Charles Taylor is still free because of arguments about the jurisdictions in which he should be tried and, if he is found guilty and sentenced—as he undoubtedly will be—imprisoned. We need to concentrate carefully on that.

It is worth mentioning Foreign and Commonwealth Office policy. We often underestimate the effect of the contacts that our officials have all over the world. They meet officials right up to heads of state of all sorts of regimes. We should be and could be at least as effective

as we are now, and it is regrettable that due to budgetary considerations some of our embassies have been closed in recent years. For example, four out of five of the central American diplomatic missions have been closed. There have been cuts in staff and facilities in other embassies around the world. That is a false economy for the small amount of money that it saves. In the case of the central American embassies, it was probably less than £1 million.

I wish to close by quoting article 1 of the universal declaration of human rights, which probably sums up this entire debate and our approach to human rights abuses. It states:

"All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood."

That absolutely sums up what we are all about. I again applaud the Chairman of the Select Committee for his excellent report. I hope that he will go on doing this work and holding the Government to account in the way that he did with the report.

Mr. Mike Hancock (in the Chair): Before I call you, Minister, may I on behalf of all Members welcome you to your position? This is the first opportunity that you have had in your new role to speak on this subject. I echo the sentiments about seeing you in good health and spirits and wish you all the very best.

I would like to thank all the Members for conducting this debate in a way that I hope will enable us to finish in time to see at least a sizable chunk of the match. I know that the Minister is supporting England because he told me so earlier.

4.42 pm

The Minister for Trade (Mr. Ian McCartney): Thank you, Mr. Hancock.

First, I offer to do an audit of today's debate and to send a detailed note, for distribution to all concerned, including the Select Committee Chairman, my hon. Friend the Member for Ilford, South (Mike Gapes), on any points to which I do not respond. Seven or eight different issues have been raised in respect of Africa, all of which are important in two respects: first, the difficulties in each of the specific areas and, secondly, the fact that things are moving in some of those areas as we speak: for example, in Ethiopia and Eritrea. Perhaps it would be more helpful if instead of responding piecemeal I sent a memorandum to the Select Committee to give a general update of the work in and around my portfolio on Africa. Obviously, I shall also send a copy to you, Mr. Hancock.

My speech will have two parts. First, I shall respond to the report and, in doing so, pick up on some of the issues that have been raised today. Then I will answer some of the specific questions that hon. Members asked in their contributions.

I thank you, Mr. Hancock, and the Liaison Committee for organising today's debate, and the Chairman of the Foreign Affairs Committee for the dialogue—and it was a dialogue—with ministerial colleagues and staff at the Foreign and Commonwealth Office. The annual report on human rights will continue to improve and to demonstrate our continuing commitment to promoting human rights overseas.

I have not taken personally the comments about my role as Minister with responsibility for trade and investment in the FCO, because in the end managing a portfolio involves a judgment. Today's debate has been a humbling experience because across the party divide there is not only a common interest in human rights but a commonality of knowledge about individual countries and specific issues, which are complex and difficult for the international community. Individual countries and groups of countries do not always take the same view as we do on issues. None the less, we must have a constructive relationship and dialogue with them to influence policy, sometimes in the short term but sometimes over a longer period. The corporate knowledge that I have heard today has been humbling to me as a new Minister, and I mean that genuinely.

I give a commitment to the House that what I heard today will in fact strengthen my role and the way in which it has been constructed. Frankly, one cannot have a dialogue on human rights unless there are other aspects about which a country is prepared to talk, whether they be joint interests or their own interests. Nor can one have a discussion or debate that is limited to sustainable development, trade agreements such as the Doha round or global warming, because if they go wrong or do not operate effectively, there is an impact on human rights, whether in the region or in the individual country. As a Minister, having the capacity to operate across those disciplines is more helpful than the Select Committee seemed to think.

It is also true, if hon. Members do not mind my saying so, that it is the role of all Ministers, whichever Department they work in, to raise the issue of human rights when they visit other countries. It should not simply be an issue for a foreign affairs or trade Minister. Every Minister should be aware of and responsible for human rights, as should parliamentary Back-Bench groups. We all have a responsibility, but particularly those of us in Government. I give a commitment that as part of my role I will ensure that all my ministerial colleagues receive a briefing about the issues in the country or countries that they visit. I shall ask them to raise those issues and report back.

It is clear to me that Parliament, non-governmental organisations and civil society in general play an essential role in alerting the Government to human rights concerns and in advising us on how to respond. Having only recently taken on this portfolio, I am particularly keen to build on my knowledge of the organisations that operate in these sectors.

As hon. Members may know, the FCO has six advisory panels on anti-torture, the death penalty, child rights, freedom of expression, freedom of religion and the rule of law. I would like to tap into their knowledge and expertise to greater effect. For example, I would like to have an expert briefing session with some of the panel members before making official visits to countries where human rights is a concern. That means that, before I go in a few weeks' time to China, for example, I will meet with NGOs about concerns. Our discussion will influence the structure and nature of the discussions that I will have with colleagues in China, or whatever country I visit. It is important that I involve people in advance of visits and utilise their knowledge and experience to help me to raise human rights issues during the visits that I make.

[Mr. Ian McCartney]

I also want to upgrade some of those groups, for example, the advisory panel on child rights, which are very important. Like the right hon. Member for Tonbridge and Malling (Sir John Stanley), I worked many years ago on child abuse issues. He chaired the all-party group on child abduction very effectively, and it influenced and changed the culture and policy of the FCO at the time. That is why child abduction from the United Kingdom has fallen to almost nil. We can have an influence on policy and on the culture by engaging and involving NGOs and Members of Parliament, whether individually or collectively in groups, and I want to ensure that that is a regular feature of my work and activity in this role.

Jeremy Corbyn: I welcome what the Minister just said about child rights. Would he extend that view to consult British-based civil society and NGOs before sessions of the Human Rights Council?

Mr. McCartney: In fact, I had such a meeting in advance of the first council meeting this Monday. We will also have a wash-up meeting following the council to discuss the next two sessions that will take place before December. I do not want to be a hostage to fortune, but I am hoping that the first council meeting will go smoothly. There is no guarantee of that, of course, but the next two councils may be more difficult, as that is when we will put the meat on the bones and discuss how the council will operate, the roles of the commissioner to the council and the members, and all the issues around that and around greater involvement of NGOs.

I want to be absolutely clear about this. From my perspective, NGOs are a critical factor in the success of the political outcomes that we want the new council to achieve, but at the same time I want to ensure that the NGOs that operate in the United Kingdom are clear about my role and that there is open dialogue not just with the Minister but with the skilled negotiators who operate regularly with the council. The meeting that I had was an excellent opportunity for constructive input in advance of the first session, which will be held on Monday and Tuesday next week. That is why it is a two-way process.

I greatly value NGOs' input into this policy area. In return, it is important to ensure that civil society, including trade unions, for example, is regularly briefed on our objectives. We may not always see eye to eye, but a frank and honest exchange on what we each seek to achieve should promote greater understanding in both directions. There is not time to cover all the issues, but I made two offers at the beginning of the debate and I hope that they are acceptable to the Committee.

In its report, the Committee suggested that the Government risk downgrading their human rights work by including human rights responsibilities in my portfolio. I hope that I have dealt with that. I have no problem with raising human rights issues in any of my meetings. In the past two days, I have met representatives from four countries: China, Egypt, Singapore and Panama. I will refer to another country later in my speech and explain why. Those occasions involved different issues, but for different reasons I raised human rights issues with all of them. We discussed the role and engagement of NGOs in the region and how they can assist us in the process. Some have thanked them for the role that they are playing quietly and effectively behind the scenes in diplomatic terms. Others have asked them to up their game in respect of what they need to do to influence Governments on human rights.

I intend to be very proactive in my approach to human rights. The first meeting of the Human Rights Council is next week. I intend to be proactive in the council's work, both at meetings and between them, to ensure that discussion with NGOs and other countries is effective in trying to influence outputs at the council and more effective than in the past. We have a moral and political responsibility to tackle all the issues seriously. I will also ensure that our key partners regularly discuss issues of mutual interest.

I believe that the Human Rights Council has the potential to be better than its predecessor: the UN Commission on Human Rights. It has a broader mandate, including addressing violations of human rights; it will meet more frequently, allowing for a more systematic approach; and it retains the best of the old commission—a system of special procedures, an individual complaint process and an expert advice body. The NGOs will continue to make their vital contribution to the council's work, as I outlined.

In addition, the Human Rights Council will have a new universal periodic review system. If agreement cannot be reached, with a balanced, transparent and effective mechanism, the review function has the potential to improve the council's consideration of every country's record. The Government's view is that the universal periodic review mechanism must be fair, impartial and efficient, as well as positive and practical, and allow for all parties to have their say. That will help to counter the charges of politicisation and double standards that dogged the commission. Yesterday, I spoke with NGOs to try to reach agreement with them on the practicalities of discussions with other countries to make that mechanism more effective. I have asked the NGOs for their views on how to do that.

Success is not guaranteed, but as a founder member the UK will do its utmost to ensure that the Human Rights Council is effective. Country resolutions will remain necessary for the worst offenders, but we would like the council to develop a broader range of tools to support states that are trying to improve their human rights performance. We would also like to preserve the role of the special procedures and to integrate that work more closely with that of the council. There will not be time to secure progress on all those issues in June, but we hope that the council's first session will conduct its business in a spirit of constructive dialogue and pave the way for effective action on specific issues in the months to come.

In its report, the Committee devoted a lot of attention to issues connected with the fight against terrorism and I would like to address some of those issues now. The Government are committed to defending and promoting human rights at home and abroad without reservation, but effective counter-terrorism measures are part of that and essential to help us to preserve a democratic and free society. They support the most basic human right of all—the right to life, which the right hon. Member for Tonbridge and Malling mentioned—and protect people's ability to enjoy fully their other rights.

Equally, it is vital that the fight against terrorism is conducted in a way that respects and promotes human rights, because not only is that the correct thing to do but it is one of the most effective ways of undermining terrorists. Human rights have also been an integral part of our approach.

Some hon. Members raised rendition and allegations that terrorist suspects may have been transferred through airports in the UK. The Government have taken those allegations very seriously. At the beginning of this year, relevant Departments carried out an extensive review of files and found no evidence of detainees being transferred through the UK when there were grounds for believing that there was a real risk of torture. The review found only four occasions, all in 1998, when the United States requested permission to transfer detainees through the UK. Two of those requests were granted. Both were for terrorist suspects to be transferred to the US to stand trial by due legal process on charges on which they were subsequently convicted. Two were refused. As that small number of cases shows, when the UK is requested to assist another state, we would not do so if it would put us in breach of UK law or our international obligations. In particular, we would not facilitate the transfer of an individual from or through the UK to another state where there were grounds to believe that the person would face a real risk of torture.

In recent months, we have also co-operated in full with the secretary-general of the Council of Europe and the Council of Europe's Parliamentary Assembly. As part of the Government's commitment to transparency, the Secretary of State for Transport has also published flight information received from Eurocontrol on transits through the UK by aircraft alleged to have been involved in rendition. We have always been clear that US aircraft regularly transit the UK, as do aircraft from many other countries. That is perfectly normal and despite the allegations in the Council of Europe's latest report, there remains no evidence that any of the flights were involved in rendition. We will study the Council of Europe's report, but we see little that is new. If there are new facts, we will be happy to look into them, but investigation has not thrown up any new evidence.

As the Foreign Secretary told Parliament, the Government have made it clear to the United States authorities, including in recent months, that we expect it, as well as all other countries, to seek permission to render detainees via UK territory and airspace, including overseas territories. We will grant permission only if we are satisfied that the rendition would accord with UK law, our international obligations and our obligations under the UN convention against torture and the European convention on human rights. We are also clear that the US would not render a detainee through UK territory or airspace, including overseas territories, without our permission. As I have just noted, the US has sought such permission in the past.

The Intelligence and Security Committee takes the lead on intelligence matters. Some information cannot be made public and under the Intelligence Services Act 1994 Parliament decided that it is a matter for the Intelligence and Security Committee, which is a committee of parliamentarians and does an effective job of holding agencies and Ministers to account.

Mike Gapes: I am not sure whether the Minister is aware that I have entered correspondence with the new Foreign Secretary on that point. The Select Committee has yet to receive a response, but there is a letter from the Committee to the Foreign Secretary on the respective roles of the Intelligence and Security Committee, which is not a Committee of the House, but is appointed by the Prime Minister, and the role of Select Committees, which are Committees of the House and chosen by the House. I hope that we will soon have a response from the Government to that letter.

Mr. McCartney: I am sure that there will be because, as in all issues relating to such matters, we want to keep Parliament, including the Select Committee, properly informed at each stage. The former Foreign Secretary, my right hon. Friend the Member for Blackburn (Mr. Straw), kept Parliament fully informed as and when additional information became available as a result of research into records going back to May 1997.

I noted what my hon. Friend the Member for Ilford, South said about drip-feeding, but we could argue about whether it is drip-feeding or a continuous flow of information. I have no doubt whatever that the Secretaries of State involved—the Foreign Secretary and the Secretary of State for Transport—operated effectively, and did so as soon as they possibly could, on all occasions when they had information that would be helpful to people's inquiries, whether made through parliamentary questions or reports. That is important.

Sir John Stanley: Will the Minister give way?

Mr. McCartney: I will come back to the right hon. Gentleman.

My hon. Friend the Member for Ilford, South, asked about rendition cases. I will comment on some cases, and if they are the wrong ones, I am sure that he will tell me about it, and then I will write to him. In the cases of el-Banna and el-Rawi, we did not request the detention, and we played no role in their transfer to Afghanistan and Guantanamo. Benyam Mohammed Al Habashi was interviewed once by a member of the security services in Karachi in 2002, but the security services had no role in his capture or transfer from Pakistan. I hope that that is helpful to my hon. Friend.

Several hon. Members *rose—*

Mr. McCartney: I will give way first to my hon. Friend the Member for Ilford, South and then to the right hon. Member for Tonbridge and Malling.

Mike Gapes: I will wait for a letter on the case that I mentioned with regard to Gambia, as I do not think that the Minister has referred to it.

Mr. McCartney: Thank you; I apologise.

Sir John Stanley: While the Minister is on the subject, will he respond to the important question asked by the hon. Member for Islington, North (Jeremy Corbyn)? The Minister gave the Chamber the clear assurance that the agreements between the American and British Governments required the American Government and

[Sir John Stanley]

their agencies to obtain the prior permission of the British Government to fly detainees through British airspace. Does that same undertaking apply when the American Government and their agencies fly detainees through British overseas territories, including the British Indian Ocean Territory known as Diego Garcia?

Mr. McCartney: I indicated clearly that overseas territories were included; I have said that on at least two occasions, because I know that my hon. Friend the Member for Islington, North (Jeremy Corbyn) has raised the subject in other forums.

Jeremy Corbyn: I thank the Minister for making that point, which is well taken. In my contribution, I made a point about people who were resident in Britain who had ended up in Guantanamo Bay, but who were nevertheless eligible to continue their residence in Britain through indefinite leave to remain. I recognise that they are not British nationals, but they could become British nationals. Are the Government prepared to make representations on their behalf?

Mr. McCartney: I shall come to Guantanamo Bay and to my hon. Friend's point in a moment. I hope that everyone is satisfied with the response that I have given so far. I apologise to my hon. Friend the Member for Ilford, South if the three cases mentioned are not those that he asked about; I shall write to him.

I want to reiterate the Government's position on Guantanamo Bay. We have long made it clear that we regard the circumstances under which detainees continue to be held at Guantanamo Bay as unacceptable. The US Government know our views, which we have reiterated to them. As the Prime Minister has said, it would be better if Guantanamo were closed. We have also heard the public remarks of the Attorney-General and the Lord Chancellor. We raise those concerns in our regular discussions on detainee-related issues with the US Government. I give my hon. Friends the commitment that we will continue to do so.

We seek to ensure that the handling of detainees is consistent with the British Government's other objectives, including preventing further terrorist attacks, undermining the work of those who recruit terrorists, and upholding respect for human rights and the rule of law. We have been accused of using intelligence derived from torture. The British Government's position on torture is clear and has not changed: we condemn unreservedly the use of torture as a matter of fundamental principle, and we condemn it not just in principle but in practice. We not only condemn it, but continue to implement a global campaign to eradicate it.

The Government, including the intelligence and security agencies, never use torture for any purpose, including to obtain information; nor would we encourage others to do so. We are helping other countries to develop their own counter-terrorism capability, and we ensure that our training or other assistance that we provide promotes human rights compliance. That is important. On the future of Guantanamo, as has been mentioned, President Bush has now also said that he would like to end the process, and would like to get people to court. That is in line with what our legal people have said, and with what was outlined by our Lord Chancellor and Attorney-General.

It is important to recognise the dilemma faced by the US Government in considering the future. They must meet the demands of collective security while respecting individual humans rights. As I said earlier, we have discussions on those subjects with the United States Government and will continue to do so. I shall come back on the specific issue raised by my hon. Friend the Member for Islington, North because I have not been involved in any of those discussions and I would not want to give him the wrong impression. For my part, I will try to evaluate what discussions have taken place on the issue and I promise that I will come back to him on that.

Mike Gapes: For the record and to be clear, is the Minister saying that Guantanamo Bay is unacceptable and should be closed?

Mr. McCartney: Yes, that is what has been said. Furthermore, that is what I believe.

The issue of judicial review was raised and I shall write to colleagues about that because of the time constraints. The UK will continue to adhere to its long-standing policy not to deport anyone whom it believes is at real risk of torture or the death penalty. The Foreign Affairs Committee concluded the memorandum of understanding on deportation with assurances that the memorandum must not be used as a fig leaf to disguise a real risk of torture for deported terrorist suspects. I wholeheartedly agree. However, it is precisely because the Government take their human rights obligations seriously that they set out to negotiate those memorandums. Such agreements enable us to obtain assurances that will safeguard the rights of those individuals being returned, including the right to access to medical treatment, to adequate nourishment and to accommodation, as well as to treatment in a humane manner in accordance with internationally accepted standards.

By signing an MOU and agreeing to the appointment of a monitoring body—this is an important point that has been raised—Governments make a public commitment to safeguarding the well-being of individuals deported under such memorandums. A memorandum therefore provides an additional layer of protection over and above the provisions in international human rights instruments. Individuals will retain the right to challenge a decision to deport them in the UK courts. I believe that the memorandums provide adequate assurances to enable deportation of certain individuals to take place in a manner that is consistent with the UK's human rights obligations.

I would like also to flag up some issues to which we are paying particular attention, and then I shall come to some specific questions asked.

Dr. Harris: I have listened carefully to the Minister's helpful comments, but before he moves on, can he understand the concern about memorandums of understanding, given that our Government are siding with the Dutch Government in seeking to reverse the Chahal judgment in the Strasbourg court? That judgment

stated clearly that there can be no balancing between the fundamental right of people not to be returned when there is a substantial risk of torture, and national security concerns that those people may be terrorists, or a threat to national security in other ways. Given that the Government are doing just that and are saying that that right is not absolute, people are concerned about whether the memorandums of understanding will provide as robust a safeguard—particularly in that case—as the Minister suggests the Government think it would.

Mr. McCartney: We will have to disagree on that. The whole purpose of the memorandum, as I said, was to ensure that additional layer of protection. In the end, it is a judgment. Engaging with a country in that way takes them down a road that we may have been trying for years to get them to go down, for whatever reason. Certainly from my point of view, the memorandum is not a fig leaf but an important tool to protect people in respect of deportation. I do not think that the hon. Gentleman is arguing that there are no circumstances in which anyone should ever be deported from the United Kingdom—not even on legitimate, legal grounds. If he is not arguing that, then I do not understand why he is so sceptical about the memorandums that we are trying to put in place.

Dr. Harris: I agree that there is a point of contention between us, and it may be a fundamental disagreement. My main argument—and it is an argument that is set out clearly in the report of the Joint Committee on Human Rights—is that as soon as we start to have ad personam individual agreements through memorandums of understanding with countries that torture, it implies that we are willing to countenance them torturing people, as long as they are not the people that we are trying to deport.

The special rapporteur on torture for the UN, Manfred Nowak, has said clearly that the negotiation of such memorandums, even if they work—there is great scepticism among NGOs that they could, because of monitoring problems and the trustworthiness of the Governments involved—undermines multilateral agreements that protect everyone in those territories from torture, not just the individuals the Government are talking about.

Mr. McCartney: As I said, individuals who are not British nationals and pose a threat to our national security should not have the right to remain here indefinitely. Is there any disagreement there? We can deport someone only if their removal is compatible with our international commitments, including obligations under the European convention on human rights. That is absolutely clear. We are also mindful of our international obligations and, therefore, in negotiating bilateral assurances with certain countries, we try to ensure that they and we comply with those obligations. These instruments will work and will be effective. I have no doubt that the Committee, given its position, will be looking to monitor that situation and we shall come back to it. I have to disagree with the hon. Member for Oxford, West and Abingdon (Dr. Harris). I understand where he is coming from and I do not disagree with the sentiment of what he is saying. He is absolutely right: we have to ensure that nothing untoward happens because we did not comply with our obligations. We must ensure that we comply with our legal and moral obligations.

I now come to the first of the two items that I wanted to bring to hon. Members' attention before I answered those questions. I apologise, Mr. Hancock, if I am going back too far. I am just getting back into my swing. I have been out of the game for three years as chair of the Labour party. It was amazing not to be able to speak in this place for three years. I am going to get my money's worth today.

The first of those items is slavery. Next year will mark the 200th anniversary of the abolition of the transatlantic slave trade. We are committed to work with others across Whitehall and beyond to ensure appropriate commemoration of this horrific period in history. I say to my hon. Friend the Member for Ilford, South that I would welcome the Select Committee having a think about what they would like to see in the commemoration. It would be helpful if the Committee gave us its thoughts on the matter, so that we could include them in the planning process.

Slavery is one of the most horrific periods in history, but it continues today in the forms of bonded and forced labour, trafficking and the worst forms of child labour. The US State Department last week released its annual report on trafficking in persons, which estimated that between 600,000 and 800,000 men, women and children are trafficked every year. The Government have prioritised combating trafficking in persons as part of the activities commemorating the 200th anniversary and will work to highlight and promote action on contemporary forms of slavery, including trafficking and the worst forms of child labour. The new Serious Organised Crime Agency will focus on the so-called "Mr. Bigs" who make fortunes from trafficking and, as the Prime Minister said at the launch of SOCA on 3 April, it will do so using a "sophisticated 21st century approach".

My second point concerns democracy. I believe that the promotion of democratic practices and values is an essential part of any human rights strategy, as the best long-term foundation for human rights, the rule of law and good governance to flourish. While democracy cannot be imposed from outside and there is no definitive blueprint for a successful democracy, there are several essential core components that external actors can encourage and support. The work of civil society organisations—NGOs, trade unions and others—is key in providing an environment in which democracy can take root, in shaping and influencing policies and in holding Governments and others to account. To give a recent example, in Nepal we have seen the role that civil society organisations, trade unions and others can play in promoting increased public participation in government and in restoring human rights. That is a valuable step forward.

The right hon. Member for Tonbridge and Malling raised the issue of the Bhutanese people. I noticed that he said that he had been a volunteer labourer—I thought he said that he had been a volunteer Labourite. I shall take back his comments to my right hon. Friend the Secretary of State and ask my right hon. Friend to consider the wider comments about finding a solution to the issue.

[Mr. McCartney]

Elsewhere, we have seen increasing repression of NGOs and civil society actors. The International Federation of Free Trade Unions has reported that 115 trade unionists were murdered for defending workers' rights in 2005, while more than 1,600 were subjected to violent assaults and some 9,000 arrested. In Burma, 10 underground organisers of the outlawed Federation of Trade Unions of Burma—

Jeremy Corbyn: Will the Minister give way?

Mr. McCartney: May I just finish this point? It might be helpful to get into it.

Jeremy Corbyn: My point is about trade unions.

Mr. McCartney: Okay, I will give way.

Jeremy Corbyn: I am pleased that the Minister mentioned trade unions and the role of the International Labour Organisation. He is obviously aware that the vast majority of those murders of trade unionists took place in Colombia last year. I hope that he will continue to make strong representations to the Colombian Government to protect people who are doing their best to defend those who are defending workers.

Mr. McCartney: My hon. Friend is absolutely right. He has that commitment.

The 10 underground organisers of the outlawed Federation of Trade Unions of Burma were arrested and sentenced to prison terms of up to 25 years. There is a concern that new guidelines for the registration of NGOs in Burma may provide further restrictions in a climate where it is already difficult for them to operate.

I raised the Government's concern about trade unions and a long list of other issues with the Burmese ambassador, whom I summoned to the Foreign Office this morning. I raised the recent attacks on Karen villages, the continued detention of Aung San Suu Kyi and other political prisoners, as well as the regime's use of child soldiers and forced labour, and other civil and political rights abuses. Those issues are well known to hon. Members.

Several other Governments are using restrictive legislation or secondary administrative or executive measures to disrupt the work of NGOs in addition to "traditional" forms of harassment, surveillance and attacks by the police and security forces. I have therefore asked all our posts to monitor such examples and to suggest action that we can take to assist in those areas. I hope that hon. Members find that useful. I shall also write to the leader of the Burmese regime, setting out in great detail what I said to his ambassador today. I was not wholly convinced by the ambassador's body language—never mind his actual language—that he was going to report back to his regime any of what I said whatever. I am taking further action in that respect.

A number of other points were raised. I said I would provide a memorandum on Africa, and I will, but there is one point I would like to make about our embassy in Harare. Our missions need to be fit for purpose. They need to have appropriate levels of security, particularly for our staff who work in the front line. We have a lot of interest in the country of Zimbabwe: a lot of our citizens are there. We must ensure that we have an effective organisation there, and we must also ensure that those who need to speak up and speak out can do so, and that they can get information out of the country. The Zimbabwean Government may not want people to be able to go to a fully effective and operational UK embassy. In that regard, I heard the political point that was made: I thought that it was a misguided and miscalculated point, and I hope that that view was shared.

The right hon. Member for Tonbridge and Malling also referred to Mr. Mugabe. The point he raises is referred to in paragraph 90 of the response; there is a detailed note regarding it on page 22. To save time, I shall not read it out, but it gives a straight answer to the point raised by the right hon. Gentleman.

The right hon. Gentleman also raised three issues in respect of Iraq, and it is important that I deal with them if I can. He asked whether we are helping or hindering human rights, whether leaving now would help or hinder the role of the armed forces in developing human rights there, and in Afghanistan, and about related issues. I shall not give him a mantra; I shall simply give him a direct response. He was involved—with my hon. Friend the Member for Islington, North, I believe—in the early '80s in campaigns in and around Iraq against the systematic torture and murder of the whole of the Iraqi trade union movement. *[Interruption.]* My hon. Friend the Member for Ilford, South was also involved. There was systematic murder and disappearances of Iraqi intellectuals on the left and in the centre, and of course the disappearance and destruction of any form of political party. We did not know at that time how many people died or were imprisoned or tortured—men, women, children and whole families. Latterly, we found some information about the gassing of families. We know of the murder of trade union leaders, and the destruction, disruption and dismantling of trade unions.

I understand that this issue is difficult for Members of the House who never agreed to enter Iraq, such as my hon. Friend the Member for Islington, North, who consistently says that he believes that it was an illegal act. Everyone has an opinion on Iraq, but let us be clear that whatever people's opinions were about the war, it is critical to understand what is happening now: there is a battle for democracy. Millions of Iraqis—some 75 per cent. of them—turned up in the polls of their own free will. My God, I wish that we had got a 75 per cent. turnout in our general elections. Iraqis turned up in their millions under fear of murder and attacks on their families, communities and villages to express the simple message that they want to have a democracy, and to run it. Difficult as democratic institutions are, they want to do what we take for granted, and we have a responsibility to assist them with that. That would help greatly human rights and development, not hinder them.

We now have thousands of free and independent NGOs operating in that civil society despite the serious difficulties, appalling murders and atrocities that happen there every day. I agree with the right hon. Member for Tonbridge and Malling; we all have a heavy heart every time something terrible happens, but we need to know that despite what is happening, a brave and resourceful people are working with us individually and collectively to make a huge difference. We should leave when they ask us to do so—and they will—but hon. Members should consider what we have done with our support so far. Almost 4,000 schools have been rehabilitated, 1,200 primary health care centres are opening and functioning, and we have trained 180,000 teachers and health care workers.

I do not make those remarks as a litany to balance what the right hon. Gentleman said about what is happening. I took in all of what he said, but to balance it, I say this: it is right to stay in Iraq to support the Iraqis and help them with long-term stability. It is right to help them to establish a working, effective democracy and to include everyone in civil society, such as trade unions, community groups, women's groups, children, adults, pensioners, academics and political parties. Difficult as it is, they will win. They will beat the terrorists. The terrorists will not beat democracy. No matter how long it takes, those brave people will see this through with our support and help and those of the international community. Difficult as the situation is, each day brings us a day nearer to their creation of a democratic society. We have a responsibility to help them to build a flourishing civil society.

I have not given the right hon. Gentleman a line, and I have not been given a note; I am simply telling him what I sincerely believe we need to achieve, working with the community and the new democratically elected Government in Iraq. Each day, men and women going about their business, such as my fellow Ministers, could be assassinated simply for doing their jobs. A worker going home tonight—a woman standing at a bus stop—could be shot. Why? Because she goes out to work. I am not talking about coalition people; I am talking about terrorists who do not want a democratic society. They are prepared to kill people on the basis of their religion or because they have an opinion, or to kill a fellow human being simply to strike fear into people's hearts and cause communal violence and division. Goodness, if we give in to that, what kind of world can we expect to hand on to our children and grandchildren?

Sir John Stanley: Does the Minister consider that the human rights case made for staying in Iraq applies with equal force to the human rights case for our being in Afghanistan? Does he consider also that we, the Americans and others have sufficient people on the ground to protect and defend the huge human rights gains that we have made in Afghanistan and to avoid seeing them gradually wither away?

Mr. McCartney: The right hon. Gentleman is absolutely right. There are 42 countries operating in Afghanistan, and the world community is there to help it to build its democracy. The Afghans are another group of resourceful people, and they are coming out of 30 years of conflict prior to, during and since the Taliban. What is the Taliban's message now? It is simple but dangerous. To try to regain their control of that state, they will use violence against not only the international community, but, as Members have said, against schoolteachers, communities and women.

The Taliban are trying to re-impose themselves on Afghanistan by using it as a huge headquarters from which they can spread their evilness. However, with the help and support of the 42 countries, Afghanistan is succeeding and it will continue to succeed. Some 80 per cent. of Afghans are illiterate. We must seize this wonderful opportunity to open and reopen schools and sustain them. With every day that goes by, we are interacting with the community on the infrastructure projects with which we are involved in south Afghanistan. That approach is absolutely right. Our role there is to help people build and sustain a democratic society in which everybody's human rights are not only protected but enhanced in an open civil society. I thank the right hon. Gentleman for his comments.

My hon. Friend the Member for Ilford, South, the Committee Chairman, asked me how many countries had ratified the Rome statute. I do not know; it is not in my brief, so I shall write to him. I apologise: I have answers to everything, but he got me middle wicket.

On Chinese policy in the horn of Africa, I am going to China soon, and if the Committee wants, I am happy to report back on my discussions. My hon. Friend can rest assured that one item on the programme will be extensive discussion with the Chinese and a dialogue on human rights. In the meantime and before my visit, I shall send the Committee a note about the issues as I understand them, what people are writing to me about and what is on file. If he thinks that anything is missing from that note about the types of discussions that I should have, he can respond in advance of my visit.

I offer my right hon. Friend the Member for Oxford, East (Mr. Smith) a meeting in the Foreign and Commonwealth Office about the issues that he raised. I have an extensive brief, and we could discuss all those issues for an hour or more. All of them are important and difficult. Organ transplants are not the only such issue; there are a range of others. I am happy to have a meeting about that issue and West Papua, and about the issue of Aceh, which I think he wanted to raise, too.

I hope that by answering as I have, I have shown hon. Members that I want to have a good working relationship with the Committee and its members. I have an open-door policy as the Minister with responsibility for these matters, and I shall make time and space for any Members who want to see me individually or collectively about a particular issue. When I undertake a strategic visit to a region, I shall try as often as I can to inform the Committee in advance about my visit and to discuss the issues that its members would like me, working in partnership with them, to raise when I am in the region. I hope that that is helpful, too.

[Mr. McCartney]

I have tried to underscore my continued commitment to work with the Committee on human rights. The realisation of human rights throughout the world as a basis for our own security and prosperity is important, and their promotion throughout the world will remain at the heart of our foreign policy. While I am doing this job as a Minister, I shall personally put my heart and soul into that work. What an opportunity to advocate throughout the globe policies on which I campaigned when I joined the Labour party 15 years ago. As a Minister, I shall try to do something about them. I thank Members for listening, and I wish them good luck.

Mr. Mike Hancock (in the Chair): I thank the Minister for that contribution. He did very well; after three years away, he has not lost his touch. With that, I suggest that it is time for the sitting to adjourn.

Question put and agreed to.

Adjourned accordingly at half-past Five o'clock.

Westminster Hall

Tuesday 20 June 2006

[MR. MIKE WEIR *in the Chair*]

House of Lords Reform

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Roy.]*

9.30 am

Chris Bryant (Rhondda) (Lab): The present constitution of the House of Lords is farcical. There are 721 Members, with an average age of 68. Virtually alone in modern Britain, they have a job for life. The vast majority are there by dint of modern patronage; 92 are there by dint of their birth—ancient patronage.

Seven hundred and twenty-one sounds a lot, of course, but let us not worry about that. It is more than any comparable second Chamber anywhere else in the world; but not many turn up. In fact, only 25 per cent. of the Members ask 87 per cent. of the questions, and the same one quarter make three quarters of the speeches. They are paid expenses to be there and, of course, expenses to get there—although the travel expenses are not much, as the majority come from London and the south-east. To be precise, 185 of the 323 Members of the House of Lords created since 1997 are from London and the south-east. By contrast, just three are from the east midlands and five are from the north-east.

David Taylor (North-West Leicestershire) (Lab/Co-op): My hon. Friend mentions the east midlands, and the situation that he describes does indeed suggest that the House of Lords is a symposium of the undead; but in our party's time in government in the nine years since 1997, have we not made at least some progress? The job certainly needs to be completed, but it is not as if we have not tackled it.

Chris Bryant: Well, I wish I could commend what we have done in the past few years, but the honest truth is that we have continued the process of appointment and in addition to that have continued to appoint almost exclusively from London and the south-east of England. If we want the more representative second Chamber to which our manifesto commits us, we shall have to do better in future.

Angus Robertson (Moray) (SNP): Is the hon. Gentleman concerned that 80p in every pound donated to the Labour party comes from people who have been ennobled or knighted?

Chris Bryant: My view is that patronage is a bad principle for parliamentary democracy. I should prefer an elected second Chamber.

I should say, of course, that there are some very fine people in the House of Lords; some of my best friends are peers. However, one peer was sent to jail for perjury and another for criminal damage—he set fire to his hotel room—and there is no means of removing them from the House.

There are some good things about the Lords. No one party has a majority; that is an important principle. Business is transacted on a more consensual and less partisan basis, for the most part, and the quality of the debate is often excellent, although I have listened to quite a few House of Lords debates and it is not always so. Often the Lords improve Government legislation and in some areas they are better than the House of Commons at scrutinising legislation. There is an argument that the existence of the House of Lords means that we do not have to do our job properly.

Perhaps the most farcical thing about the constitution of the House of Lords at present is the system of by-elections when an elected hereditary peer dies. The Lords has to keep a list of eligible hereditaries. It is probably the only accurate electoral register in the land. When the late Cross Bencher, Baroness Strange, died last year and had to be replaced, 29 Cross-Bench hereditaries could stand for the post and 26 of them did so. After the use of the alternative vote—it is the only use of the alternative vote in the British constitution—and after five transfers of votes, Viscount Montgomery of Alamein defeated the Earl of Effingham, or David Peter Mowbray Algernon Howard, the seventh Earl of Effingham by the second creation, by 11 votes to eight. I am not sure whether that smacks more of "Blackadder" or Trollope.

Bob Spink (Castle Point) (Con): I congratulate the hon. Gentleman on obtaining this important debate. He knows that I, like him, believe that there should be a largely elected element in the House of Lords. However, he has not discussed any of the negative aspects of that, and I hope that he will. An elected House of Lords would have its independence and standing weakened; it would challenge the supremacy of the Commons and would remove from public service some notable people who have achieved much for society. How does the hon. Gentleman deal with those three key points?

Chris Bryant: If the hon. Gentleman can contain himself for a while, I shall move on to precisely those points.

Against that background, it would be tempting to talk exclusively about the composition of the House of Lords—who should be sitting in it—and that has been a tendency in most debates about it. As I have said many times before, I support a House of Lords whose Members are democratically elected as far as is practicable, given the parliamentary politics of today, but it is more important at this stage to focus on the powers and functions of the House of Lords. After all, an important principle of architecture is that form should serve function, not the other way round. That should also be true in the architecture of government.

The difficulty in this debate is that the precise nature of the power of the Lords is rather nebulous. It is framed more by convention than by statute. Those conventions may have a lustrous patina that is honeyed by use, but the conundrum we must resolve before we can alter the composition of the Lords is how we can better clarify the conventions so that they will stand the test of time.

The powers of the House of Lords have waxed and waned, and waned some more, but in essence the Lords retain an absolute power to say no to legislation. That

[Chris Bryant]

power is mitigated only by the Parliament Acts of 1911 and 1949 and by a series of conventions that are sometimes adhered to. The Parliament Acts are not minor constraints, of course. They determine that the Lords cannot touch a money Bill—the person who determines what is a money Bill is the Speaker of the House of Commons—and in certain complex circumstances they allow the Commons to insist on its legislation after the passage of a year. Importantly, they also restrict the power of the Commons to extend the length of a Parliament beyond five years.

The Parliament Acts seem straightforward but they are deeply problematic. For a start—this meets precisely the point raised by the hon. Member for Castle Point (Bob Spink)—nowhere do they articulate that a Government can be formed only by virtue of their majority in the House of Commons and, for that matter, that they cannot be dismissed by dint of a vote in the House of Lords. Such important principles must underlie the primacy of the House of Commons.

Secondly, the power of the Lords, which mostly is a power to delay, increases exponentially during the year because of the danger of Bills falling at the end of the Session. On top of that, it grows exponentially during the passage of a Parliament. It is increasingly difficult to govern the country the further a Government is into a Parliament, and that is problematic for our constitution.

There were those who argued that one could not use the first Parliament Act to enforce the second one. In particular, that position was advocated by those who felt that the Hunting Act 2004 should not have been subjected to the Parliament Act in the way that it was because of reliance on the first Parliament Act to enforce the second one. The issue has been resolved in the courts, but it is still important to resolve it in a single Parliament Act rather than have this cumbersome reliance of one on the other.

The other point is that the process of using the Parliament Act is far from straightforward. It involves a lot of shenanigans and backstage skulduggery by the powers that be to resolve which amendments are possible and which are not. The Parliament Act explicitly allows changes to the original Bill's text that are

"necessary owing to the time which has elapsed since the date of the former Bill",

but of course that could cover a multitude of sins. We need a Parliament Act that is much clearer about when it can be used to enforce the will of the House of Commons.

Incidentally, one minor element of the way that the Parliament Acts are exercised is the double insistence rule, which seems largely to have been made up by the Clerks of the House and negotiated between the Clerks of the Lords and the Commons. If one House insists on an amendment to which the other has agreed and the other insists on its disagreement but neither has offered alternatives, the Bill in its entirety is lost. However, alternatives may not be the right way to proceed. The constant process in ping-pong of looking for another way to put the same disagreement may be a wholly inappropriate way of moving forward. For all those reasons, I believe that we need a new Parliament Act to govern the relations between the two Houses.

Ian Lucas (Wrexham) (Lab): I am following my hon. Friend's argument carefully. Does he not show a touching faith in the ability of new legislation to strictly define the role of the Lords? Is not the lesson learned from devolution that when an institution is given new powers it immediately calls for further powers and for those powers to be amended?

Chris Bryant: My hon. Friend makes an interesting point on devolution, because were there to be a major difference of view between the Scottish Parliament or the Welsh Assembly and Westminster, it would be decided by the Judicial Committee of the Privy Council, which is notoriously not a transparent or democratic process. That, too, needs to be reviewed. A new Parliament Act could allow a proper system of conciliation rather than the matter simply being sent off to an obscure Committee.

We have not yet had to face that difficulty because the two types of body have had similar administrations, but the matter should not be justiciable. I think there should be a conciliation process governing the relationship between the Commons and the Lords, just as there should be between the various devolved Assemblies and Parliaments and Westminster.

Mr. Oliver Heald (North-East Hertfordshire) (Con): Does the hon. Gentleman agree that the interrelationship between the two Houses means that the Commons sometimes needs to consider how it works in order to ensure that the other place is able to operate effectively? What would he say about the practice that has grown up of packaging Lords amendments, which can mean that an important amendment is not properly considered because it is not the lead amendment?

Chris Bryant: I am sure that the hon. Gentleman knows that the double insistence rule has caused some complications over the last couple of years. The problem is that we do not have a transparent process for resolving disputes between the Commons and the Lords. The ping-pong process may be suitable for awhile, but I believe that after two or three disagreements between the two Houses some form of conciliation Committee is needed to resolve such issues properly, its members discussing the matter openly and transparently, rather than some kind of fix being organised between the Clerks of the two Houses.

The other constraint on the power of the Lords lies in the convention known by some as the Salisbury convention, and by others as the Salisbury-Addison convention. It is fair to say that the Conservatives usually call it the Salisbury convention, because it pushes a bit more in their direction, and Labour Members call it the Salisbury-Addison convention. As the House will know, it is normally articulated in the broadest possible terms as the 120-year-old principle that the House of Lords does not vote against measures included in the governing party's manifesto.

One of the underlying principles of the convention is the belief that the unelected and therefore illegitimate House of Lords should not overturn the elected House, although I am sure that that is not quite how the third Marquess of Salisbury saw it. Indeed, he positively averred that it was important that the elected should,

from time to time, be told quite where to go with their legislation. He rather patristically thought that the elected Commons did not necessarily represent the nation as well as the peers.

In truth, the convention has changed and its modern expression came into use thanks to Viscounts Addison and Cranbourne—from 1947, the latter was the fifth Marquess of Salisbury. That convention is far more circumspect. It says that the Lords should not reject Government Bills on Second Reading brought from the Commons for which the Government have a mandate from the nation. Like the Parliament Act, that seems clear, but I suggest that it is not. For a start, it applies only on Second Reading. It is possible to give a Bill a Second reading, to amend it so substantially that it is nothing like the original Bill and then insist on one's disagreement. Because the convention does not refer to amendments, it is like a blunderbuss rather than a rapier.

As in any legislation, the devil is in the detail. The classic example was the Identity Cards Bill, which we debated on the Floor of the House. Some hon. Members maintained that they and the Lords were sticking more closely than the Government to the Government's manifesto promise, but there is nobody to determine who is right or wrong about that, because there is no conciliation process; there is simply the ping-pong arrangement, which most people think is falling into disrepute.

Of course, the Liberal Democrats might assert that they were not involved in the original debates about the convention, which took place from 1945 to 1951, so they do not have to abide by it. I have heard several Liberal Democrat Members say that they do not hold to it any more in any case, because the Government are not properly the Government, having not been properly elected and not achieved a majority through a proportional system of representation.

David Taylor: Nonsense.

Chris Bryant: All of that is complete and utter nonsense, as my hon. Friend chunters from a sedentary position.

David Taylor: My hon. Friend refers to the convention and the mandate that we received from the electorate in respect of our manifesto. That marvellously vague red book, which we all received about 13 months ago—on the doorsteps of the Rhondda, as on those of North-West Leicestershire—contains phrases such as that we would make the delivery of health services more effective. That could include anything from a reversion to Bevanite principles to selling the whole damn lot off to a public-private partnership. In those circumstances, how can one be clear about what a manifesto commitment is?

Chris Bryant: Absolutely. That is one of the big difficulties, as it has been for a long time. It is not that manifestos have got less precise, but that they, by their very nature, seek a mandate to govern, and governing involves the unexpected as well as the expected. Consequently, the convention will have difficulties surviving.

Most importantly, the strength of the convention, as it operates, is predicated on the illegitimacy of the Lords. The less illegitimate the Lords are, or become, the less the convention will hold sway. Surely, it must be folly to place illegitimacy at the heart of the constitution as a deliberate principle. That, again, is why we need a new Parliament Act to codify such conventions, and it should be based on a few simple principles.

The first principle is the primacy of the constituency-based Commons, especially when it comes to financial and fiscal matters and the creation of Governments. The second is the importance of Members of only one House having a local constituency focus and casework. The third is that the Government should be enabled to govern by having their business considered swiftly, and the appropriate period should be stipulated as no more than 60 working days.

The fourth principle is the supremacy, or sovereignty, of Parliament in its entirety—in other words, of the Commons and the Lords. That would require a conciliation Committee—I suggest 12 Members of the Commons and eight Members of the Lords—so that the relationship between the two is not justiciable in the courts. That was first advocated by the Wakeham commission, but the Government ignored its recommendation entirely. Subsequently, such a relationship was also advocated by the right hon. and learned Member for Rushcliffe (Mr. Clarke), the right hon. Member for North-West Hampshire (Sir George Young), who is in his place, Paul Tyler, who is now in the Lords, and Robin Cook.

Unfortunately, such powers have attracted little proper attention. The Joint Committee, on which I sat in the previous Parliament, was extremely profound on the matter. We said:

> "We consider that these existing conventions, which are of a self-restraining nature, impact profoundly on the relations between the Houses and need to be understood as a vital part of any future constitutional settlement."

That was one our greatest moments—stating the blasted obvious. We then said:

> "When the views of the House on composition are made known, we will return to the detailed matter of how these important conventions should be maintained".

That is putting the cart before the horse; we must do things the other way round and determine the powers first.

Mr. Heald: Will the hon. Gentleman give way?

Chris Bryant: I am seeking to finish, and the hon. Gentleman will have his moment.

We are often proud of the fact that the British constitution has grown by accretion, but the ship of state has sailed through many waters and perhaps gained too many barnacles. The time is more than ripe for bringing the bark of state into dry dock and overhauling it. Appointment and patronage are not a proper way to govern this country. Gentlemen's agreements dressed up as parliamentary conventions will not hold water.

Several hon. Members *rose—*

Mr. Mike Weir (in the Chair): Order. Several hon. Members are seeking to catch my eye, of whom only one has given previous notice of a wish to speak. I shall try to include everybody, but I intend to take the winding-up speeches at about 10.30 am.

9.50 am

Sir George Young (North-West Hampshire) (Con): It is a pleasure to see you in the Chair, Mr. Weir, and I shall confine my remarks to the briefest possible. Anyone who is interested in my views will find them dotted around editions of *Hansard* for the last 10 years. I commend the hon. Member for Rhondda (Chris Bryant) on his choice of subject for the debate and it is a pleasure to see the Deputy Leader of the House in his place, because he and the Leader of the House are now in charge of this important policy area, whereas on the last occasion that we debated the subject it was the responsibility of the Department for Constitutional Affairs. We understand that the Prime Minister has mandated the Leader of the House to sort out party funding and House of Lords reform, and the Leader of the House will need all the diplomatic skills that he acquired as Foreign Secretary to discharge that obligation.

At the time of the vote in 2003, the current Leader of the House voted for a wholly appointed House, which I think was the least popular option on which the House voted. If he is to search for a consensus and find a way forward he will need to demonstrate some flexibility.

Mr. Heald: Is it not the case that the Leader of the House voted against all the proposals that involved an elected element?

Sir George Young: My hon. Friend is correct, although he has approached the matter with less delicacy than I. There is a need for movement on the part of the Leader of the House if he is to find the centre of gravity.

The debate is the second on the subject this year. My hon. Friend the Member for Buckingham (John Bercow) inspired the earlier debate on 31 January and it is probably useful to have a six-monthly progress report, because there has been a worrying development, which I shall address shortly. If anybody had said, at the time of the original Bill which was considered by the 1997 Parliament, that the Labour party would win three general elections and that the Prime Minister would retire, without stage 2 of House of Lords reform being on the statute book, nobody would have believed it. We were all told that dividing reform into two easy sections would ensure that it would hit the statute book early, and that we needed to take two bites at the cherry. The cherry, however, remains visibly unconsumed.

I do not propose to repeat the case—eloquently made by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke)—for a predominantly elected Chamber. It was set out in a publication and in a draft Bill, which I co-authored with Robin Cook, Lord Tyler—as he now is—and my right hon. and learned Friend the Member for Rushcliffe. The Leader of the House need not take up any scarce drafting time for the next Session's Bill—we have already done it for him.

The debate on composition often takes place in rather crude, two-dimensional terms: if one House wins, the other loses. There is an important constitutional battle going on, but it is not that one—it is between Parliament and the Executive. In that battle the two Houses are allies, not enemies, because the terms of trade have shifted dramatically in favour of the Executive and need to be redressed. Once we have settled the issue before us this morning, we need to develop more ways of working together and pooling resources. For instance, I see no reason why Lords Ministers should not reply to debates in Westminster Hall when they are the responsible departmental Minister.

David Taylor: Will the right hon. Gentleman give way?

Sir George Young: I give way, but in view of the injunction from the Chairman it will be the last time.

David Taylor: The right hon. Gentleman referred to the need for arbitration between the Executive and Parliament. More specifically, however, that need applies between No. 10 and the Commons, or possibly even between No. 10 and the Labour Back Benches. Only three years ago—tantalisingly—we were just three votes short of a majority in favour of an 80 per cent. elected House of Lords. Is that not where we need arbitration?

Sir George Young: The hon. Gentleman raises a good point. The Labour party was elected in 2001 on a manifesto that committed it to a more democratic and accountable second Chamber. The Prime Minister must have had some hand in drafting the relevant section of the manifesto, but he voted for a wholly appointed Chamber, and I fail to understand how he and the Leader of the House could reconcile that action with the Prime Minister's own manifesto. However, perhaps that is an issue better addressed by the Labour party than by Opposition Members.

There is a matter on which I part company with the hon. Member for Rhondda. In earlier debates on Lords reform, there was no controversy about the power of the House of Lords. The Wakeham report agreed that the powers should be left as they were, and so did the Government. A document supporting the White Paper, published in 2001 and optimistically entitled "The House of Lords: Completing the Reform", stated in relation to paragraph 30 of the White Paper:

> "There is no need to change the statutory basis of the second chamber's powers in relation to primary legislation."

The only suggestion that the Government made about powers at that time was a relatively minor one about subordinate legislation.

It is worth reading what the Public Administration Committee said at the time about the key issue that the hon. Gentleman raised. Paragraph 69 of its report stated:

> "There is no proposal for any major change to the role and functions of the House of Lords. This is one of the fundamentals on which there is broad agreement, and it is one of the firm foundations on which reform must build. The second chamber will continue to be predominantly a revising chamber...Its other main functions are holding the Government to account, and debating political issues, in particular long term or technically complex matters which have been given insufficient time in the House of Commons. The Government wishes to strengthen the capacity of the Lords to perform these functions, but proposes no change in the functions themselves."

The Committee concluded:

> "We agree with the Government that no major change is required to the role or functions of the second chamber. It

should continue to be a revising, scrutinising and deliberative assembly. But its performance of all these functions can and should be strengthened."

That statement, with which I wholly agree, was flatly contradicted in the debate that took place on the initiative of my hon. Friend the Member for Buckingham on 31 January. The Minister of State, Department for Constitutional Affairs, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), said:

"That is why the question of composition is difficult and inextricably linked to the role and powers of the second chamber."—[*Official Report, Westminster Hall*, 31 January 2006; Vol. 442, c. 45WH.]

That is a total U-turn.

I am deeply suspicious of what is now happening. There is a view that that is a way of postponing decisions and leaving a status quo that is convenient for the Government. They decide the size and the balance—the party balance, in particular—and they control the composition of a large number of Members. I think that if we reran the 2003 vote today, there would be a majority for a 70 or 80 per cent. elected Chamber, but we would then have to clear a second hurdle, which was not there last time—namely, the powers. If the Government are minded to curtail the powers of the second Chamber, which I believe they are, it could be another 10 years before we resolve the issue.

If we are to resolve the issue, we need to be firm about the destination but relatively flexible about the speed at which we reach it. We need a predominantly elected House of Lords with the powers uncurtailed, but we need to recognise that there are legitimate expectations on the part of those who were made life peers, we need continuity of expertise and we need to maintain the culture and collective wisdom. That is why the draft Bill had a long lead-in time covering three general elections.

When we last debated the issue, the Minister of State, Department for Constitutional Affairs did not reach her peroration, so we never discovered what the Government were going to do. May I suggest to the Deputy Leader of the House that this time he begins at the end of his speech and works backwards? That way, we might achieve more enlightenment about where the Government are going than we did last time round.

9.58 am

Mr. David Clelland (Tyne Bridge) (Lab): I congratulate my hon. Friend the Member for Rhondda (Chris Bryant) on raising this important issue and I agree with him that the first job in respect of reform of the House of Lords is to talk about its responsibilities and to decide what its responsibilities and functions should be. I broadly agree with the point made by the right hon. Member for North-West Hampshire (Sir George Young) that it should be a revising, deliberative and scrutinising Chamber. However, I do not agree with his remark that it ought to be there to hold the Executive to account. I do not believe that that should be the job of the House of Lords at all. Holding the Executive to account is the job of the Opposition and Back Benchers in this House; it is not a job for the second Chamber.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): Is not holding the Executive to account the job of Parliament as a whole—that is, both Houses?

Mr. Clelland: It is at the moment, but we are talking about reforming the second Chamber; that is the reason for my remarks. In future, I do not think that the second Chamber ought to work in the way that it does.

If the second Chamber is to be a revising, deliberative and scrutinising Chamber—and even one that holds the Executive to account, if that is what hon. Members want—it needs to be made up of people who have wisdom, experience and expertise. We all know that elections do not necessarily result in a group of people with those qualities; I make an exception of the Members in this Room, of course. If we need people with such qualities, they have to be selected rather than elected. Certainly, people with such qualities could not be guaranteed through elections.

Once the hereditary peers are abolished, as I believe they ought to be—ironically, because of a quirk in the way that things developed, that is the only democratic element in the House of Lords at the moment, but there we are—responsibility for appointments will be left solely to the Prime Minister and the House of Lords Appointments Commission, which, I am afraid to say, have both been brought into disrepute by the cash-for-peerages row. That would not be sustainable, and there would have to be changes to the way that appointments were made.

I do not agree that elections are the answer to the problem; I insist on my argument that an elected second Chamber would challenge the primacy of the House of Commons, whatever Members tried to do to change the constitution of the second Chamber. Elected Members will, quite unjustifiably, want more power if they are elected to the second Chamber—more, perhaps, than hon. Members who are pushing for elections might care to give them. My hon. Friend the Member for Rhondda says that they would not have casework, but who is to prevent them from having it? If someone writes to a Member of the second Chamber who has been elected, that Member would have every right to take up that case on behalf of the elector. I do not see how we can ever legislate to stop them answering letters and taking up cases. Of course they would develop casework if they were elected.

Such Members might not have constituency responsibilities because of how they might be elected, but in a way that might be worse than their having constituency responsibilities, because they would have a brief to go anywhere they liked. They could go anywhere in hon. Members' constituencies, dealing with anything that they wanted, visiting factories and schools, opening this and that, and taking up issues. There would be nothing to prevent them from doing that, and I do not see how we could legislate to do so.

My hon. Friends argue that if we had a referendum and asked the general public the simple question, "How should a new, reformed second Chamber be made up?" people would generally say that it should be elected; that is the knee-jerk reaction. But ask them a different question—ask them whether they want another 300 elected politicians, with their secretaries, offices, expenses and salaries—and see whether there is the same knee-jerk reaction. I doubt that there would be. As my hon. Friend the Member for Rhondda knows, we had that experience recently in north-east England, where we had a referendum on an elected regional assembly.

Chris Bryant: But my hon. Friend really had to rig that question to make sure that he got the answer that he wanted.

Mr. Clelland: As my hon. Friend may be aware, those of us opposed to an elected second Chamber will make that same point if the issue ever comes before the people. We are talking about a fundamental change, and if we had to have a referendum on devolution, and on regional assemblies, we ought to have a referendum on making a wholesale change to the second Chamber. When we have that referendum, the very point that I just mentioned will be made in opposition to an elected second Chamber.

Bob Spink: Does the hon. Gentleman acknowledge that there is a possibility of bringing a small elected element into the second Chamber while reducing representation commensurately in the Commons?

Mr. Clelland: A hybrid House would be the worst of all worlds. Two classes of Member would certainly not work. Elected Members would quite rightly consider themselves to be superior and to have more authority than non-elected Members, and I cannot see how they could possibly work together in a Chamber. If we had a proportion of elected Members, we would eventually end up with a fully elected House.

The answer is to continue with an appointed Chamber, so that we can appoint people who have the experience, expertise and wisdom to ask Members of Parliament to think again on legislation, but the responsibility for making appointments ought to be much wider, including business, trade unions, religious organisations, local government and devolved institutions. If the appointments were made with that wider sort of franchise, for want of a better term, it would be more democratic and more accountable. That answers the question asked by the right hon. Member for North-West Hampshire: how the Prime Minister could say that he wanted a more democratic, more accountable House, but vote for a fully appointed House. We can certainly have a House that is appointed in a more democratic way than it is at present; any change in that direction would be more democratic than the present system. It would certainly be accountable if people were appointed. If the CBI, TUC or Local Government Association were to appoint people, those organisations would expect those people to be accountable to them, particularly if the appointments were made for a limited period, as I believe they ought to be.

We can have accountability and a more democratic system under an appointed House, and we would certainly have the kind of people who would be able to challenge the House of Commons on the legislation that it put though and who would have the authority to do so.

John Bercow (Buckingham) (Con): I know that the hon. Gentleman has had a long-standing and consistent position on this subject. Would it not be a fair summary of his argument to say that he is in favour of a little more democracy as long as there is not too much and there is no danger of it being described as fully formed?

Mr. Clelland: I am fully in favour of democracy, of course. This is a democratic country and democratic democracy is the basis of our governance, but this country is not entirely run by democratic organisations. A swathe of people in all sorts of organisations are a part of our democracy and run our system of governance but are not directly elected. School governors, the police, doctors and so on do not have to be directly elected in order for us to have an efficient democracy. As long as the House of Commons has primacy and is the elected body, that is the basis of our democracy. All the rest flows from that.

John Bercow: Could I put it to the hon. Gentleman, although there is no great prospect of persuading him to change his mind, that there is one important difference between the second Chamber and the various institutions to which he has just referred? The difference is that the second Chamber is part of Parliament and has some legislative responsibility, and that does not apply to schools, hospitals or the other organisations that he has in mind.

Mr. Clelland: The hon. Gentleman brings me back to the point that I made earlier. The first thing is to get the powers right. I do not think that the second Chamber ought to have legislative responsibility. Once we get the powers right and it does not have legislative responsibility, his argument falls.

10.7 am

Dr. Julian Lewis (New Forest, East) (Con): It is a great pleasure to follow the robust and common-sense remarks made by the hon. Member for Tyne Bridge (Mr. Clelland). I am glad to know that I will not be the sole reactionary participating in this debate. He suggested that people would give a dusty response to any idea that we should set up another body with another raft of elected politicians. I think that people would give an even dustier response if anyone suggested that the House of Commons, with its 650-plus Members of Parliament, was in fact too small and that we ought to do something to double the number of MPs elected in a single-chamber Parliament. If that is regarded as a foolish, if not barking mad, proposition, why should it be regarded as a sensible proposition to create that number of elected Members of Parliament if they happen to be divided between two Chambers?

I can think of a number of possible outcomes of going down such a route, and that would depend on whether the Members in the two elected Chambers were elected by the same system of elections or a different system, and whether they were elected at the same time or at different times. If both Chambers of Parliament were elected and if they were elected at the same time, it is reasonable to guess that we would get broadly similar results in each of the two Chambers, and if the intention was that the second Chamber should be some sort of revising brake on the first, that would be unlikely to happen. If, however, they were elected at different times, the likelihood is that we would see the sort of results that we see in local government elections midway through the term of a national Government; the local election is seen as a sort of referendum on the performance of the

Government. One Chamber would be elected as, in some sense, a protest against the way in which the Government were proceeding, and the result would be likely to be deadlock.

I have a confession to make. Once upon a time I had a private conversation with a very senior member of my party's shadow Cabinet. He is not here today, and even if he were, I would not embarrass him by identifying him. He said to me, "Julian, you don't understand. The whole point is to have a deadlock. If the problem is that Parliament is doing too much, that there is too much legislation and too much government, then isn't it a great thing that the two Houses should be deadlocked in this way?" That is a radical approach, but I do not think that it is a very constructive one.

Chris Bryant: I have just been quietly counting to myself the number of subjunctives and ifs that the hon. Gentleman has used. I think that we are up to about 15 of each. I think that that is because he is describing something, to then knock it down, that nobody is advocating. The truth is that the vast majority of those of us who advocate a substantially or wholly elected second Chamber suggest that it should not all be elected at one time, that it should not have a majority for any one party and that the relationship between the two Houses needs to be a constructive one that can lead to proper legislative process.

Dr. Lewis: Yes, but if it were not elected all at once—*[Interruption.]* I am terribly sorry that the hon. Gentleman does not like my use of the word "if," but when one is trying to anticipate what the results of a proposed change will be, that is the only way in which one can proceed. One can say, "If you take cause A, the result will be consequence B. If you take cause B, the result will be consequence C," and so on. There is nothing wrong with my doing that; in fact, I cannot think of an intellectually honest alternative way to proceed with the argument.

Ian Lucas: Will the hon. Gentleman give way?

Dr. Lewis: Well, okay. I had not finished my response to the previous intervention, but never mind.

Ian Lucas: I am grateful to the hon. Gentleman. I know that he is always anxious to take lessons from Europe, and in his support I refer him to the position in Germany in recent years. A series of state elections led to the paralysis of government in the Bundestag, which meant that the Government were unable to continue through their term and an election had to take place. That position would apply here if a directly elected second Chamber were introduced.

Dr. Lewis: Of course the hon. Gentleman's point is right, and it is precisely the answer to the objection that was made to my argument. There are differences between people's outlooks on the most legitimate method of electing a Parliament. If people believe, for example, that it is most legitimate to use a system with a proportional element, which tends to lead to the type of results to which the hon. Gentleman has just referred, they will regard the Chamber elected by those means as having more legitimacy. If people believe, as I do, that it is more legitimate to have a first-past-the-post system of election, they will take the view that the Chamber elected by that method has the greater legitimacy.

The key argument against the proposals is shown by the fact that nearly every hon. Member who has spoken in the debate has emphasised that the main role for the second Chamber should be as a revising Chamber rather than to extend, repeat or second-guess the process of legislation carried out by the House of Commons. Who is better qualified to undertake its work—another raft of non-expert, professional, elected politicians or a collection of people who have achieved distinction in other walks of life, but chosen not to enter the hurly-burly of the democratic political process because they are intellectually gifted and temperamentally inclined to become distinguished academics, practitioners of the law, medical practitioners and experts in their field? The reformers' proposals would exclude from the legislative process a group of people who can genuinely improve the legislation that comes before them in favour of non-expert, career politicians who have nothing to add to what the career politicians in the lower House contribute.

Sir George Young: My hon. Friend provokes me almost beyond belief. Under the proposals, the percentage of independents in the new, reformed House of Lords would be almost exactly the same as it is now.

Dr. Lewis: I am not sure that that bears very much on the question of expertise. If people have to go through a process of election to get into the second Chamber, then the majority of people who have chosen not to become professional politicians but to rise to the top of their professions will almost certainly be excluded.

Chris Bryant: The hon. Gentleman is provoking me even more than he provoked his right hon. Friend. The majority of those who do most of the work in the House of Lords at the moment are career politicians who have gone from the House of Commons to the House of Lords. I do not understand why those people should suddenly be frightened of elections. Surely anybody who is in the legislature on a party ticket should at least have to be elected.

Dr. Lewis: I am very surprised at the assertion that the majority of work is done by the ex-politicians. The vast majority of business management may be done by such people, but a very considerable contribution is made, according to the field in which their expertise lies, by people who have, as I have repeatedly stated, risen to the top of their respective professions. Those people will be excluded.

Why has the Prime Minister suddenly declared himself a convert to this cause? Is it because he has been convinced by the integrity, consistency and plausibility of the arguments put forward by the hon. Member for Rhondda (Chris Bryant)? I rather doubt it. I think that it is because he and his party have been caught with their fingers in the till—they have been caught out over the question of loans for peerages. They are not the first, and they will not be the last to have been caught out in that way.

[Dr. Julian Lewis]

If we are talking about the people who do the majority of the work in the upper House, I think that it will be found that those who have been controversial appointees are not the ones who do the majority of the work. A lot of those people take the bauble and are never heard of again.

John Bercow: Will my hon. Friend give way?

Dr. Lewis: I am actually bringing my remarks to a conclusion.

I can think of a lot of good reasons for the Prime Minister's having one view or another about the composition of the second Chamber, but doing things as a panic reaction to having been caught out in corrupt practices is not the right way to decide this important constitutional issue.

10.18 am

John Thurso (Caithness, Sutherland and Easter Ross) (LD): May I say what a pleasure it is to appear for the first time with you in the Chair, Mr. Weir. I offer my congratulations to the hon. Member for Rhondda (Chris Bryant) on raising what I have always considered to be an extremely important subject. It goes to the heart of the British constitution, because as long as one half of our Parliament is considered to be illegitimate, Parliament as a whole is weakened. We are weakened in the eyes of the people and our legislation is not as competent and as good as it could be. I have always felt that reform of the House of Lords is one of the most important things that any Government could attempt. This Government have started, but I echo those who have said that it is surprising that, at this stage of their life, the very paltry reform of stage 1 is all that they have managed to get on the statute book.

Mr. Clelland: What evidence has the hon. Gentleman for saying that the House of Lords is considered to be illegitimate? That might be the view of those who want an elected second Chamber, but what evidence has he that people out there care very much about having the House of Lords reformed, never mind whether they think that it is illegitimate?

John Thurso: I have three pieces of evidence for the hon. Gentleman. The first is my own experience in another place. Secondly, I have listened to Members, in another place and in the Chamber, usually on the Government's side, saying that it is time to stop voting against legislation, either because "We are the unelected House"—when I was up there—or because "They are the unelected House"—now that I am down here. Thirdly, I have had many conversations with ordinary voters concerned about Parliament who feel precisely the same way.

I do not think that anyone can challenge the fact that the House of Lords is regarded as illegitimate. That for me is the core problem when considering reform of the House of the Lords.

I agree completely with much that the hon. Member for Rhondda said. I suspect that his objective is exactly the same as mine, but I must take issue with him on one fundamental point. I do not believe that it is appropriate to consider powers at the same time as composition. I have changed my view on that over the years. Back in about 1997, when I wrote a not-very-widely-publicised pamphlet on the subject, I made the point that one should look first at the powers, and that the composition should follow. I used his precise argument: in architecture, form should follow function.

My experience of watching attempts to reform the House has taught me that the precise opposite is the case. Actually, we need to set out a detailed plan for reform of the composition, and only then will we see the answers to the questions, many of which have been raised in today's debate.

John Bercow: We need to deal with the point about the so-called experts. Did the hon. Gentleman hear my hon. Friend the Member for New Forest, East (Dr. Lewis) suggest either that experts would not stand, or that the public would not vote for them? I suggest in fact that if we have lengthy non-renewable terms, it is likely that substantial numbers of experts would stand, even if not the same experts in every case, as is currently the situation. If the public are fed up with the current tranche, and with what they regard as the superfluity, of standard, professional, elected politicians, there is every prospect that they will vote for those different and to-be-preferred experts, whose chances my hon. Friend is wrongly inclined to discount.

John Thurso: I agree very much with the hon. Gentleman. Furthermore, the oft-used phrase, "The great experience of the House of Lords", is overstated, in my experience. As I recall, there was considerable experience on agriculture and matters to do with landowning. I remember answering regularly for my party on the vexed question of the future of salmon fisheries in the United Kingdom, and on a wide range of other subjects.

The removal of the hereditaries removed quite properly one bias in the House of Lords, but has actually resulted in another series of biases. One of those is retired Members of Parliament, who form far too large a section. Others include Oxbridge and the law. I could go on. Many areas of our lives are not represented. Election would result in much broader representation.

Dr. Lewis: Will the hon. Gentleman expand on how all those experts would find themselves elected to the upper House? Would they stand independently or have to rapidly join individual parties in order to submit themselves to the democratic process?

John Thurso: That could be achieved in a number of ways. I am conscious of the time, but the hon. Gentleman leads me on to the critical point: we need to establish a firm method of election and to know what we seek to achieve from it. That would answer all related questions.

I want to make clear what I see as the fundamental points. The first is that the method of election is proportional representation. The second is that the election should involve large, regional constituencies. The third is that one third of Members should be elected every four years. I would hold those

quadrennial elections at the time of the devolved elections for Scotland, Wales and Northern Ireland and the nearest local election in England. The fourth is that Members be allowed one term only. In the past, I suggested that that term be of 12 years. Another is that there be no re-election. That is the critical point because it would remove the power that the Whips have in the Commons on reselection and re-election. Finally, there should be some provision for appointment. If that did not happen, I would not worry. The proportion of those appointed should be less than one quarter.

I take issue with the hon. Member for Tyne Bridge (Mr. Clelland). I believe that one solves the vast majority of the problems that were referred to by the manner of composing elections. It is easy to ensure that there is no casework. We would simply have a convention that Ministers do not respond to letters from peers on individual items. There are a range of ways in which those problems can be solved.

I share deeply the suspicion of the right hon. Member for North-West Hampshire (Sir George Young) that bringing the powers of the Lords into the debate at this stage will complicate the process of reform and delay it. I may be being uncharitable but I have a suspicion that that is not wholly distant from what the Government seek to achieve. I hope that it is uncharitable and that they will go ahead with reform. I urge them to concentrate on the composition of the House.

Chris Bryant: I think that there is a misunderstanding here. It is certainly true that it was difficult to achieve consensus in the Labour party. Indeed, at the time, Robin Cook said that consensus was a misnomer for what one wanted to achieve. Among Labour Members it would certainly be difficult to achieve consensus on reform of the Lords unless one understood what the powers of the Lords would be. That is why the Government are moving in that direction. It is not because of any desire to push things into the long grass.

John Thurso: I have known the hon. Gentleman long enough to accept entirely what he says but I still have my doubts as to its practical validity. It seems to me that the purpose of reforming the Lords is straightforward. Reform must be about improvement. For me, improvement is defined by strengthening Parliament as a whole. I have often heard that the House of Commons must remain supreme and be predominant. The more I hear that phrase, the less I understand it because, ultimately, it seems to me that what we must be about is strengthening the role of Parliament as a whole. The start point must therefore be that the existing powers remain unchanged. Any attempt to limit the existing power of the Lords should be resisted. It would be a trap to allow legitimacy at the price of castration.

History teaches us two lessons: that our constitution is in a state of permanent—albeit slow—evolution; and that all legislation has unintended consequences. To achieve the former while minimising the latter, it would be better if the power of the Lords was considered in light of the experience of the operation of an elected House. The powers of the House should not be part of the current consideration. They should neither be increased nor decreased. There would, however, be a clear understanding that the question of powers would be revisited in light of the experience of an elected Lords. It would be for all of us—by then enjoying the privilege of election, whether to this House or to the other place—to ensure that neither the Lords nor the Commons abuse the new arrangements or, if they are abused, to make a cogent case for their change.

It seems to me that the key is that an unelected House will always be tainted with the charge of illegitimacy. The only remedy for that can be election—and substantial election. The danger lies in seeking to reform powers at the same time as conferring legitimacy. It is equivalent to giving a child who has attained majority the keys of the house and then changing the locks. I am equally convinced of the need to accommodate existing peers graciously.

Perhaps I may for one moment explain what I believe should happen: each third of the new House would be elected every four years, leaving all the existing peers in place. The plain fact is, taking an actuarial view and looking at the age of the House, that the question would resolve itself through time relatively easily. The House would be large, but it would begin to diminish. If we withdrew the obligation on Members of the other House to go, we should have removed one of the biggest blocks to their lordships' agreeing with us. It is a practical point, but is probably the key to the whole thing. We must be gracious with them.

Provided that we have decided where we want to go, it does not really matter if it takes a little time. After all, it is nearly a century since reform began. If it takes another decade to complete the transformation it will have been worth it. The critical point, however, is to decide where we want to go. We must decide that soon.

10.31 am

Mr. Oliver Heald (North-East Hertfordshire) (Con): I agree with the hon. Member for Caithness, Sutherland and Easter Ross (John Thurso) that the function of the House of Lords is extremely important. I pay tribute to their lordships because in recent months they have stood up and defended freedom. They have played an important role in relation to civil liberties issues arising in recent legislation.

I share the slight suspicion of my hon. Friend the Member for New Forest, East (Dr. Lewis) that it is odd that a demand and desire to tackle House of Lords reform should suddenly arise, apparently parallel to the scandalous allegations that were made recently and that are being investigated by the constabulary. There is a worry that the Prime Minister, having appointed 50 per cent. of the other place and 70 per cent. of the Labour peers—he has exercised more patronage than Henry VIII—and being now at the end of his days, thinks, "No need to pass that on to the next one." Alternatively, perhaps it may be convenient to be able to say that serious negotiations are in hand, given that collars—well, no; I have no idea whether they will be felt.

Since the passage of the House of Lords Bill in 1998-99, my party has been saying that we want full reform and would like to build a consensus towards it. It was wrong to embark on the process in the way that the Government did, bit by bit. At that time we made it

[Mr. Oliver Heald]

clear that we are not keen to defend the hereditary system. However, we think it only right, given the important functions of the other place, that there should be full reform. Yet since then we have had a royal commission, two White Papers, a Joint Committee, on which the hon. Member for Rhondda (Chris Bryant) served, free votes and the 2004 Bill, which collapsed. Here we are now with a system that has given the Prime Minister the patronage I described.

I always thought that Robin Cook put it rather well when he said that we had moved during the time of the Labour Government from the 15th century principle of heredity to the 18th century principle of patronage. I wonder whether that is what the Labour Government really want as their legacy in this context.

Interestingly, when he stood for the leadership of the Labour party the Prime Minister said that he supported an elected second Chamber.

John Bercow: But that was then.

Mr. Heald: But that was then, and here we are now.

John Bercow: And that was the Prime Minister.

Mr. Heald: It was the Prime Minister. It does not yet look as though we are to see the more democratic and representative House that he hoped for in his manifestos.

We are about to enter into discussions with the Leader of the House, and we look forward to that. He, of course, voted in 2003 against any elected element, but we hope that his new attachment to a hybrid House is a serious commitment. We are certainly happy to discuss it in detail.

The proposal that we have supported for some years is that there should be a substantially elected second Chamber. By and large, the Conservative party voted for 80/20, and I did so, too, before voting for 100 per cent. However, if our starting point is that we have to create a second Chamber that will last—a sustainable solution—it is hard, in a democratic country, not to go for the democratic solution. The hon. Member for Tyne Bridge (Mr. Clelland) suggested that we could ask each profession, trade or interest group to suggest a representative, and I understand his point, but I worry that that has a flavour of the old pals act about it and that it is not a truly democratic solution. Surely, in a democracy, the only real solution is for the electors to vote on the issue.

Mr. Clelland: I hope that the hon. Gentleman was listening carefully to the contribution from the Liberal Benches, which mentioned the form of election that might be adopted for the second Chamber. The suggestion, which seems to be widely accepted by those who want an elected second Chamber, is that there should be some sort of PR system—no doubt, some sort of list system. Does that not call to mind the old pals act?

Mr. Heald: Well, that is the criticism. Although my party is obviously willing to talk about this issue, we have said in the past that one could get the flavour of a larger area, such as a county, while still retaining first past the post. One would not have a directly similar constituency, and North-East Hertfordshire would still be represented in the House of Commons, but Hertfordshire could be represented as a county by a group of Members in the second Chamber. We would have a flavour of representation on a larger scale than we normally have in the Commons. That would give some interesting insights into issues such as what the policy for a county or city should be, and there would be a different approach, which would fit very well into our constitution. However, my party is prepared to talk about what the method of election should be and how large the constituencies should be.

In terms of the powers, my right hon. Friend the Member for North-West Hampshire (Sir George Young) was right to note that the battle between Parliament and the Executive is very important at the moment, particularly because, for quite a time now, we have had a strong Government who have had large majorities and who have wanted to accrete power. The ruthless way in which the power of appointment has been used in the other place undoubtedly shows the sort of Government that we have had. In those circumstances, it is Parliament's duty to stand up to the Government and to question, scrutinise and really do its job more effectively.

When we consider a suggestion such as the 60-day rule mentioned by the hon. Member for Rhondda, we must bear in mind the use that the Executive side might make of it. At the moment, most Bills go through the other place in less than 60 days, and that is certainly true of the large Bills, unless the Government decide to think again and introduce substantial new provisions, which happens from time to time. It is the small Bills, however, that would tip over the 60-day period. The other place would say, "We've got to get the big legislation through. This small Bill is not as urgent. We'll get through it in the Session, but we're not going to do it in 60 days." If the Government were ruthless, they could pack in quite a lot of small measures, which, under the hon. Gentleman's proposal, would have to be dealt with in 60 days. That would reduce the time for debate on more substantial measures.

The logical consequence of such an arrangement is that the Government would end up guillotining—"programming"—consideration in the other place to meet the 60-day limit. That would be a bad idea, because the important thing about the other place is that it can go through Bills line by line—as we know, a lot of them are not well drafted. Although the detail is often not that contentious, the other place does important work getting Bills right and ensuring that they are legally sound and do not offend some interest group that we have not spotted. It would be a mistake to introduce a strict time limit, which the Government could abuse.

Chris Bryant: Whatever we do in the next two years must be good for the Government and the Opposition, whichever party is which. That is an important principle. The hon. Gentleman's point about timing might be good were it not for the fact that under the Parliament Acts the House of Commons has to give a

Bill to the House of Lords only one month before the end of the Parliamentary Session; so the present time limit is only one month.

Mr. Heald: The Parliament Acts are designed to deal with a situation in which there is deadlock between the Houses. My point is that in the ordinary course of business, not the extreme example, the Government would be able to change the practices of the other place, in effect introducing programming. That would be a bad situation for those in the other place, because their job is to take the necessary time to ensure that Bills are scrutinised in detail. It is the job of a revising Chamber to take the time and to cause the sort of delay to which the hon. Gentleman is objecting. If its Members do not have the powers to revise, to delay and to make this place think again, it will be turned into a talking shop; something to which nobody would want to be elected. If it is going to be an elected second Chamber—and I hope that it is—I do not want to see its powers diminished.

Finally, it is worth repeating a point that was made by Lord McNally, who said that the Government have lost no legislation, and no manifesto commitment has been deferred by the House of Lords. Therefore, he still does not understand why, other than for the convenience of the Government machine, there need to be changes in the powers. I agree with him. It is not necessary to over-complicate reform of the other place. It must be possible to consider the conventions; to try to clarify them; to agree on how to elect a substantial part of the second Chamber; to agree on the transition—

John Thurso: Does the hon. Gentleman agree that one of the advantages of leaving the current peers in place until they are gathered, and introducing a third in three successive elections four years apart, is the strong possibility that such a process would maintain the conventions, character and attitude of the Lords, which are so important?

Mr. Heald: Yes. It is important to achieve the strengths of the current Chamber in the new arrangements. Those strengths are independence, which the longer terms—the exact length of which I should like to discuss—would embed, and the spirit of being a revising and non-confrontational Chamber. A proper transitional arrangement would make it possible to pass on the good traditions while legitimising the second Chamber so that it had the confidence to do its job properly.

I made a long speech in January on this matter, and that is available in *Hansard*. We have had a useful discussion today, and I pay tribute to the hon. Member for Rhondda for having securing the debate. In the debate that my hon. Friend the Member for New Forest, East wisely secured in January, we concentrated more on the process and the composition, so it has been very useful to concentrate on the powers today. Finally, my right hon. Friend the Member for North-West Hampshire was right to be suspicious about the way in which the discussions are moving. I should like to make it clear to the Deputy Leader of the House that we are going to be very vigilant. We want a genuine process, not an excuse.

10.44 am

The Deputy Leader of the House of Commons (Nigel Griffiths): I congratulate my hon. Friend the Member for Rhondda (Chris Bryant) on having secured the debate. I know that he has long taken a detailed interest in Lords reform. I also welcome the contributions that have been made by the 11 colleagues who have taken part. Indeed, I think that they almost represent the spectrum of views voiced in the 2005 debate, which make the task of reforming the House of Lords seem like a candidate for the 13th labour of Hercules, unfortunately. None the less, we shall try to make progress and secure reform by consensus of the House of Lords, because the subject is of great importance to us and rightly of significant interest across the House.

How our Parliament works is a matter, of course, for both Houses to consider together. The issue was debated five months ago, when the hon. Member for Buckingham (John Bercow) secured a debate, to which the Minister of State, Department for Constitutional Affairs, my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman), replied. I am happy to respond to the request from the right hon. Member for North-West Hampshire (Sir George Young) to give an update on where the Government stand, because a number of things have happened in the intervening period.

As has been pointed out, my right hon. Friend the Leader of the House has been asked to take the lead responsibility for developing the Government's proposals to take forward Lords reform. That is recognition of the importance that the Government attach to the views of this House on the future of our Parliament. We have always made it clear that the future of the House of Lords cannot be considered in isolation. The Joint Committee on Conventions has been set up and has begun its work. My right hon. Friend the Leader of the House, along with colleagues from other parties, gave evidence to the Committee last week. Representatives of the Conservative party, I understand, are giving evidence right now. My right hon. Friend is also holding an informal meeting this week with representatives of other parties, the Cross-Bench peers in the Lords and the bishops. That follows the initiative started by the Lord Chancellor.

The Government have always made it clear that they would prefer to proceed with Lords reform by consensus. There are many different views on the optimum outcome, so it is likely that we will have to ask people to compromise on some of the details if we are to get an agreed way forward in this House and the other House. That cannot be at the expense of compromising our fundamental principle, namely the primacy of this House. One of the frustrating things about the difficulty in delivering Lords reform is that there is a large degree of agreement about the fundamentals, yet we cannot find a clear way forward.

I know that some hon. Members think that we should abolish the House of Lords altogether and that this House should be able to perform the job of scrutinising the Government perfectly well. That is not the Government's view, which is that the UK continues to need a bicameral Parliament. I believe that there is significant agreement about what we want the second Chamber to do and, more importantly, what we do not want it to do. We must not undermine the supremacy

[Nigel Griffiths]

of this House nor the representative functions of hon. Members. We want a clear line of accountability from Parliament to the people and from the Government to this House. That is where the Government's authority comes from, and they must have authority and legitimacy or else they cannot do their job.

We need an effective second Chamber for additional review, scrutiny and deliberation. The House of Lords, as a revising Chamber, is a key part of the parliamentary process. We need a Chamber that provides a distinctive contribution rather than simply duplicating this House, but we also need a Chamber with the authority to make a legitimate contribution.

There is already a broad consensus around the propositions. The trouble is that the consensus breaks down when we try to translate it into policy on composition. Do distinctiveness and difference imply appointment? Does legitimacy imply election? Does election inevitably imply a threat to this Chamber? Those are difficult issues. Today we have had a flavour of the arguments for and against, and that is perhaps why it has taken almost a century to reach the point that we are at now.

Questions have been asked as to whether the codification is premature. We believe that it is essential to have a clear idea of the ground rules for the relationship between the two present Houses before we embark on significant reforms, because otherwise there will be no benchmark against which to judge their significance. Some aspects of the present situation are highly likely to remain true whatever the composition of the Lords—most notably the fact that no party and no Government will in future be able to command a majority in the House of Lords. That factor alone is a powerful argument for codifying the convention now.

The right hon. Member for North-West Hampshire referred to the votes in 2003. The Leader of the House of Commons has said that his "own sense" was that a mixture of an elected and an appointed Chamber—with elections taking place differently from the Commons, for longer terms and with a longer transition—is probably the option on which consensus is likely. As he also said, we have promised a free vote. So he was suggesting where a solution on the issue might, in his judgment, be found; he was not saying that the proposal was one that the Government would force through. We are committed to a free vote, and that means that the other parties have a say in developing policy too, which is why they are being so heavily engaged. My right hon. Friend takes the view that he would be failing in his duties if he did not relentlessly search for consensus. If none exists, it is hard to see how Lords reform could happen for another Government.

The powers of the Lords were mentioned by my hon. Friend the Member for Rhondda and by others, as were the proposals for a time limit on consideration of Bills by the Lords. My clear view is that the principle that the Lords should consider business in a reasonable time is important—it was one of the foundation stones of the Salisbury-Addison agreement. As my right hon. Friend the Leader of the House has said, there is no immediate proposal by the Government to legislate on the 60-day issue. The outcome that we want to secure is that the Lords should conduct its role of scrutinising legislation effectively, but should not take that to a point where it delays so much as to be, in effect, vetoing legislation.

John Thurso: I have a question which is slightly pedantic but which goes to the heart of the matter. Are the Government proposing that the powers that exist today simply be codified and put in some form of legislation, or is the Minister suggesting that those powers be changed? If he is suggesting only that what exists be put on a more statutory basis, I think that many of us would not be quite so concerned. On the other hand, if he is talking about changes then there is concern.

Nigel Griffiths: The Joint Committee of the Commons and Lords is looking at that at the moment and taking evidence, and there are no handcuffs on that Committee. As well as being an all-party Committee it contains Members of both Houses, and it is probably taken for granted that the starting point consists of the present procedures and conventions, but its members will have their views on how much, if at all, those procedures and conventions need to be updated and properly codified. That is what the Committee is doing, and I hope that, as it has done to date, it will continue to reach consensus as it moves through the programme.

The proposal to reduce the powers of the Lords comes, I believe, from a consensus in this place as we contemplate perhaps making the Lords more legitimate. At the moment we are not considering reducing its powers—that is something that would have to flow from debate, and there may be areas where there is consensus that its powers should be strengthened. We have no fixed view on it—we want a consensus from Members on how to proceed so that it is open for the Lords to reject Bills and to propose amendments, and so that the Parliament Acts are invoked only if necessary. The period of delay, for instance, would remain unchanged under the Parliament Acts.

The scrutiny of legislation was touched on by the hon. Member for North-East Hertfordshire (Mr. Heald). It is important to note that this House spends a great deal of time scrutinising legislation—in fact, considerably more than the other place. During the 2002-03 Session, there were more than 1,100 hours of scrutiny of Bills in Committee as opposed to some 812 in the other place. We should not undervalue the work that we do here.

John Bercow: I apologise for the fact that I do not have 100 per cent. recall of the voting record of the Deputy Leader of the House. I recognise that peccadillo and shall endeavour to address it. Can he refresh my memory by telling me how he voted in February 2003 and give some indication beyond the important profession of support for motherhood and apple pie that he has so far articulated as to where his own preference lies?

Nigel Griffiths: I can confirm that I voted aye in every Division. I am in a good position to appreciate the consensus that I believe can be reached on the issue.

Chris Bryant: To correct my hon. Friend, he did not vote aye in every Division but in every Division in favour of the democratic option.

Nigel Griffiths: I am grateful to my hon. Friend for that intervention. I do not have *Hansard* in front of me, but there were a large number of votes and my record stands there.

John Bercow: Splendid.

Nigel Griffiths: I am grateful for that support. Of course, I am not sure whether the strong views that the hon. Gentleman articulated will emerge as the consensus. He strongly supports the 70 per cent. elected, 30 per cent. appointed option, slashing the number of Members of the House of Lords to something more like the Italian model of 300 or 350, and a longer term of 12 to 14 years. I do not know whether that will come about, but one thing I do know is that no one will articulate the argument more forcefully than he if the House has a chance to vote on the issue and if that option emerges as one of the possible consensus views.

I hope that this debate has reassured hon. Members of all parties that the Government are open-minded on the issue, and that we are at one with the House in seeking to achieve reform of the House of Lords by consensus and as quickly as possible. I thank all right hon. and hon. Members who are taking part in the Joint Committee. It is doing the initial preparatory work within its sphere very well. Like other hon. Members, I look forward to its report and to future entertaining and lively debates such as this one.

Mr. Heald: Will the hon. Gentleman agree that it is necessary to consider how the Commons responds to the Lords to ensure that we in this House are doing everything that we can to make what they do effective?

Nigel Griffiths: Yes. I noticed that the model that the hon. Gentleman advocates appears to be more like the French model, in which local councillors get together in their regions and cantons and nominate people for the Senate. He suggested that counties might perform the same function.

Mr. Heald: First past the post.

Nigel Griffiths: The electoral system might be different, but it is interesting to look at models in other countries as I and all hon. Members have. As far as I can see, there is no directly comparable model, and all of them have evolved over time. I hope that we do not have to wait as long for the next stage of House of Lords reform as we had to wait for the last one, less than a decade ago.

Northern Uganda

11 am

James Duddridge (Rochford and Southend, East) (Con): Uganda is a beautiful country that I had the great privilege to visit in 2003 for just over a month. I was there in a personal capacity, but while there met the US ambassador, and a number of people from the British embassy, the United States Agency for International Development and other organisations.

The debate is incredibly important, and I am glad to be joined by a number of hon. Friends, and particularly the hon. Member for Stroud (Mr. Drew), whose early-day motion is excellent; I have signed it, and look forward to his contribution.

The United Nations Under-Secretary General for Humanitarian Affairs, Mr. Jan Egeland, described the war in northern Uganda as

"the biggest forgotten, neglected humanitarian emergency in the world today. This is not a war where the civilian population is affected through collateral damage; it is a war targeting the civilian population, and especially children".

Furthermore, Refugees International described the humanitarian response as "weak" and "failing".

The conflict in northern Uganda is a critical issue, but not the only problem that Uganda faces. There are problems with democracy and basic governance that I also wish to touch on.

For 20 years, Joseph Kony and the Lord's Resistance Army have caused massive problems and civil unrest in northern Uganda. Between 1.4 million and 2 million people, depending on which source is quoted, have been displaced by the war in northern Uganda.

According to the Civil Society Organisations for Peace in Northern Uganda, every day more than 130 people die in the area as a result of violence and poor conditions, particularly in the camps. Other reliable sources quote an even higher figure of more than 1,000 per week.

Those atrocities are a direct result of the activities of some 500 to 1,500 members of the Lord's Resistance Army. Will the Minister update us on his current assessment of the number of active combatants in the Lord's Resistance Army? In my research I found a lot of contradictory information.

Although the debate is entitled, "Northern Uganda", it is more of a regional conflict. It is as much a conflict in the east of the Democratic Republic of Congo and southern Sudan. We need to see the region as a whole. Worryingly, attacks in the Lira and Adjumani districts have demonstrated an expansion of the problems in northern Uganda.

The problem of internally displaced people in the area is critical. Twenty years ago, some of the first temporary camps were set up. Now there are some 200 camps. Despite good work, aid workers and embassy officials have said that the camps are poorly managed with basic conditions. As the camps are temporary, there are debates about whether we should be putting in generators and long-term resources. Aid organisations do not want to encourage people to go to them.

The Minister for the Middle East (Dr. Kim Howells): That was a fascinating insight. Will the hon. Gentleman kindly tell us what was his assessment of those camps when he visited them?

James Duddridge: If the Minister will allow me, I shall come to that assessment later. I actually visited southern Uganda. It was too dangerous to travel to the camps, but I spoke to a number of people who worked there and a number of parliamentarians who had visited Gulu. With his permission, I shall come to that later.

More than 90 per cent. of the Acholi people are now in those camps. Some 70 per cent. of them have no income whatever and 95 per cent. are in absolute poverty. The Ugandan People's Defence Force makes the situation worse. Back in 2002, it said that any Acholi people not in the camps would be considered collaborators with the Lord's Resistance Army. That forced people from their own land and into the camps, where they are less able to look after themselves.

In 2005, a Commonwealth Parliamentary Association delegation visited Uganda, and specifically the Gulu camp, where about 30,000 residents were situated in appalling conditions. My hon. Friends the Members for Monmouth (David T.C. Davies) and for The Wrekin (Mark Pritchard) have alerted me to the additional problem of so-called night commuters. Some 40,000 people travel more than 10 km into the camps or towns so that they are at less risk of abduction. That is not at no risk, however, because the Ugandan People's Defence Force does not adequately police internally displaced people in the camps; they are subject to raids and the women are taken as the so-called wives of soldiers and then raped.

Mark Simmonds (Boston and Skegness) (Con): My hon. Friend will be aware that I have visited Gulu and the displaced people's camps there. I wonder whether he is aware that the recently increasing number of night commuters, particularly those going to Gulu, are being abused by many of the people in the town, who commit atrocities. Yet the night commuters come to the towns to sleep safely at night and to avoid being abducted by the Lord's Resistance Army in the rural parts of northern Uganda.

James Duddridge: I thank my hon. Friend for that intervention. I was aware of that, and of the inadequate response by the international community and the Ugandan Government. It is a very real problem. I have spoken on the question of aid to senior diplomats in Uganda who have recent experience there, and they feel that our Government are not putting enough pressure on the Ugandan Government.

Although the split between the Department for International Development and the Foreign and Commonwealth Office is helpful from the United Kingdom perspective—it provides two representatives at the Cabinet table—it is unhelpful in dealing with situations such as the conflict in northern Uganda. Splitting trade and aid was historically correct, however, and a strong case can be made for using aid as a bargaining tool for reform.

I congratulate the Government on transferring £15 million of aid to the north, on ring-fencing £5 million and holding it back until after the elections, and on working with Sweden and the Netherlands to get them to do something similar. However, more should be leveraged. The aid should be more conditional, and we need a clear programme of agreed action to which the Ugandan Government can agree. The conflict has simply gone on far too long. People tell me that the Government have been asked too many times for one last pay cheque. In 1997, the Government were told that with one final push from Museveni, the problem would be solved. We are still in exactly the same position.

A number of aid organisations have urged the Government to work more closely with the some of the smaller aid organisations rather than rely on the World Food Programme, and I shall be particularly interested if the Minister will update us on the relationship between Save the Children and what is happening in northern Uganda. Several aid organisations have complained to me about the lack of protection offered to them. The Ugandan Government have withdrawn protection from aid convoys, which means that fewer are able to get to the area.

The Mildmay hospital in Kampala, which I have visited, has offices in my constituency. It deals with AIDS orphans, and other AIDS work. It would like to do more in the north, but it cannot do so for security reasons. I fear that many other organisations are unable to get involved in helping with the humanitarian crisis in the north because of poor security.

I said that I would touch on the subject of governance. All too often, Uganda has been seen as having strong governance. Put simply, it has been the best of a bad bunch; we have struggled to find beacon examples of good governance there. Problems with governance in Uganda directly affect the situation in northern Uganda. In my view, multi-party democracy has been a sham. Extending the presidential term and imprisoning Kissa Besigye on trumped-up charges of rape during most of the election meant that the elections were not fair or free. The actions of Museveni and his troops in the civil war in the Democratic Republic of the Congo show further poor governance; getting involved in a civil war in a neighbouring country has resulted in the withdrawal of technical assistance by the United States Government.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): My hon. Friend makes a cogent case. Is he aware that the Government give aid to Uganda worth £478 million? Does he not feel that that aid should be more closely tied to specific targets in order to establish better government and to bring an end to the war by the national resistance council in northern Uganda?

James Duddridge: I was unaware of the exact figure, and I am astounded by the large amount of aid that is given. I agree with my hon. Friend that it should be tied to direct results. We should use the Commonwealth Heads of Government meeting in Kampala in 2007 and the preparations for it to put further pressure on Museveni. I personally believe that it is inappropriate for the Prime Minister to attend such a meeting in Kampala, given the state of the conflict in northern Uganda at the moment. We should do more to support the African Union in peer group review and the United Nations in Uganda.

A number of people have asked me whether I believe that Museveni is committed to the process. As the facts stack up, I must admit that I cannot agree with Lord Triesman, who believes that Museveni is committed to it. There has been long-standing conflict between north

and south, dating back to the time of Milton Obote and Idi Amin, and that is still very much the case today.

A senior diplomat, on accepting a posting to northern Uganda, told a Minister that he was going further north to find out more about the problem and was asked by the Minister, "Why are you going to see those primitive people?" There is fundamental and underlying conflict between the current Government in the south, and the north and the Acholi people. The International Crisis Group believes that the army is strong enough to sort the problem out, but corruption, abusive behaviour, poor organisation and equipment shortages have meant that it is unable to deal with the Lord's Resistance Army.

I note from briefing documents that in 2003 the British Government paid for a defence review to see whether the Uganda People's Defence Force was up to the job, and put in place a plan so that it would be up to the job. I would be interested if the Minister could update us on that. I know that it is quite some time ago. What is the gap between the needs identified by the 2003 defence review that the British Government paid for and where we are now? What still needs to be done?

I was confused by a report sent to me in preparation for the debate that the Lord's Resistance Army strategist Kenneth Banya and spokesman Sam Kolo now work for Museveni, and that they did so as campaign managers in the July 2005 referendum and the subsequent election. It would be greatly appreciated if the Minister could shed any light on that in this debate or perhaps in writing.

We need to prioritise this issue much more heavily. We need to press UN Security Council resolution 1663 to put in place a UN special envoy. I would be grateful if the Minister could update hon. Members on progress towards appointing a special envoy.

I am also confused about the role of the International Criminal Court. Kony and his key lieutenants were indicted in October 2005. However, a number of people have been sympathetic to allowing him to negotiate without fear of arrest. The Government position has been to arrest at all costs, yet elsewhere, in Sierra Leone and Angola, a process of negotiation has been quite successful. I do not take a view on that myself, but I would welcome the Minister's comments, particularly given that the Sudanese Government have allegedly handed over money to Kony to enter negotiations, although we may be talking simply about a delaying tactic whereby he returns to the bush, re-arms and then comes out.

I am interested to hear what preparations the British Government have made in supporting the Ugandan Government in planning for the end of the war—the war will come to an end. I am talking about planning that goes beyond simply feeding the nation but includes mental health issues, truth and reconciliation and rebuilding civil society, so that when Museveni or a successor does take a leap into genuine multi-party democracy, there is a fabric of civil society in northern Uganda to support that.

We need a clear timetable for change. We need to make aid conditional on action and better governance in Uganda. We need to speed up the delivery of the UN envoy. This crisis has gone on far too long. I call on the Government to do more and to do it faster.

11.14 am

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate the hon. Member for Rochford and Southend, East (James Duddridge) on raising this very important issue at this time. I declare my interest, no doubt along with the hon. Members for Boston and Skegness (Mark Simmonds) and for Rochdale (Paul Rowen) and my hon. Friend the Member for Waveney (Mr. Blizzard). Although my hon. Friend is not here, I know that he is here in spirit. We made a visit as guests of the Northern Uganda Advocacy Partnership for Peace, which is a bit of a mouthful. We were there, largely at the instigation of Christian Aid, 18 months or so ago. We visited a number of places. I know that other hon. Members will talk in detail about that visit. I do not want to say much about it.

I want to comment on the bizarre situation whereby both Kony and Otti turned up in Juba at the end of May. As I chair the all-party Sudan group, I know something of the politics of Sudan. They were met by Riek Machar, vice-president of the South Sudan Government. All I have is the report of 25 May from *The Monitor*, a newspaper based in Kampala. It may all be fabrication, but it would be useful to know from my hon. Friend the Minister, who takes a close interest in that part of the world, exactly what went on. If what is said to have gone on did go on, it is nothing less than a scandal. The fact that Kony and Otti were in the same place would suggest that they had absolute guarantees about their safety. These are not ordinary people or just political leaders. It is the equivalent of Pol Pot arriving in Beijing and saying, "Here I am, chaps. Fête me. Give me some money. Let me go back and carry on slaughtering the people of Cambodia." It is the equivalent of Hitler turning up in London and saying, "It's all a myth. I haven't killed any Jews at all. I am really someone you can do business with." Kony and Otti are trained killers. In the past 20 years, they have carried out the most heinous of crimes. The trouble is that the situation is so bad that we cannot really believe what is said about the Lord's Resistance Army.

It would be useful to get some clarity from my hon. Friend on two issues. First, did Kony, Otti and others turn up in Juba? What happened? Was money handed over? They are—or were—the enemies of the Sudan People's Liberation Army for much of the time that the conflict with the north was taking place, because the Lord's Resistance Army was a useful device for the Government in Khartoum to cause problems in southern Sudan. Secondly, as the hon. Gentleman rightly said, what is the status of the International Criminal Court? These people have warrants out on them, served at a time when the three of us were in Uganda, and there were some arguments about that. There were issues to do with whether it was a ploy or keeping in bed with Museveni.

Was it realistic to pursue that as an option, given that, as far as we knew, Kony had not come out of the bush for 20 years, despite the fact that his legacy and his mysticism went before all? If he turned up in Juba, somebody should have arrested him. It is an international and not just a national outrage. If the Government in Juba—I hope to visit them later this year—are serious about joining the international community, we must ask what they were doing. At the

[Mr. David Drew]

least, what were they doing in getting publicity about their actions? I want some clarity on that.

The situation is desperate. It gets more and more desperate by the year because, as the hon. Gentleman said, there have now been 20 years of people being in camps. When we visited the camps and Gulu town and saw the night commuters, it was probably the most moving thing I have ever seen. We saw all these children coming in nightly who have no future other than trying to protect themselves from the LRA.

The other side of the matter is that—I speak for myself and not for the others in the party that visited Uganda—there is no doubt that the Government in Kampala are complicit. They have paid little attention to the question of how to find a settlement to the conflict. There are those—I should include myself among them—who would say that that Government, under Museveni, have used the opportunity provided by the fact that people are in the camps to enable them not necessarily to carry out ethnic cleansing but to exert pressure on the Acholi people. That is completely disreputable and unfair and it should be resolved as a matter of urgency. It can be resolved only if the rest of the world puts real pressure on President Museveni. I heard him lecture us on three occasions, both in Uganda and on a visit to this country shortly after we met him in Kampala, and the message that he has got is that the world supports him in trying to bring justice by capturing the LRA. He has been uniquely unsuccessful in what he has done, but a side effect, as the hon. Gentleman said, is that people have been in camps for 20 years, living in the most awful circumstances, which have been getting worse by the year.

I want to finish on a more optimistic note. What struck all of us was the degree of hope among the Acholi people. They do not just speak the language of reconciliation: they genuinely believe in it. They have reassimilated in a most amazing way young people who were abducted by the LRA. What is happening does cause tensions. We met the mother of one of the girls who were and abducted and taken as a bride by Sam Kolo. It is difficult for someone living in the settlement of Gulu who knows that their daughter's abductor is living in grace and favour accommodation supplied by the Kampala Government and is now being employed as an adviser to President Museveni—I did not know that before the hon. Gentleman said it. Such things push tolerance to the ultimate, yet the Acholi are an amazing people who want peace and forgiveness and are prepared to use the mechanism of reconciliation to bring people back and return them to their society, so that they will have a future along with the people who suffer through remaining in the camps.

I ask my hon. Friend the Minister what our policy is now on Uganda—not just northern Uganda. My hon. Friend the Member for Sunderland, South (Mr. Mullin) was an election monitor in the election that was fought largely between the now re-elected President Museveni and Kizza Besigye. My hon. Friend felt that the election was, on the whole, fair, but that the problem was the lead-up to it. Locking up one's main opponent is, with the best will in the world, a statement about what one thinks of the electoral possibilities. It certainly held in some contempt those who did not want to vote for President Museveni. Of course, if the figures are to be believed, he largely lost the north, Acholi land, where Besigye had his power base. That adds to the feeling that the conflict is very much a regional one, if not a tribal one.

The British Government have an awful lot to do. They must get the international community to remain engaged with the issue. To be fair to my right hon. Friend the Secretary of State for International Development, we have stayed engaged with Sudan, and I congratulate the Government wholeheartedly on what we have done in trying to bring peace to Darfur. It is a rocky road that we are walking, but we are trying hard there. Sadly, the United States Assistant Secretary of State has just lost his job—but that is another matter. We have not, perhaps, stayed so engaged with northern Uganda. The international community has certainly not been as engaged as it could have been; if it had been, the tragedy of the past 20 years would not be continuing today.

I hope that my hon. Friend the Minister will hear the plaintive pleas from Labour Members, and I am sure that others will fill him in on the details of our visit and explain what has happened since. Things have to happen. We must deal with the Lord's Resistance Army, which must be decapitated, in the nicest possible way. We must also make the President of Uganda understand that what he has condoned has gone on for far too long. He must bring the people of northern Uganda back into the wider populace so that the country has a future.

11.26 am

Paul Rowen (Rochdale) (LD): I congratulate the hon. Member for Rochford and Southend, East (James Duddridge) on securing the debate and the hon. Member for Stroud (Mr. Drew) on his telling remarks.

As many people have said, Uganda is a beautiful country; indeed, Churchill described it as the pearl of Africa. I have travelled around Uganda on many occasions, and one can do so peacefully and safely, unlike in many other African countries. There is an air of prosperity about the place, although 20 years ago, after Idi Amin and Obote, it was in a shambles. The current President has done a remarkable job of reconstructing Uganda and bringing about prosperity.

However, the same cannot be said for northern Uganda. If we go back 20 years to the origins of the conflict, we can perhaps see why northern Uganda is neglected and is in its present state. The army of Idi Amin and Milton Obote—their power base—was from northern Uganda, and it is not unsurprising that Museveni was suspicious when he took over about what would happen in the north. Indeed, at the time, the Lord's Resistance Army, which grew from the earlier Alice Lakwena group, had much more popular support among the Acholi people than it does today.

From 1996, when the LRA was at its zenith, people, including children, were being abducted, and a solution was needed to protect the vast majority of the population, but that does not excuse the current situation. I am not old enough to have seen what happened in concentration camps during the second world war, but several of us went to Uganda in October, and the camps that we saw can be described as concentration camps. People are

kept against their will and not allowed to travel freely around the country, and 900 of them die every week because of the conditions. That cannot be tolerated in a country that is supposed to be an example to the rest of Africa.

My colleagues and I saw the night commuters. As the hon. Member for Stroud said, it is very moving, as dusk falls, to see barefoot children on their way to sleep on a concrete floor. The shelters provided and run by many charities are not luxurious; they are there simply to provide protection. Indeed, one of the organisers we spoke to was at pains to say that the facility he was providing was not intended to keep the children there, and that they should be with their families.

When we flew to Gulu, we saw what had happened. It had been prosperous and had grown and exported its own cotton, but we saw empty silos, which were no longer used—we saw a place that was stagnating. We talked to the Churches group, led by Churches of all religions that have worked together to try to bring about peace and reconciliation. We met the Acholi chief, who described the breakdown in traditional systems of working because people had been in the camp so long that they forgot the basics about farming and what they needed to do to make their own living.

We talked to the director of the United Nations High Commissioner for Refugees, and we saw the potential shortfall in the amount of food aid that was available. The area is one in which two crops can be planted a year and food grows of its own accord. It is ridiculous that people are unable to go outside the camp for fear of being abducted.

As the hon. Member for Stroud said, while we were there the International Criminal Court issued its indictments against Kony and Otti, and the number four in the Lord's Resistance Army was captured and killed. The Acholi people have one abiding wish, which is to be allowed to go back home and to farm their own land. If we have a responsibility to deal with anything in that conflict, we have to ensure that those people are allowed to go back home.

The hon. Member for Stroud mentioned the meeting of Otti and Kony in Juba. It is ridiculous—an insult, in my view—when an ICC indictment is out that those people can be allowed to move around, if that is true, so freely. The international community has a responsibility to deal with the conflicts. We have two UN Security Council resolutions outstanding and the Secretary-General is due to report to the Council on the way forward.

On the whole, Uganda has had peaceful elections. Yes, certain parts of the country did not vote for the President, and the leader of the opposition was arrested, but compared with what happens in most other African countries it was peaceful. There is now an all-party system in the Ugandan Parliament. Indeed, one of our meetings was with an all-party group in that Parliament that wants to bring about a resolution of the conflict.

I put it to the Minister that President Museveni has secured his place in the history of his country and brought about a peaceful transition to an all-party system, but the one part of that country that is still not at peace and is an outstanding relic of past conflict is northern Uganda. The Acholi people want peace, and it is incumbent on the Ugandan Government to bring it about. The UK, through the Department for International Development, has played a major role in assisting the area. Hon. Members have mentioned the fact that we have tied some of the aid that has been given to Uganda to specific outcomes. We need to do more of that. If we are giving almost half a billion pounds a year to the Ugandan Government, we need to say clearly that we wish to see plans drawn up for the peaceful resettlement of the Acholi people.

It was moving to speak to a mother whose daughter had disappeared for almost 10 years and who came out of the bush with two children. Those children did not know how to go into the house and could not sleep there for the first two weeks—they had never been in a house. If that woman can reconcile herself and her family to some of the LRA combatants, considering some of the atrocities that have been committed against them, the Ugandan Government need to find within themselves a way to bring about a settlement. The international community has a responsibility and the UK Government, as a leading aid giver, can and should play a role. President Museveni has his place in history. Now he needs to demonstrate to the world that he is not above peace, but can move forward and bring peace to the final part of his country that is still at war.

11.35 am

Mark Simmonds (Boston and Skegness) (Con): I congratulate my hon. Friend the Member for Rochford and Southend, East (James Duddridge) on securing this important debate and on the excellent way in which he articulated the main issues. May I clarify the exchange between my hon. Friends the Members for Cotswold (Mr. Clifton-Brown) and for Rochford and Southend, East? It is not the policy of this side of the House to reintroduce tied aid, but we support the enforcement of the criteria that are necessary to ensure that British taxpayers' money is used effectively and efficiently and for the purpose for which it is intended.

I shall not repeat what others have said, but I, too, visited northern Uganda, the town of Gulu and the displaced people's camps last October with the hon. Members for Stroud (Mr. Drew) and for Rochdale (Paul Rowen). I was deeply depressed and, indeed, horrified by what I saw. In the course of my shadow international development responsibilities I travel to some appalling camps in which people attempt to live, to thrive and to survive. However, I had never in all my travels seen the sort of deprivation that exists in the displaced people's camps in northern Uganda.

There is limited education—the school for the camp that we visited was on the edge of the camp and it was not safe for the children to be educated there—and some 250,000 children in northern Uganda receive none at all, despite the progress that President Museveni has made elsewhere in the country to ensure that education is provided, particularly for primary school girls. There was also appalling and atrocious health care provision: HIV/AIDS was prevalent, with little if any access to anti-retroviral drugs, and so was malaria. Up to 40 per cent. of the population of many of the camps have malaria, with no access even to simple things such as malaria bed nets.

[Mark Simmonds]

In the camp that we visited, Koch Goma, there were 17,500 people. During the last full year prior to our visit in 2004, more than 1,000 people had been abducted and 354 had been killed. It is completely false for the Government of Uganda to claim that the conflict is nearing an end. We met the President while we were there, and he assured us that that was so, and that the Acholi people and others would be able to return to their lands. Subsequent announcements have been made, but going by my experience, that is not the case; an enormous amount still needs to be done to resolve the conflict, and I shall come to that later.

The really depressing thing about the camps, which is almost unique, is that there was no sense of any economic activity taking place. Nobody could generate a living because, as the hon. Member for Rochdale rightly said, there was limited access and ability to move. There was no way in which anybody could take products to a market, and people could not generate any money to provide for their families. When all those factors are combined, there are some terrible statistics. The infant mortality rate in the camps is the highest in the world. Each month up to 3,500 people die from preventable disease and extreme violence. The crude mortality rates are three times higher than those that were recorded in Darfur in 2005. The international community and the Government of Uganda should be ashamed of those statistics.

The hon. Member for Rochdale was right to try to provide a balance. Given Uganda's terrible history since independence, President Museveni has made some progress in the rest of the country: inflation fell from 155 per cent. in 1985 to 5 per cent. in 2004, and the percentage of people living in poverty in the whole of Uganda declined from 56 per cent. in 1992 to 37 per cent. in 2003. Significant progress has also been made in economic growth and in education. Significant progress had been made in combating HIV/AIDS. Sadly, that is being reversed as abstinence becomes more prevalent as a method of attempting to prevent its spread. In my view, backed by some stark statistics, that is not proving to be the right approach.

It also needs to be said that it is not just the Lord's Resistance Army that the displaced people are afraid of. We learned when visiting the camps that they are almost as afraid of the Ugandan army, which is perpetrating some appalling atrocities with impunity, whether it be beatings, rape or, as is rumoured, killings. The Government of Uganda could and should be doing much more about that.

I am deeply concerned about the attacks on non-governmental organisation workers in the region, which are one of the reasons why many food convoys are no longer protected as they try to deliver humanitarian aid to the camps. The Minister will be aware that there has been a clampdown on NGO activity since the re-election of President Museveni. Indeed, in the report by Senator Richard Lugar, the Chairman of the Foreign Relations Committee of the United States Senate, Uganda is classified as severely restricting the operations of NGOs, not just in advocacy work but in delivering much-needed humanitarian aid to parts of northern Uganda. I will be interested to hear the Minister's comments on that.

Like the hon. Members for Stroud and for Rochdale, I was deeply moved by the night commuters. I am the father of three young children. I set my alarm—not that it needed setting with the party that was going on next door to the hotel we stayed in at Gulu—and rose at 5.36 in the morning to see the children leave Gulu to return to their homes, often as far as 17 km away. It was extraordinarily emotive to see children as young as two walking barefoot in that great sea of humanity, which leaves the rural areas purely in the hope of protection overnight. As the hon. Member for Rochdale said, no food is provided, as there would then be no requirement for them to go back to their homes.

The number of children involved is significant. Again, the figure varies depending on which briefing one reads, which NGO one listens to or which Government statistics one believes, but up to 40,000 children move from the rural areas into Gulu and other urban centres for protection, again without the necessary impact of and input from the Ugandan Government. One of the questions that I asked President Museveni when we met in Kampala was whether it was the first duty of any Government to protect their citizens. Based on the time that I spent there, that clearly was not happening. Needless to say, the President did not agree with my view.

As we have seen, a danger with the conflict in northern Uganda is that it is spilling over into Sudan and the Democratic Republic of Congo. There is an explicit threat to peace and security in the region unless the international community through the United Nations gets a grip on the problem. Any regional conflict or extension of the problems will undermine peace efforts and could destabilise the whole region, particularly in the context of the resources that are available in Congo, which are of great interest to many of the armed forces from the neighbouring countries.

The international community needs to do far more. I was as pleased as everybody else that in UN Security Council resolutions 1653 and 1663 for the first time northern Uganda was discussed by the Security Council. I urge the Minister and the Government to work closely not just with the United Nations, not just bilaterally with the Ugandan Government but with local and regional organisations such as the African Union to ensure the shift of focus that is required for the provision of security for the people of northern Uganda.

I would welcome the Minister's views on whether the UK Government support the provision of a special envoy, whether they support the provision of a resident co-ordinator and whether they support the UN's candidate. Does the Minister agree that Betty Bigombe could play a significant role, as she has attempted to do in the past, especially in 1994, 1995 and 2005, in view of the necessity to re-engage not with those who have International Criminal Court warrants against them—if I may, I shall return to that later, Mr. Weir—but with those who were abducted and forced to perpetrate appalling atrocities? Does he agree that they must be assimilated into the communities wherever possible?

One of the most extraordinary meetings we had when we were in northern Uganda was with the mothers of boys and girls who were abducted from the camps at a very young age and who then either ran away or were successfully recaptured from the LRA.

Many of the girls had been repeatedly raped or had had children by the LRA commanders, but none the less they were brought back into their communities and families—although, as Members can imagine, that was not an easy process, but involved an extraordinary process of forgiveness and of rebuilding of bridges despite the atrocities that had taken place.

On humanitarian aid, the Secretary of State was right to reassess and reallocate some Department for International Development aid from direct budgetary support to the Ugandan Government to humanitarian aid in northern Uganda. There was a feeling from civil society leaders on the ground in northern Uganda that, rather than direct budgetary support all going to the Ugandan Government, some of the money should go to local government in northern Uganda to enable it to control where the money is spent. They certainly had the feeling that they were not getting their fair share of resources from the Ugandan Government—whether in the form of receipts from Ugandan economic activity or from the international donor community.

The Minister may not be able to address my next point, but I should be grateful if he would arrange for one of his colleagues in the Department for International Development to consider it. Given the way in which the Ugandan Government are moving, and the crackdown, the unfair build-up to the election and the issues in northern Uganda, does the Minister feel that further conditions and criteria are required for the aid that we give to the Ugandan Government?

I am sure that the Front Benchers want to speak and I have just two other key points before I wind up, the first of which concerns the International Criminal Court. I welcomed the announcement on 2 June that Interpol had issued warrants in relation to five Ugandan war suspects. The ICC made that announcement while we were in Uganda and it caused a lot of consternation, particularly among the NGO communities, because they felt that the LRA would take things out on the community—especially in displaced people's camps. Does the Minister believe that the ICC is an effective instrument in obtaining justice and do the UK Government support the ICC warrants? The Minister will be aware, as will all Members, that the ICC does not have the mechanisms and resources to make the arrests itself, so what support is he giving to the countries around Uganda and in Uganda itself to ensure that the indicted leaders of the LRA are arrested? It was absolutely clear from the leaders and from the normal people in the displaced people's camps with whom we spoke that they will not return to the homelands and farms until Kony is, at the very least, behind bars and arrested. Even when we asked them whether they would return when Kony is arrested or no longer in Uganda, they said that they would do so only when the Ugandan army is not around.

The other problem in Uganda is the enormous flow of small arms and weapons around the country. There are estimates of up to 950,000 small arms, and that is a major factor in the violent insecurity, particularly in the north. The Ugandan Government have progressed in implementing both the UN programme to eradicate small arms and light weapons and the Nairobi protocol, but will the Minister comment on the support that the UK Government are giving to the international community as well as to the Ugandan Government to ensure that the minimum amount of small arms is in circulation there, especially in relation to transfer controls? If there is to be a permanent resolution to the 20-year-old conflict in northern Uganda it is essential that there be disarmament, demobilisation, reintegration and rehabilitation programmes to enable people who have been in conflict for so long to attempt to live in harmony.

The northern Ugandan conflict was until recently a forgotten one. There are appalling conditions in the camps there, and unimaginable atrocities have been perpetrated by the LRA. The international community needs to co-ordinate its attention in order to achieve a satisfactory solution to the terrible problems. In my view, the following must happen to ensure that that is the case. Those who have been indicted by the International Criminal Court need to be apprehended. An agreement needs to be facilitated by the international community for communal regional action plans between Congo, Sudan and Uganda. There needs to be protection for civilians and punishment for Ugandan soldiers, who do not behave in the way we expect of people in the armed forces. There needs to be a comprehensive dialogue between the United Nations, hopefully involving Betty Bigombe, who has experience in that matter.

A significant disarmament, demobilisation and reintegration programme is needed, and donors should co-ordinate the development of such a major initiative. There needs to be a significant focus on delivering humanitarian aid—and I do not mean only food; we must also improve education, health and economic activity for the nearly 2 million people who live in more than 200 camps. We must also ensure that the United Nations Security Council does not take its eye off the ball and allow the Government of Uganda, if it so chose, to try to deflect the international community from focusing on the resolution of the conflict in northern Uganda.

I agree with the hon. Member for Rochdale that President Museveni has made significant progress in the southern part of Uganda, and he should be congratulated on that. If he is to leave a positive legacy for the whole of Uganda before he retires, he should focus on finding a satisfactory and permanent solution to the terrible conflict that still rages in northern Uganda.

11.51 am

Mr. Jeremy Browne (Taunton) (LD): I congratulate the hon. Member for Rochford and Southend, East (James Duddridge) on securing this debate. I have had the good fortune to be able to participate in a number of foreign affairs debates in the Chamber. As often happens in such debates, I am preceded by hon. Members who have a great deal of expertise and authority on the subject; that has certainly been the case today. All three of the preceding speakers, who were on the recent all-party trip to Uganda, brought back with them an informative and well-rounded set of views and opinions, and I am sure that the Minister will wish to respond to them at length.

It was good to have the opportunity to read the all-party parliamentary group paper on the great lakes region and genocide prevention, which I am sure the Minister and officials at the Foreign Office have consumed with the seriousness that it warrants. The report draws attention to the bare statistics of the

[Mr. Jeremy Browne]

situation in northern Uganda—the fact that close to 2 million people have been displaced and that several thousands have been killed—and to the sense of lawlessness and squalor about which hon. Members have spoken so eloquently. As a result, our debate serves an immediate purpose; it draws the attention of the House, of officials in the Foreign Office and, most important, of Ministers to that part of the world and the situation faced by the people there.

I am keen for the Minister to address a number of points. The first concerns the military dimension. I was interested to read a report by the International Crisis Group. On the effectiveness of the Ugandan army, it states:

> "The Ugandan army has more than twenty times the LRA's manpower in northern Uganda but its efforts to apprehend the suspects or defeat the insurgency are hindered by corruption, abusive behaviour, poor organisation, and lack of equipment."

I draw that to the attention of the House because we all agree that defeating the LRA is of prime importance if the situation is to be resolved. However, we must be cautious about putting too much faith in an army with such characteristics. I would be interested to hear the Minister's thoughts on whether the United Kingdom could offer practical assistance to Ugandans on making the army and its military capacity more effective. If we want the arrest of the principal leaders of the LRA but do not want directly to intervene in military terms—I think that most people would concur with both those aims—it is in our interest to ensure that the Ugandan army operates effectively, and is not subject to the abuses that were touched on by the hon. Member for Boston and Skegness (Mark Simmonds).

Secondly, I should be interested to know the Minister's thoughts on working with NGOs. The hon. Member for Rochford and Southend, East touched on the point. What useful co-operation and co-ordination do the United Kingdom Government have with NGOs in the area, what do we learn from them, and how does that inform our policy? Also, how can they help us practically to implement our policies on the ground?

Thirdly, I have concerns about remarks that have been made in the debate about trade and aid. It seems eminently reasonable to say that aid should be linked to a set of clear objectives. After all, the money concerned has been raised from the British taxpayer; it is only reasonable that there should be accountability in all allocation and spending of money raised by the British Government. However—this is another point on which the hon. Member for Boston and Skegness touched—it is not always as straightforward as that, partly because of the danger of creating dependency on the part of the recipient country. It seems strange to urge systems of democracy on to countries and then to be very prescriptive about what may be done by the democratically elected politicians, who may even, during the election campaign, have claimed to want to do the opposite. There is an inevitable conflict in policy in that respect.

Another danger concerns what should be done if the recipient country does not carry out our wishes as accurately or diligently as we should want. The danger in punishing that by withdrawing the aid is that many of the people who are suffering the most, and for whom the aid was originally intended, no longer get whatever was coming their way, albeit inadequately, before. There are problems with that approach, and it is not a straightforward matter of creating an absolute link, although that might be desirable in an ideal world.

I should be interested in the Minister's thoughts on how better to provide assistance through aid, particularly in the light of earlier comments in the debate about the circumstances in which people are living in the camps of northern Uganda. If there was ever a case for our using aid for humanitarian relief, this is it. No doubt hon. Members on both sides of the House welcome the fact that the British Government have identified the part of the world that we are discussing as a financial priority, and are acting accordingly.

I have two other points to make. One is about good governance and elections. MPs of all parties always welcome elections as a good thing per se; that is taken as a statement of the obvious. I concur with that, and want people around the world to live in freedom, whether that means freedom of speech, free elections under the rule of law or any of the other characteristics that one would associate with a liberal society. However, I have one cautionary note to sound. We in this House are often guilty of the mistake of thinking that if something looks like a system that we are familiar with in western Europe we are 90 per cent. of the way down the road. Living in a liberal, free, open and democratic society is more complicated than holding periodic elections.

There is a need for properly developed political parties representing coherent ideological strands, so that people have proper choices and are not just voting for someone of the same ethnicity, tribe or geographic region. There must be some sense of accountability for the decisions that are made. People need to succeed electorally if they are to succeed politically, and, conversely, bad politicians need to be seen by the public to lose office if they make mistakes. Many of the processes that underpin democracy take time to establish; they are by their nature rather laborious to set up. One of the ways in which this country could most effectively support parts of the world that do not enjoy a tradition of democracy is to try to assist those mechanical processes. For instance, all political parties in this House send people to other parts of the world to provide advice and thoughts on campaigning and drawing up manifestos. Those features of democracy are important.

I am dwelling on that point at some length because an ongoing, stable and democratic settlement in Uganda is in everybody's interest. Interestingly, opinions have varied during this debate. The hon. Member for Rochford and Southend, East expressed scepticism about how effective the elections were, whereas others have been complimentary about that process in Uganda as a whole. However, I think that we can all agree that it is in Uganda's interest for that process to be embedded and strengthened. I would be interested to hear the Minister's thoughts.

Finally, because we are the United Kingdom Parliament, we regularly hold debates about areas in the world suffering from particularly unfortunate circumstances. Inevitably, those debates conclude with the Minister being pressed to do more on behalf of the British Government to try to improve the circumstances of the people in the relevant part of the world.

I gave that background because I would be interested to hear the Minister say what other countries, such as other European Union countries, are doing to alleviate the problems and suffering in northern Uganda. I would be interested also to hear what the African Union is doing because although we can provide expertise, military advice and financial aid, and can support democracy, open up our markets and be a good world citizen, a lot of the solutions to Africa's problems require leadership from politicians and leaders in other African countries, particularly the more prosperous and settled ones. If we intervene constantly in every area of the world where there is suffering and conflict, although our intentions would be good and we might make some progress, we will not always be as effective as we might be if we were to enable or encourage those closer to a given problem to participate actively themselves.

In conclusion, I wish the Government well. I am delighted that the matter has been brought to the attention of the House. I congratulate everybody who attended the all-party trip and who added greatly to the content of today's debate. I hope that the Minister will bring pressure to bear and work effectively on behalf of the British Government to improve the situation in Uganda and to encourage those in other European countries and, most importantly, African countries to play their part in concluding what has been a grisly period in world politics.

12.3 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): You have become transmogrified, Mr. Bercow, in the course of the debate, and it is a great pleasure to serve under your chairmanship.

My hon. Friend the Member for Rochford and Southend, East (James Duddridge) obviously has huge expertise having spent quite a lot of time in Uganda, and I congratulate him on bringing the debate before the Chamber; the conflict is one of the world's forgotten problems, as we have heard this morning. Certainly, it deserves a full airing in this House because of the suffering of the people involved.

I congratulate all those who have spoken in the debate: the hon. Members for Stroud (Mr. Drew)—he went on the visit to Uganda—and for Rochdale (Paul Rowen) and my hon. Friend the Member for Boston and Skegness (Mark Simmonds). I apologise to my hon. Friend because in a sense he is a displaced person. He turned up to speak from the Front Bench with his Department for International Development hat on, and I with my Foreign Office hat on. On this occasion, the Foreign Office won out over DFID. Perhaps DFID has the money, but the Foreign Office the policies—I do not know.

Dr. Howells: Sounds about right.

Mr. Clifton-Brown: Perhaps that is the problem.

This 20-year conflict continues to victimise the population in northern Uganda. The activities of the Lord's Resistance Army—its acts of torture, mutilation and sexual abuse and its abductions of thousands of children, forcing them to serve as soldiers—have been well aired in the debate. That rebel paramilitary group has killed tens of thousands of people in the past two decades and displaced 1.7 million men, women and children. As has been mentioned, there is also the dreadful situation of the child night commuters, who desperately walk many miles to the nearest city to avoid being abducted only to sleep on a concrete floor and to be in fear of their lives there as well.

The LRA rebels claim that they are fighting for the establishment of a Government based on the biblical ten commandments, which seems to me utterly incongruous, given their activities. They have no clear political motives and they are notorious for kidnapping children and forcing them to become rebel fighters.

More than 500,000 people in Uganda's Gulu and Kitgum districts have been displaced by the fighting and live in temporary but now almost permanent camps protected by the army. Overcrowding and poor sanitation have rendered them vulnerable to outbreaks of disease, including cholera. The establishment by the Ugandan Government in February 2005 of a national policy for displaced persons, which is said to be based on international humanitarian law, human rights instruments and national laws, is a policy aiming in the right direction, yet its results remain to be seen.

Disturbingly, the LRA has seen a period of growth in the last year and has extended its operations to daylight hours, contrary to its earlier practice. It has continued to use road ambushes to attack civilians. As has been mentioned often during the debate, the issuing of arrest warrants for five LRA leaders last year by the International Criminal Court should be applauded. However, for that action to have any effect—for those monsters to be brought to justice—there must be co-operation between Uganda and the neighbouring Governments of the Democratic Republic of the Congo and, crucially, Sudan, from where the LRA operates. The allegations against the five indicted rebels are truly staggering. Joseph Kony alone is to be tried on 12 counts of crimes against humanity and 21 counts of war crimes, including murder, rape, intentionally directing an attack against civilian populations and forced enlisting of children.

The Government of Uganda are heavily resistant to this matter being brought before the Security Council, but they must allow the Security Council and the United Nations as a whole to help. The President must admit the reality of the situation. The LRA has not been driven from the north of Uganda or, indeed, from southern Sudan. Not only are the people of northern Uganda at risk from the LRA, but the tenuous security provided by the Ugandan army gives scant comfort to those in the displaced people's camps.

I have a letter from the former Foreign Secretary, who is now the Leader of the House, to Ms Barbara Stocking, the director of Oxfam GB, which I believe could form a useful basis for the debate. I should like to quote one or two points from the letter and ask the Minister how he is progressing with implementation of them. The former Foreign Secretary said:

> "We continue to urge neighbouring countries to ensure the LRA are given no support and to arrest those who have been indicted by the ICC."

The right hon. Gentleman and other senior members of the Government have made many visits, notably to Sudan. What representations have been made to neighbouring countries to ensure that the people who have been indicted by the ICC are dealt with?

[Mr. Clifton-Brown]

The letter continues:

"We are clear with the Government of Uganda that there can be no purely military solution to this long-running conflict and that they should engage constructively with any mediation efforts."

What representations has the Minister made to the Ugandan Government? It seems from many accounts that President Museveni believes that there is a military solution, but as we know from long years of having to battle with the IRA, any guerrilla-type situation can be resolved ultimately only through a political settlement.

Dr. Howells: It was not clear to me whether the hon. Gentleman was saying that the likes of Kony and Otti will give themselves up voluntarily or whether he believes that there should be a military campaign to bring those people to justice as well as an attempt to bring people out of the bush under some kind of amnesty.

Mr. Clifton-Brown: Perhaps my remarks were not as clear as they might have been. I had moved on from the situation of Kony and the other indicted people. Whatever action needs to be taken to arrest them should be taken, and it may require the assistance of the Ugandan Army or the Sudanese authorities. I do not know what needs to be done, but they must be brought to justice.

I was quoting from the letter of the former Foreign Secretary and wanted to discuss whether there can be a military solution to the problem of the LRA or whether eventually there must be a political solution. It seems from some accounts that President Museveni thinks that there will be a purely military solution to the problems in northern Uganda. I believe that that is unlikely, and I wonder what representations have been made to him by the Foreign Office to impress it on him that there must also be a political solution and that the five rebels must be dealt with in the ICC.

President Museveni seems to be reluctant to have the matter brought before the Security Council. The former Foreign Secretary's letter states:

"As President of the Security Council, we did schedule on 19 December an open briefing of the Council by Jan Egeland, Under Secretary General for Humanitarian Affairs, on humanitarian crises in Africa. The suffering caused by the LRA was one of the three topics on which Mr Egeland focused...This ensured that both Council members and other UN member states were fully briefed on the issue of Northern Uganda. We are now giving careful thought to how this can be followed up".

Has the Minister had any further thoughts on how the matter could be followed up?

The letter goes on to state:

"On the general issue of children and armed conflict, the Security Council passed a resolution in July 2005 (resolution 1612)"—

which I believe was referred to by my hon. Friend the Member for Boston and Skegness—

"which included the establishment of a monitoring and reporting system to gather information and produce reports about the situation of children in armed conflict throughout the world."

Has the Minister had any further reports on the matter? The systematic forcing of children to serve in the LRA is one of the worst aspects of the dispute.

What can the Government of Uganda do? I have already said that they should allow the matter to go before the Security Council, but they also should reform their army as an example to those who they are charged to protect. The Foreign Office report on human rights states that soldiers and officers of the Ugandan army, which is deployed in or near every displaced persons' camp in northern Uganda, were engaged in human rights abuses throughout 2005, and beating, raping and even killing civilians with nearly total impunity. What representations has the Minister made to President Museveni and the Ugandan Government on that matter?

The Ugandan Government must provide protection for the staff of NGOs, who are charged with looking after the most vulnerable people in that country. The LRA has attacked NGO staff in conflict-affected areas, thereby making humanitarian access hazardous, as was mentioned by my hon. Friend.

President Museveni's period in office has been marked by a substantial rise in the living standards of most Ugandans, as mentioned by the hon. Member for Taunton (Mr. Browne) and others, and we welcome the return to the democratic process. However, if he is to achieve peace during his time in office, he must not involve himself in the political wranglings of other states. The Minister and I were present at a debate in this Chamber some weeks ago on the Democratic Republic of the Congo, and we discussed how Uganda and other countries were plundering the mineral reserves of DRC. There is no doubt that President Museveni has personally benefited from some of those mineral resources while at the same time intervening in the affairs of DRC. That is not acceptable. Again, what representation have the British Government made in that respect?

Equally, President Museveni must organise a transparent and expeditious trial of the main Opposition leader, Dr. Kizza Besigye. That might not strictly fall within the terms of the debate, but if Uganda is to demonstrate to the world its democratic credentials and the fact that it can run a proper democratic country, the least it can do is to operate a system of open and transparent justice so that the world can see what is going on.

The neighbouring countries, particularly Sudan, must not keep interfering in Ugandan affairs. Mention has been made this morning of the meeting of Mr. Kony and Mr. Otti in Juba. That meeting was staggering. It was openly reported, as the hon. Member for Stroud has said, and a degree of safety must have been given to both the participants, because otherwise they could not have been there. It is even more staggering, when the LRA is reported as having committed atrocities against the population of southern Sudan, that Mr. Kony should be given $20,000 to help continue his acts of atrocity. We need to see how the world can deal with that situation.

In conclusion, what can the UK do? We have great influence in the African Union, the European Union and the Security Council of the UN. We could do more. The Minister must tell us what he can do in those forums to ensure that one of the world's most dreadful conflicts and abuses against humanity, particularly against children, is brought to an end.

12.16 pm

The Minister for the Middle East (Dr. Kim Howells): It is a great pleasure, as ever, to sit under your chairmanship, Mr. Bercow. You will be gratified to know that the briefing that was handed to me by the Department said that you were likely to speak in this debate. I think that that is a suggestion that somebody, at least, has got your number.

I congratulate the hon. Member for Rochford and Southend, East (James Duddridge) on securing the debate. As he said, it is an extremely important and urgent subject and the conflict and humanitarian crisis have gone on far too long.

Addressing the threats posed by the Lord's Resistance Army and ending the conflict in northern Uganda is a Government priority. The subject is dealt with on a day-to-day basis by my noble Friend Lord Triesman and my right hon. Friend the Minister for Trade, but I have the privilege to speak in this debate. For nearly 20 years, that vicious insurgency group has abducted children, torn families apart and, as we have heard, committed acts of unspeakable cruelty against innocent civilians. The insecurity and fear that has resulted has led to 1.7 million people being sheltered in internally displaced people's camps. Add to that the huge numbers of night commuters—the children we have heard about today—and nearly two thirds of northern Uganda's population are involved; it is second only to Sudan in the total number of people displaced in Africa. It is a tragedy of enormous proportions. As hon. Members have made clear, it is impossible not to be moved or angered by the cruel loss of life and continued suffering.

I want to try to answer the specific questions that have been raised, because they clearly concern the hon. Member for Rochford and Southend, East and everyone else who has contributed to the debate. We do not know the total number of fighters that the LRA can deploy, but we estimate that it is in the hundreds rather than the thousands. That does not mean, of course, that it cannot cause fear across a great part of the region. We believe at the moment that the majority are in the Garamba national park in the north-east of the Democratic Republic of the Congo, but the LRA continues to operate in northern Uganda and southern Sudan, as we have heard from hon. Members who have visited recently.

I found the testimony on night commuters very moving. There is a glimmer of light. At the peak, in 2004, about 40,000 children moved into camps at night. In May 2005 the estimated number dropped to 26,000 and in March 2006 the estimate was down to 13,000. I understand that those figures have been given by non-governmental organisations that are trying to help those children.

James Duddridge: Can the Minister confirm that that is because those people are going into the camps and coming back at night, or are they just staying there, thus making the position worse?

Dr. Howells: I cannot answer that. We took the information that we were given in an optimistic spirit, but it may be the case that they are staying in the camps. I will try to find out, and I am sure my right hon. Friend the Minister for Trade will have some more information. The hon. Gentleman has been there far more recently than any of us, but we also understand that the drop in numbers is partly due to better security and a reduced LRA presence.

The Department for International Development and the Foreign Office work closely with each other and with NGOs, including Save the Children, on their important work in relation to the reintegration and rehabilitation of former child combatants. We value that work very highly.

On the lack of a level playing field in the run-up to the general election, I understand that Besigye has been acquitted of the rape charges made against him. My right hon. Friend the Secretary of State for International Development raised the treason trial with Mr. Museveni on 16 May when he was assured that there would be due process—but I have no more news than that. In relation to the UN Security Council adoption of resolutions 1653 and 1663, the Government believe that Security Council engagement on the LRA is useful and we will continue to press for further discussions on this subject.

Kofi Annan will decide whether to appoint a special envoy. The Government have made it clear to the UN and to the Ugandan Government that in our view a regional envoy would be useful.

Mr. Clifton-Brown: Can the Minister assure the House that the appointment of a new UN Secretary-General in December will not hinder the decision on whether a special envoy should be deployed?

Dr. Howells: One would hope that it would not. I know that Kofi Annan has made the point strongly that he wants to see a proper transition and that the work should not be interrupted, and I entirely agree.

The decision on the location of the Commonwealth Heads of Government meeting for 2007 is for the Commonwealth Secretary-General, in consultation with member states. The Government will certainly ensure that CHOGM keeps the human rights situation under review.

Preparation for the end of the war is an important issue, and our priority is normalisation of the north, to enable people in the camps to go home. The point was made by the hon. Member for Rochdale (Paul Rowen) that this is an area where, if you throw seeds on the ground, they grow—that is absolutely true. It is obscene that there is hunger and starvation in this area as a consequence of a lack of security and a lack of coherent political will to tackle the situation.

Mr. Drew: We raised the issue of security and the possibility of forming an independent force during the period of recovery in the north with President Museveni. He was absolutely against this, but what would the Government like to see done to encourage a peacekeeping arrangement?

Dr. Howells: The Government would be interested in the UN and the African Union talking to President Museveni and other players in the region. It is a regional conflict, and as I have just said, the majority of the LRA's members appear to be in the DRC, but

[Dr. Howells]

they could just as easily have been in Sudan. We have to look at all possible solutions to this predicament.

Several hon. Members asked about the five indictees, and I should make it absolutely clear that we look forward to the day when they go on trial in The Hague, because that will send a powerful signal as regards justice and impunity. We are supporting civil society in Uganda as it seeks to address the conflict and the human rights issues in the north. Wherever possible, we want better information about the amnesty offer to be communicated to LRA foot soldiers, but it is difficult to see how the five indictees will be lured out. We understand that they are sitting prettily in the DRC, and they are not likely to come forward.

I was as shocked as everyone else in the room when my hon. Friend the Member for Stroud (Mr. Drew) told us that the meeting in Juba had taken place. That story might be a rumour, or it might be true, but it would be quite shocking if such a meeting had taken place and those indicted individuals had attended without being arrested. We would be extremely disappointed and we would forcefully make the point that action should have been taken against them. We are certainly in favour of strengthening the process of returning and reintegrating former combatants, about which we have heard a good deal.

We welcomed February's elections, which were the first multiparty elections for 20 years. The hon. Member for Taunton (Mr. Browne) said, "Democracy is an excellent title, but you've got to do a lot more than genuflect towards it," and that is absolutely true. We have been concerned about the lack of a level playing field in the run-up to the elections, and together with other donors, we have clearly expressed our concern about the arrest of Besigye to President Museveni. The arrest contributed to the decision by the Secretary of State for International Development to cut £20 million from the UK's direct budget support to the Ugandan Government. Instead, we directed the money towards the north of Uganda. We have held back £5 million and are waiting to hear what will happen to it, although I understand that there will be an announcement shortly. We want to target the money precisely to ensure that it is used in the best way possible and that we make it clear to President Museveni that we want much more precise action directed at securing a solution to the problem.

Health is a priority for the British Government in Uganda, and the hon. Member for Boston and Skegness (Mark Simmonds) reminded us of the scourge of HIV/AIDS. Other problems, such as malaria and diarrhoea, should also be properly addressed by the Government of Uganda and everyone else working in the camps. Those are the diseases that are killing the most people. The number of HIV infections is approximately 1 million, with higher levels in the conflict areas. Uganda can access funds from the Global Fund to Fight AIDS, Tuberculosis and Malaria and the World Bank to tackle some of those problems, and we are exhorting it to do so. Since 2002, the Department for International Development has provided £7 million for HIV/AIDS and £6.8 million for improving health conditions in the camps, including an HIV component.

Hon. Members mentioned the restrictions faced by NGOs seeking to move resources into the north. We are aware of concerns about the requirements for NGO registration and we are following the issue closely. We will raise it again with the Ugandan authorities.

There were several attacks on NGOs and others in late 2005, and two British nationals were among those killed. That is a serious issue, and I am glad that it has been raised. We urge the Ugandan Government to do more. The gravity of the situation has been expressed, and things have improved somewhat, but there is a great deal to be done. Aid convoys are again being escorted. Not all of them have requested assistance but those that have are receiving it.

John Bercow (in the Chair): Order. I apologise for interrupting the Minister of State but we must move on to the next debate.

Financial Assistance Scheme

12.30 pm

Julie Morgan (Cardiff, North) (Lab): I am pleased to have the opportunity to debate the financial assistance scheme. I congratulate the Government on introducing it, as well as the Pension Protection Fund, in the Pensions Act 2004. One of the main reasons that those provisions were introduced was the persistent lobbying by employees affected by the collapse of their pension funds, by their unions and by MPs in this House, some of whom are here. Ex-employees of Allied Steel and Wire led the fight and continue to do so. I pay tribute to them.

ASW was a steel company with plants in Cardiff and Sheerness. In Cardiff, the plant was based in the constituency of Cardiff, South and Penarth. I am delighted that my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael) is here. I am also pleased that my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt) is here.

ASW had 1,200 employees when it went into receivership in the summer of 2002. Of those, 838 worked in Cardiff. All the constituencies in Cardiff and the adjoining areas have people affected by the collapse of ASW. My hon. Friend the Member for Cardiff, West (Kevin Brennan) led the fight for pension rights for the Cardiff workers. He was supported by many local Members of Parliament.

The plight of the ASW pensioners was dramatically highlighted in the House at the time by very moving stories about people who had lost the whole of their pension as well as their job. The trauma of that time is still alive for the people affected even though it was more than four years ago. Last weekend, I met a group of ASW ex-employees in Cardiff, North. They movingly described the experience of learning that the plant was to close and believing that they had lost their jobs but had at least got their pension rights, having paid into the occupational pension scheme for decades. Ten days later, those people learned that they had lost the bulk of their pensions as well.

Approximately half of the people who lost their jobs were then employed by Celsa, the Spanish firm that took over the Allied Steel and Wire site. However, there was a gap of more than 12 months in their employment. One of the effects of that was that Celsa did not take over responsibility for their pensions. Although it is of no benefit to the deferred pensioners, as they are known, the fact that Celsa has restarted steel production in Cardiff and is spending £100 million on modernising the complex is to be welcomed.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): I agree with my hon. Friend that the investment by Celsa in Cardiff is welcome. Many were cynical about the possibility of that investment. Does she agree that the efforts made to avoid the gap that she referred to and ensure continuity were important? Our colleagues who were then at the Department of Trade and Industry co-operated with local Members in trying to keep the plant open rather than having the closure that led to the consequences that she is talking about.

Julie Morgan: I thank my right hon. Friend for that intervention. Yes, huge efforts were made to avoid that gap but unfortunately it did occur.

The issue of pensions for ASW workers has never been resolved. The workers have continued to campaign to this day. A a result of the problems faced by employees such as ASW workers, the Government set up the Pension Protection Fund. It will protect future pensioners from the fate of the ASW pensioners. It is essentially an insurance scheme. As we all know, it is not retrospective. It is ironic that those who campaigned hardest for this protection did not themselves benefit.

As a result of persistent lobbying, the Government set up the financial assistance scheme to help members of private sector schemes winding up with assets insufficient to meet liabilities which would have benefited from the Pension Protection Fund had it existed. The schemes would have had to start to wind up between 1 June 1997 and 6 April 2005, when the Pension Protection Fund came in. Initially, the scheme applied to members who had reached retirement age, or who had been within three years of doing so. However, it applied to very few people. I believe that, at the last count, only 17 of the ASW pensioners in Cardiff had benefited.

I was very pleased, as I think were all hon. Members, when, in the pensions White Paper of 25 May, the Government extended the scheme to those who were within 15 years of retirement on 14 May 2004. That will bring the actual pension up to 80 per cent. for those who were up to seven years from retirement date, 65 per cent. for those between seven and 11 years away and 50 per cent. for those between 11 and 15 years away.

Jenny Willott (Cardiff, Central) (LD): I join the hon. Lady in welcoming the additional funds that have gone into the financial assistance scheme. Does she share my concern that, despite the extra funding, 620 of the 1,000 affected ASW workers in Cardiff are too young to receive anything under the new guidelines, so many people will still miss out?

Julie Morgan: I thank the hon. Lady for that intervention. I shall come on to that.

The Government also extended the funding for the financial assistance scheme from £400 million over 20 years; the total will now be £2.3 billion. That is a big step forward, and I congratulate the Government on it, but there are still serious gaps. Will the Minister confirm what percentage of eligible pensioners will benefit from the proposals? I am told by the union Community that 38 per cent. of those in the ASW pension scheme are likely to benefit: 9.5 per cent. benefit from the 80 per cent. top-up; 12.5 per cent. from the 65 per cent. top-up; and 16 per cent. from the 50 per cent. top-up. What is the Minister's knowledge of that, and will he explain the decision not to consider length of service as well as how close a member was to retirement?

I know of glaring examples of people who miss out on the 15 years, even though they have paid into the pension fund for more than 30 years. My constituent Mr. Saxby of Whitchurch misses the 15 years by three

[Julie Morgan]

months. He worked at East Moors for eight years from 1970, came out of SERPS and went into the ASW occupational pension scheme in 1979, and paid into that for 23 years until 2002.

Another constituent of mine from Heath worked in the steel industry in Cardiff from August 1968, from the age of 15. He worked with ASW until the closure in 2002, contributing to the works pension scheme. Previously, he had contributed to SERPS and he transferred to the final salary works pension scheme, believing, under the guidance of the Government, that that was guaranteed. He wrote to me last month after hearing about the increased funding:

"To my utter dismay, I find that no assistance is available to me, since I do not fall into the category of being within 15 years of retirement, being 2 months short of the qualifying period. This is totally unjust, as up to the closure of ASW, I was employed in a very harsh environment, paying taxes fully, while doing my utmost to secure my future for retirement via the works pension scheme, as recommended by the Government ... After 34 years contributing, I face a bleak retirement."

These years have placed a heavy toll on the ex-ASW employees and their families. I am told that there is no provision to make any payment to the dependants of deceased scheme members until the deceased members nominally reach 65, whatever hardship their dependants suffer. I understand that four former ASW workers have died in the time that has elapsed, three of whom have left widows.

I have also met a man who was about to retire on grounds of ill-health, and was negotiating his pension after having had heart bypass surgery, when the scheme collapsed. He has had to survive on sickness benefit ever since, and that has been very hard for him. Will the Minister explain why such people have been left out, and may I appeal to him to look again at the scheme?

Other avenues are being pursued by the former steelworkers. As the Minister will know, the ombudsman, Ann Abraham, has said that the Government are guilty of maladministration and has called for compensation to be paid to those who lost money when their pension schemes went bust. The Government have rejected her finding of maladministration and have estimated that it would cost £15 billion to comply with the ombudsman's report. Will the Minister tell us how that figure was reached?

Jenny Willott: The hon. Lady mentioned the figure of £15 billion. The Government's response to the ombudsman's report stated in the appendix that the figure would be between £3 billion and £3.5 billion. Will the Minister clarify those figures?

Julie Morgan: Will the Minister also comment on the action taken in the European Court of Justice by Community and Amicus? Those unions took the Government to court on 1 June over the failure of the Conservative Government in 1983, and of subsequent Governments, adequately to implement article 8 of the 1980 insolvency directive. We are now waiting for the Advocate-General to publish his opinion of the case. If the action were to be successful, would the Government have to reimburse in full all eligible members of the pension schemes?

The financial assistance scheme is a good idea, but it is far too limited in whom it will help. There is a strong case for considering length of service. For younger deferred pensioners who have years of contributions and have been re-employed, for example at the Celsa site, there is much less opportunity to build up a second pension entitlement. Celsa has contracted out much of the work that was previously in-house. Last weekend I met another ex-ASW worker, a forklift truck driver, who now does exactly the same job for a contracted-out firm. He has done the same job for 24 years, at the same site, but has lost his pension from ASW. He has had no opportunity to build up another pension, and his future looks bleak.

Will the Minister re-examine the financial assistance scheme? It has the basis of being a good scheme, but it needs to be extended. The ex-workers of Allied Steel and Wire have put up a magnificent fight for justice, and what has happened to them is one of the most unjust things that I have seen since I have been in the House. I wanted to use the debate to speak up for those people, who are campaigning to this very day. I urge the Minister to look sympathetically on the request to extend the financial assistance scheme to all who have suffered in such a way.

12.42 pm

Derek Wyatt (Sittingbourne and Sheppey) (Lab): I congratulate my hon. Friend the Member for Cardiff, North (Julie Morgan), on securing the debate. I also thank my hon. Friend the Member for Cardiff, West (Kevin Brennan), and the right hon. Member for Cardiff, South and Penarth (Alun Michael), who provided soft support when he was a Minister. He always saw us in the Lobby and asked what had been going on.

We know well the ASW case. My concern is the court case in Europe, on which I shall ask the Minister two questions. I have already tabled parliamentary questions, but as I have not had a response I hope that the Minister will answer them. In the court hearing on 1 June, the Government applied for a temporal limitation procedure on the Amicus and Community European Court of Justice case. If it is granted, the case would be relevant only to Amicus and Community, whereas we know that at least 165 occupational pension schemes are caught by the problem of negative equity. Was it not rather unethical and immoral for the Government to do that? Amicus and Community are acting on behalf of their members but there are implications for occupational pensions as a whole. Has the Minister sought the support of the Irish Government in seeking a neat temporal limitation procedure in the case? I could say more, but I recognise that the Minister must respond.

The Secretary of State said in the discussion on the White Paper that he is open-minded on further initiatives. How can we bring back for discussion the cases that my hon. Friend the Member for Cardiff, North, and others have raised in the House continually in the past four years?

12.44 pm

The Minister for Pensions Reform (James Purnell): It is a pleasure to serve under your chairmanship for the first time, Mr. Bercow. I congratulate my hon. Friend the Member for Cardiff, North (Julie Morgan), on

securing this important debate and I pay tribute to her work. I pay tribute, too, to the work of my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael) and my hon. Friends the Members for Cardiff, West (Kevin Brennan) and for Sittingbourne and Sheppey (Derek Wyatt). In the previous Parliament, they played a crucial role in persuading the Government to introduce the financial assistance scheme. They have all been absolutely dogged campaigners on behalf of their constituents, and the whole House recognises the success of their campaign.

My hon. Friend the Member for Cardiff, North spoke eloquently about the loss suffered by members of the scheme, and Members on both sides of the Chamber recognise the plight that they must be in, as well as their disappointment, anger and frustration at losing their benefits. I should therefore like to go through the points that my hon. Friend has raised and to put on the record some of the background to our decisions.

The FAS was introduced through the Pensions Act 2004. We set it up to help members of underfunded pension schemes that commenced winding up between 1 January 1997 and 5 April 2005 and were sponsored by an employer that had experienced an insolvency event. The first qualifying schemes were announced on 25 October 2005, and as of 16 June there were 455 of them.

We set up the FAS operational unit in York as part of the Department for Work and Pensions and it opened on 1 September 2005. I pay tribute to the huge amount of work that the unit has done to collect scheme and member data, thereby allowing decisions to be made on whether schemes and individuals qualify for the FAS. Decisions can be made, and assistance can be paid to affected scheme members, only once that information has been provided, and that has involved a significant amount of work. I was particularly pleased that some ASW members were among the first to benefit from the scheme and I thank the scheme's trustees for making a significant effort to ensure that that could happen.

We recognise that there will always be frustrations with such cash-limited schemes. We are therefore extremely grateful for the support that was expressed at the time for extending the FAS and for the welcome that the proposal has been given today. As with any cash-limited scheme, there will always be people on the margins who do not qualify, and we recognise the frustration that they feel.

In setting out the context within which we took our decisions, it is important to say that the FAS is not a compensation scheme. The Government are not saying that they are liable for pension schemes that have faced such problems. We put the FAS in place because of the plight of those involved, not because we recognised liability. That is why we have targeted the money at assisting them in the difficulties that they face, not at restoring their benefits. Given the limited amount of money that we had available, it was correct to target it at those closest to retirement, who have the least time to make up any pension shortfall.

My hon. Friend mentioned the plans announced on 25 May to extend the scheme. To respond to her question, we envisage that about 40,000 members, or a third, will qualify out of the 125,000 who are affected. Essentially, the population breaks down as follows. One third are not covered by the scheme because they have lost less than £520 a year, and the scheme does not make payments for losses below that level. Then, there are those who do not qualify because they are within 15 years of scheme retirement age. Finally, there are the roughly 40,000 who will be covered by extending the scheme.

As my hon. Friend said, that represents a significant increase in the amount of money being provided. We estimate that extending the scheme in that way will mean providing another £1.92 billion over the lifetime of the scheme, on top of the £400 million over 20 years that we had already committed. That is a cash figure; if Members want the net present value figure, it is £540 million.

On the administration of the scheme, I know that some Members have been concerned about the speed of payments. Administration needs to be seen in the context of the work that has been needed to identify the qualifying schemes, because we are dependent on trustees providing us with information both on qualifying schemes and on the members who are eligible for assistance. However, a huge amount of work has been done and we have now identified the 455 qualifying schemes and can start making payments. I believe that we have now reached a figure of 93 payments made.

Nevertheless, we recognise that members and people affected by the situation want to see the payments made as quickly as possible, which is why we have announced that we shall review the administration of the financial assistance scheme to ensure that it is delivered most effectively. The review will examine a full range of delivery and organisation options to ensure that that is the case. We want to ensure that benefits are delivered to as many people as possible, as quickly as possible, and we have asked that the review produce its report before the summer recess. At the same time we shall continue to make as many payments as possible to members.

My hon. Friend mentioned the current deliberations in the European Court of Justice. The Government believe that they have met their obligations under article 8 of the European insolvency directive, as have successive Governments since implementation of the directive in 1983. As the matter is currently before the court, it is inappropriate for the Government to comment further. However, I reject the accusation made by my hon. Friend the Member for Sittingbourne and Sheppey that what we have done is immoral, and I point him to the fact that normal legal procedures apply. I would reassure him that I shall answer his questions in full as soon as possible—there was no intention to do anything other than follow the applicable legal procedures in ECJ cases.

Hon. Members have also mentioned the process that the Commission is undertaking. The Commission is reviewing how the complete regulatory framework of all member states complies with the directive.

Mention was also made of the ombudsman's report, which I know has been of concern to many Members. It is important to clarify the Government's position on the £15 billion, because it has been misunderstood—possibly deliberately—in some quarters. That figure is not misleading; it has been calculated by the Department's

[James Purnell]

professional economists, who have estimated the cost of implementing the ombudsman's proposals. On 16 March, the Secretary of State told the House that the cost would be between £13 billion and £17 billion, and he made it absolutely clear that the figure was in cash terms. That is the way the Government express the figures, and it is the right way to ensure that public expenditure is controlled: Budget and spending review documents are costed in cash terms.

There are, of course, different ways of considering future costs. The alternative way is by a net present value calculation. In this case that produces the figure of £3 billion that was quoted by the hon. Member for Cardiff, Central (Jenny Willott). However, we entirely reject the accusation that the figures have changed or are misleading; they are the same as the figures that the Secretary of State gave to the House when he made his announcement. We promised that we would explain the calculations and present the figures both in cash and net present value terms, and that is exactly what we have done. The figures were not different; they just concerned two different ways of presenting figures such as these for the long-term future: in cash terms—the normal way of Government budgeting—and in net present value terms, which we have also given.

My hon. Friend the Member for Cardiff, North mentioned long service. I understand completely the point that she makes. We return of course to the question of what the financial assistance scheme is for. I know that this will be of no comfort to the constituents that she mentioned, but the scheme is not intended to be one of compensation, nor it is meant to restore people's rights; it is intended to help those in the greatest need. The Government judged that the most effective and efficient way to do that was to target the money at those closest to retirement.

I understand that the other difficulty with seeking to calculate people's contribution records is that data on length of service are not always readily available. That point was made to us by the pensions industry when we were devising the financial assistance scheme and trying to find a simple way of administering it.

Julie Morgan: Does my hon. Friend accept that the hardship suffered by those long service deferred pensioners should be recognised by the Government? Does he not think that there might be a case for looking further at the financial assistance scheme, as I believe was said when the White Paper was introduced to the House?

James Purnell: We would of course be very happy to continue to meet with Members concerned about the financial assistance scheme. Other Members raised concerns about employees of companies still solvent. I am happy to meet my hon. Friend to discuss that further.

Of course, we recognise the injustice that those members will feel they suffered. Everybody recognises that. The difficulty is that the scheme is cash limited, and although we have been able to extend it significantly, the amount of money that we have is not sufficient for all 125,000 people involved. We have therefore had to target the money in the way we felt was most appropriate.

The Government took the view that the way to do that was to focus on those closest to retirement because they have the least time in which to make up loses and provide themselves with a pension. I recognise that that will not minimise their frustration nor bring any comfort to those who were in the service of a company for a long time, such as those mentioned by my hon. Friend.

We extended the scheme significantly because we recognise the plight in which individuals have found themselves, but we decided to target the money in the way that we have because it was administratively the most simple and because those people were closest to retirement. I do not want to give my hon. Friend false hope by pretending that I have a solution in my back pocket, but I am happy to meet her and her colleagues to discuss the issue.

This has been an important debate, and again I congratulate my hon. Friend on securing it. As I said, I would be happy to discuss the issue further with hon. Members, as we are doing with the financial assistance scheme overall. We recognise clearly that not everybody benefits from that scheme and therefore people who fall outside it will be frustrated. On the other hand, I hope that the House will recognise that we have extended the scheme significantly; it has gone from £400 million over 20 years to £2.3 billion over its lifetime. That is a significant recognition of the plight of the individuals concerned, and I hope that it will be seen as a sign of the good faith of the Government in trying to address the issue.

Rail Services (Exeter to the South-West)

12.59 pm

Richard Younger-Ross (Teignbridge) (LD): There is a debate going on in Devon at the moment about who is the greatest Devonian. I shall not take the House along that line; however, a gentleman who was not a Devonian but was born in Portsmouth had probably the most significant effect on the west country and, indeed, other parts of the UK. He was Isambard Kingdom Brunel, who designed and built the Great Western railway. That line brought business and trade to the south-west and later brought thousands of tourists pouring into the beautiful seaside resorts in my constituency—Teignmouth and Dawlish—and those further west in south Devon and Cornwall.

Those who constructed the original line ran across problems. A line of hills in south Devon called the Haldon hills reaches up to the north. They were a barrier to communications between the east and west for years. Indeed, only one or two passable or navigable roads existed over the top of the hills in the last century and the one before. Tunnelling was not uncommon in the Victorian era, but it was considered and rejected. Isambard Kingdom Brunel, in his usual way, took a bold decision, against much advice, to go along the sea and the sea wall, carving tunnels and creating a stretch of track between Exeter through Dawlish and Teignmouth to Newton Abbot.

Problems arose immediately afterwards, because of cliff falls on to the track. Other difficulties included waves occasionally breaking over the wall. In the last century, the rail companies and British Rail considered alternatives and in the 1930s came up with an alternative route, to cut inland, tunnelling under the Haldon hills and coming out over the beautiful little village of Bishopsteignton on a big viaduct, then travelling down into Newton Abbot. That scheme was rejected on the grounds of cost. It was decided then that the problems on the sea wall were not insurmountable and that the cost of coming inland was too great.

Today the same problems exist. They include a crumbling cliff face and problems with waves and storms breaking over the railway line. I recall from my early days living in Teignmouth—we moved from Exmouth to Teignmouth—that I had been up in London and was travelling down one night during a great storm. The train was held up at Dawlish while the storm broke over. Track men worked on the line to keep it open in fairly hazardous conditions. I clearly remember what it is like to be sitting in a static train with the waves breaking over the carriage. Shortly afterwards we arrived in Teignmouth; I met my wife and we had a pleasant evening.

During the 1990s other storms and flooding caused further problems, but many of those attributed to the section of track that I am talking about had nothing to do with that section. Many of the delays in the 1990s were to do with a bridge east of Exeter that was damaged by flood waters coming from Tiverton, rushing under the bridge and damaging its support, or over the track, cutting services from the west to London.

In the late 1990s and in part of the new millennium we have of course seen dramatic pictures of storms, including trains stuck on the track with the waves beating over them. Some of those delays were caused by problems with the track: damage to the rock face and to the surface of the track, particularly where the waves would break over the track, wash the gravel from under it and pull it out. To deal with that, Network Rail has spent a vast sum on securing the rock face and stabilising the track. It had problems with signalling, because the signals were shorting. That problem has also been dealt with and should not occur in future.

There was a problem for which the great storms were blamed which was actually a man-made problem—it was a design error. Virgin Trains had its wonderful new Voyagers, which are beautiful trains. I went on one of the early runs from Paignton to Exeter. It was the fastest run. That was on a clear day, and the trouble was that when the waves broke over and hit the top of the trains, it would bring them to a standstill. There were problems with the electrics and the heating on the trains and with the doors. So we were in the terrible position in which a Virgin Voyager would be stuck on the track for four hours. Often it had to be towed away by a 25-year-old high-speed train belonging to another company, or by one of Virgin's own. That problem has been resolved. Network Rail has put in a large sum to resolve some of the problems relating to the track and the cliff face, and the design problems that Voyager faced have now been resolved. I hope that the lessons from that have been learned and that new rolling stock will not succumb so easily to the vagaries of British weather.

That prompts the question—one that I have asked many times—what the effect of climate change will be. The Hadley centre, which is part of the Met Office, has made predictions about what the net effect will be in the south-west. A letter from Paul Hardaker of the Met Office says that

"the Hadley Centre model from 1860-2100"

gives a rise

"of 0.4 metres. About 0.1 m of this has already occurred so we expect a further rise of 0.3 m over the next 100 years."

It goes on to say that a further study

"showed that by 2080, assuming a medium-high emissions scenario, a further 0.3 m sea-level rise and including land movement, that the 1-in-50 year highwater event will increase by about 0.5 m around the S. Devon coastline."

Some people have concluded from that that it is all up for the line: it will no longer be sustainable.

Indeed, if we were to read *The Observer*—my paper of choice on a Sunday—from a few weeks ago, we would believe that the line is in imminent peril and threat of closure because of climate change. Nothing is further from the truth. The sources quoted, by the newspaper, by other campaigners and by Members of this House have not quoted but misquoted both the Met Office and Network Rail. The Met Office has been clear. It has said that the line may have to close if we do nothing, but as the gentleman from the Met Office said to me last week when I visited it, "Actually, if you do nothing, the railway will have to close anyway because even if there were no climate change or rise in the sea level, the current storms would close the line for you." Maintenance is a factor of that railway, one that was recognised by the builders of the rail line and by British Rail when it rejected the inland route. It is certainly recognised by Network Rail today.

The Met Office view is not that the rail line must close but that Network Rail must consider what it needs to do

[Richard Younger-Ross]

to keep the line open. The Met Office is fairly indignant that it has been quoted as saying that the line is not sustainable. It says that its job is not to tell other bodies whether something is sustainable, but to give advice about the effects of climate change, as the Hadley centre did in the case that I have just quoted.

Network Rail was also quoted, particularly in *The Observer*, which implied that £200,000 was being spent on the line every year, and that it was not sustainable. Network Rail says that that is not the case; it has not concluded that the line cannot be sustained. Indeed, I have a memo here in which Network Rail says that it has

"invested £9 million in the last few years to stabilise and manage the historic coastal route between Teignmouth and Dawlish Warren"

and that

"Network Rail has no plans to re-route the railway line at Dawlish in the foreseeable future."

It goes on to say:

"We do, however, remain alert to the issue of climate change and coastal defences and continue to play an active role in the local coastal group led by the local authority and funded by the Department for the Environment, Food and Rural Affairs...to discuss the affect of climate change on transport systems."

I shall come on to some further quotes that touch on what is being done in that respect.

The regional development agency has also, although it has not supplied any quotes, contacted me to say that it is supportive of a proper debate on the issue. However, at the moment it sees no reason why we should presume that the line has to close. I was told this morning that it had carried out a consultation among local people, and that they do not want the route to change; indeed, they do not want the service to change. I hasten to add that we should interpret that to mean that they do not want the service to be cut. It goes without saying—if the rail companies are listening—that most of us in the south-west would like it to increase. Basically, local people find the existing route satisfactory. So they should: some 67 trains a day travel up-line and a further 67 travel down-line. It is a fairly busy stretch of line.

I hope that the Minister will continue to support that rail link with the south-west. If the campaigners were to have their way, what would happen? Currently, 69,175 people a year board the train in the little Exe estuary village of Starcross. Further down the line, at Dawlish Warren, where there is a wonderful bird sanctuary, 69,707 passengers use the train every year, as do 297,836 passengers from the town of Dawlish, further still down the line and famous for its black swans, and 319,075 passengers from my home town of Teignmouth. The immediate effect of closing the line would be to close those stations, and to prevent local people from having access to the railway. They would have to either use their cars or take buses into Exeter or Newton Abbot.

Closing the stations would not just inconvenience commuters; it would have a damaging effect on local businesses and on the hotel and holiday park trade in Dawlish and the hotel trade in Teignmouth. One hotel in particular relies heavily on the rail service. The Clifden hotel in Teignmouth is run by Action for the Blind for people who are partially sighted. I am told that 70 per cent. of its customers use the train. Those customers would have to stop at Exeter and then be collected and taken to the hotel. It would be a great inconvenience if the customers had to arrange that themselves, and it would be a great cost to the hotel if they had to start transporting people in from Exeter, some 14 miles away. If the closure itself were not damaging; the talk that the line is unsustainable is itself damaging to Dawlish, Teignmouth and that part of the south Devon economy. People believe what they read in the papers and think, "There's no future here. There's going to be no rail line. Why should we invest here? We might as well invest in those areas where we are certain there's going to be a rail link, rather than one where there might not be."

Finally, if the line were closed, would the sea wall that currently runs along there be maintained? Certainly, there would be no reason to maintain certain sections of it, and we would then see coastal erosion, denuding, and threats to properties high up on the cliff. The cost of keeping the line open is not just the cost of doing so, but Network Rail is keeping the properties above safe. A new line would cost in excess of £100 million. That is an awful lot of money. Are we saying to the campaigners who want to close the line and commit to a new line that we are going to commit £100 million plus, which might not be necessary? Network Rail is very aware of the issue. It has undertaken its own one-year study into the effects of climate change on the rail network, and is doing a particular model on the track at Dawlish. There are eight studies currently being carried out on the impact of climate change on the railway line along that section. Would it not be better to wait until those studies are completed before we rush to any decision? I believe that, in this case, waiting is beneficial. The sea change, as I said earlier, takes effect over a 50-year period, so there is no need to rush today. The line is one of the most beautiful stretches of railway in England, and to me, one of the finest in the world. The question that we should be asking is not when we close the line, but how we can keep it open.

1.18 pm

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): It is a pleasure to serve under your chairmanship, Mr. Illsley. The hon. Member for Teignbridge (Richard Younger-Ross) concentrated on the area around Dawlish and the sea wall there. However, I should like to say a few words about the Greater Western franchise, which covers the area. If I mispronounce any of the names, I apologise. There are some beautiful-sounding names, but coming from the north, I may not always get them right, so I am sure that the hon. Gentleman will correct me.

As we know, the Greater Western franchise has now started and it has not been without controversy. First, I congratulate the hon. Gentleman on securing this important debate. We are seeing significant investment of around £200 million in trains, stations and improved performance. Network Rail will be spending in the region of £765 million on the investment programme on track and infrastructure. The first phase of the new integrated control centre has recently opened, so we are seeing closer working relationships between Network Rail and First Great Western to bring about the performance improvements that we want to see in the Greater Western franchise.

This is obviously a very large and complex franchise serving a significant area of the west of the country. As I said, it has not been without controversy: I have attended a number of debates in Westminster Hall and elsewhere about the changes that came about, but I am pleased to say that the Department has been working with First Great Western, which has already announced a number of improvements and changes to services. The changes are significant responses to the consultation and a real improvement that should meet the aspirations of those who have raised concerns.

It is important to stress that significant investment is still to go into the Greater Western franchise, which will bring about improvements for all passengers who use its services. That fits in with the Government's overall aim to continue significant investment in the railways—more than £87 million a week is being spent this year. There is also a record investment in rolling stock and there were more than 1 billion passenger journeys again last year. There is improved performance overall nationally, exceeding the public performance measure target of 85 per cent.—we reached more than 86 per cent. Reliability and performance are therefore improving. That is borne out by passenger surveys, which show that about 80 per cent. of passengers are pleased with their journeys and that an increasing number are satisfied with the punctuality of trains. Many improvements are happening, and working together with the industry we can further build on them. There are still many challenges to be addressed, not least capacity in some areas, but overall it is a good news story for the railway.

I am conscious that concern has been expressed in the south-west that the Exeter to Newton Abbot line is vulnerable to storm damage where it runs along the sea wall in Dawlish, and that in the longer term the route might cease to be viable because of the rising sea level due to climate change. I shall address those issues, which the hon. Gentleman raised from his own experience and knowledge of the area.

The section of track in question is on the main line to Torbay, south-west Devon and Cornwall and provides those areas with their only rail link with the rest of the country, as the hon. Gentleman made clear. It lies between the sea wall and an 85 m-high cliff face and is one of the most exposed stretches of line in England. Maintaining services can be challenging in extreme weather conditions. We have heard some descriptions of such conditions and we have recently seen dramatic pictures in one of the Sunday newspapers. In October 2004 the sea wall was damaged and the route had to be closed for several days. Less severe disruptions happen more regularly, such as the slow running of services during storms to ensure safety.

Network Rail is aware of the importance of the stretch of track and has undertaken substantial work to improve the reliability of services. Some £9 million has been invested over the past few years, including money to strengthen the foundations of the sea wall. About £500,000 per annum has been spent on maintaining the sea wall. Five Network Rail employees work on the relevant section of line throughout the year, and regular weather updates are provided by the Met Office to help anticipate likely problems.

Network Rail says that it is ever alert to the potential problems from global warming, and I have recently commissioned a research study on its likely longer term effects on the network. Dawlish Warren is a case study. Network Rail recognises the importance of the line and continues to devote considerable resources to maintaining it to an appropriate standard. It does not believe that the railway sea defences in Dawlish are likely to fail in the foreseeable future, thanks to the work carried out and the ongoing maintenance and monitoring.

There have been suggestions that an alternative rail route avoiding Dawlish sea wall should be constructed. There are two possible options, each with disadvantages in the places served. The first is to reopen the former Southern Railway main line along the northern edge of Dartmoor from Okehampton to Bere Alston, rejoining the existing main line in the western suburbs of Plymouth. The service would not serve Dawlish, Teignmouth, Torbay, Totnes or Ivybridge and would be about 50 miles in length. At the east end the line is used by the Dartmoor Railway between Crediton and Meldon Quarry, where passenger trains have been reintroduced, although there is no regular year-round service. The middle section between Meldon and Bere Alston is either completely disused or used as a cycle route, and we understand that the track bed has been built upon in at least one location. There are proposals to extend the cycle route, and ownership of the track bed is in a number of hands; much work would be needed to reopen the line. However, the line between Bere Alston and Plymouth is open and used by regular passenger trains; it is part of the Tamar Valley Line.

Secondly, reopening the former secondary line from Exeter to Newton Abbott that goes through Chudleigh—closed almost 50 years ago—which joins the existing main line, would not serve Teignmouth or Dawlish. The route would be only 15 miles long, but the track bed has been lost in many locations and it would be difficult to reinstate.

We are not aware of costings having been undertaken for those proposals. They were not considered as part of the Greater Western route utilisation study published in 2005. I hope that I have reassured the hon. Gentleman about the viability of that part of the line.

Specifying a new franchise as large and diverse as Greater Western and balancing the needs of the taxpayer and the user is a complex task. Overall, I reiterate that the new franchise is a good deal, with all passengers benefiting from the investment of £200 million for improving trains, stations and performance. We are now immersed in the process of replacing the south-western franchise, and we recently published our consultation on the cross-country franchise—as we did for the east midlands and west midlands franchises—and we will listen carefully to rail users before finalising them.

We are mindful of the vulnerability of the rail route west of Exeter, and the Department will continue to work closely with Network Rail to assess the level of risk and how it can most appropriately be mitigated, and, if necessary, to assess the viability of alternative routes. Given what Network Rail has said about its commitment to maintenance and the fact that it regularly has a number of employees working there, it does not see a significant problem in the immediate future. I hope that I have offered the hon. Gentleman some reassurance.

Rural Transport

1.27 pm

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): May I, through you, Mr. Illsley, thank the Speaker for granting me this debate? I have tried for a long time to secure one on this subject, and I am happy to have achieved it. I welcome the Minister to her new portfolio, and I am happy to see her here. She has escaped the Whips Office, and I hope that she has many happy years in her new post.

I shall highlight a number of crucial issues relating to the transport needs of the rural communities in my constituency. They have regularly been the subject of discussion at coffee mornings in villages throughout my constituency, as well as in my postbag. I wish to focus on the provision of public transport and the problems that can be caused to isolated communities when there is one public transport provider. I shall also suggest some solutions to the problems that surround the provision of rural bus services. I will argue that bus operators should not be completely free of regulation, but that they should be subjected to greater openness. I will suggest that bus franchising should follow the same model as rail services, which will ensure that bus companies provide a useful service to the public.

The rural communities in East Cleveland share a common historic and geographical pattern. They are small villages that date from the 19th century—a time when ironstone mining was booming. With industry now long gone, many people in those villages and small towns have to commute to and from employment elsewhere in urban Teesside. They also regularly have to travel to Teesside or nearby market towns such as Guisborough and Redcar for their shopping and social life and to meet friends and relations.

Many of my constituents in these areas do not own cars. In some of the smaller, more deprived communities, access to cars is very low. In some cases, up to 42 per cent. of households have no access to a car. Consequently, they are forced to rely solely on buses. Bus services are therefore absolutely crucial to their everyday lives.

Approximately 95 per cent. of all bus routes in the area are under the control of one bus company—Arriva North East. The 5 per cent or so that are not all belong to small niche operators who provide buses for school and hospital runs under contract to the local council and minibus services on some estates.

Arriva recently introduced a number of radical changes to its local service, with serious repercussions for my constituents in East Cleveland. As a commercial operator, Arriva is fully entitled to make changes to its services, but the manner in which it did so has been a cause of concern among my constituents. The changes are based on a consultant's report that was commissioned for the Tees Valley joint strategy unit. The unit is a Teesside-wide organisation made up of all the local councils and its remit is to develop Teesside-wide planning and transport policies.

On the whole, the report was acceptable. It stated that transport patterns on Teesside had changed and needed addressing by the area's bus companies. It then suggested core routes across all of urban and rural Teesside. Crucially, however, it also recognised that the changes needed to be implemented with care and that structural elements should be in place before any changes were made.

The changes were to be introduced over at least a year and based on setting up a quality partnership between all the local authorities, bus operators and other stakeholders. That was to allow local councils to develop a pattern and build up financial provision for their tendered services to supplement the core commercial network.

I have to say, however, that Arriva completely ignored many of the report's recommendations by announcing that it would adopt the core service model within weeks. That meant that many communities found to their horror that there were to be large-scale cuts in their bus services. Those cuts would be partnered by reductions in frequencies, changes of route and, for some communities, a total loss of service.

A recent survey by Redcar and Cleveland borough council found that 10 per cent. of local residents use a local bus service every day and that another 14 per cent. use one once a week. It also found that the number of people using local bus services regularly was considerably higher in areas where the population was older than average and on a lower income. That is where the cuts have really hit home.

Letters from concerned constituents affected by the changes poured in to my office, the local council and Arriva itself. I was particularly distressed to learn that schools were faced with a problem because the new times did not meet the needs of their pupils. I have received correspondence to that effect from both Huntcliff secondary school in Saltburn-by-the-Sea and Laurence Jackson secondary school in Guisborough.

In addition, timetable information was available only days before the new routes were to operate. Local employers found that key staff were having to alter hours of work or to adopt new modes of transport simply to keep their jobs, but Arriva has not dealt with any of those issues, despite strong pleas from me, the local borough council and other organisations and groups in the East Cleveland area. It could be argued that if one bus operator—in this case, Arriva—behaves in that fashion, that will create a gap for a competitor to capitalise on what may be seen as a bad judgment by Arriva. However, that has not happened, for a number of reasons.

On Teesside as a whole, there are two major bus operators: Arriva and Stagecoach. Although I do not allege that there is a monopoly, I do find it fascinating that those major multinational transport companies, with all the resources available to them, do not seem to compete with each other in a meaningful way. For evidence of that, I examined a copy of the last local bus timetable guide issued before the latest changes. Although Arriva operated no fewer than 38 separate services in the borough, Stagecoach operated only one solitary bus route. That was a small late-evening-only tendered service covering a section of route operated by Arriva for the rest of the day.

Such domination can lead to an arrogance of power and an unwillingness to respond properly to complaints and observations from passengers. In recent weeks I have been receiving plenty of both from disgruntled Arriva passengers. It is clear from the

letters that, following the latest sweeping changes, things are little better. There have been numerous stories of missing or late-running buses and cancellations without warning. Additionally, there has been increasing use of elderly, small and unsuitable buses on many busy routes.

The survey by Redcar and Cleveland borough council found that, across the borough, only 22 per cent. of people are satisfied with their local bus services. In addition to the poor standard of the overall service provided, there have been reports of constant fare increases.

Arriva has devised a standard response to such complaints, which is to suggest that if the complainants are not happy, they should approach the local council—in this case, Redcar and Cleveland—and get it to subsidise journeys by putting in tenders. Although that sounds simple, it certainly is not. As a former councillor, I am well aware that councils have limited financial resources. In this case, the sheer scale of the Arriva cuts was such that the local authority had no further financial resources available to it. This is a real problem and is replicated up and down the country.

When the bus industry was deregulated by the late Mr. Nicholas Ridley, the intention was to liberate bus companies from the oppressive state to allow them to flourish in a more competitive environment. That vision depended on the notion that the routes catering for existing and potential demand would emerge and the market would meet the needs of the travelling public. However, the vision never became a reality.

The bus industry is now dominated by the so-called big five: Arriva, Stagecoach, National Express, First and Go-Ahead. According to the passenger transport executive umbrella group, those companies operate about 80 per cent. of all bus journeys in the country. However, their record is not good. Outside London, bus use has declined by about one third since deregulation in 1986. The cost of using the bus has escalated. Since 1985, it has risen on average by one third, while the cost of private motoring has been largely static. The extra costs have been borne, by and large, by people with no alternative to the bus—those who cannot afford cars and are therefore left at the mercy of the bus companies. According to the passenger transport executive, 60 per cent. of all bus journeys are made by people who have no private means of transport available to them.

Those figures are true of the local situation as well. In the wider Teesside valley there are 42 million bus journeys every year, reflecting the fact that car ownership in the area is lower than in any other part of the UK. That is a figure in decline, however; based on official council estimates, bus travel in the borough of Redcar and Cleveland dropped by about 8 per cent. between 2003 and 2005. The net result is that bus companies that are in a dominant market position have to adopt two distinct strategies. Either they can invest heavily and can market intensively where—and only where—there may be untapped potential, or they can prune back services and cut routes and buses.

Arriva has opted to take both options, as is clear from its half-year report for 2003, in which it said:

"Outside London, our approach to what is a mature market is to focus on a twin track strategy of targeting investment to deliver growth and eliminating low margin and loss-making routes."

It does not take a genius to understand that in rural areas such as East Cleveland it is likely to be the latter approach that will be more attractive.

So what can be done? For a start, I suggest that the concept of a total free-market approach to bus services be reviewed. Buses are an absolutely essential public service, and many people—usually those who cannot afford cars—are completely dependent on them. Other private operator services that are used by the public have to live either with a degree of regulation, or with direction that lays down a public service duty. That is the case with utilities, gas, water and power, and is also embodied in the way that passenger rail services are managed, through the setting up of the Department's franchises which are overseen by the rail regulator, and through the subsequent bidding for those franchises.

As a minimum requirement a duty should be placed on bus operators to support services in some of the less commercial operation times. If an operator intends to run a commercial service from 8 am to 6 pm, it should also be required to operate some early morning or evening services on the same route, if there is a demonstrated need. That would ensure that operators would begin to see their operations as a public service that addressed social needs and concerns, such as traffic growth.

There must be far more openness in the bus industry. There is a strong local suspicion that many of the services axed by Arriva were not as unprofitable as the company maintains. One axed service—the No. 71 from Guisborough to Saltburn and Eston—was regularly criticised for being overcrowded. The books should be opened to local authorities on the basis of commercial confidentiality, so that they can see that any decision they make to offer tenders for services are based on hard economics and reality.

We could go a lot further to re-regulate provincial bus services, and I believe that there is moral justification for that. Taxpayers make a great contribution to the bus operators, so it is wrong for those operators to act merely on the basis of making profits. The recent Public Accounts Committee report on the bus industry said that up to £359 million was paid to bus companies in the form of operators' grants, which subsidise their fuel costs. The Committee estimated that the operators will also receive £350 million in the shape of payments for concessionary fares and bus passes for old-age pensioners, disabled people and school students. Add to that the transfer payments to local authorities for them to subsidise tendered routes and we have a huge sum of public cash going to the bus operators with little in return.

On that basis, we should take a bold step and look to the introduction of bus franchising in England. That could follow the model used for rail services and be overseen by local authorities. Franchises could be as big or as small as is needed. They could cover a conurbation, a local authority area or even a single town. They could combine the urban core services and purely local services for outlying estates and communities. They could be based on contracts that stipulate core needs and set levels of frequency, accessibility, integrated ticketing and customer care.

[Dr. Ashok Kumar]

That is exactly the model used for rail services, and could be used for bus services.

Many of my constituents in the East Cleveland community have been badly let down by what they see as the unfair use of Arriva's market dominance. Many people in that area do not own private cars out of economic circumstances, not choice, and in many car-owning households family members do not have access to the car at times when they need to travel. Those people are looking for Government action to ensure fairness and the reintroduction of a public service ethos into the bus operation. That would certainly work in conjunction with the Government's drive to encourage people to use public transport to reduce road congestion and, more importantly, to protect the environment. I believe that that public service ethos could be reintroduced easily into the bus services, but we need action and commitment from the Government for it to happen. I look forward to the Minister's reply.

1.47 pm

The Parliamentary Under-Secretary of State for Transport (Gillian Merron): I congratulate my hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar) on securing the debate. He has provided an opportunity to discuss what I believe is an important subject: rural transport, and how its quality, or indeed lack of it, affects people and their day-to-day lives. I know that my hon. Friend is a dedicated and effective representative of his constituents on the subject before us and on many other subjects dear to their hearts.

It is essential that people in rural areas can get out and about, whether to their jobs, shops or services or to friends and family, and many of them rely on cars to do so. However, there are also those without cars—nationally, one in 10—who rely on public transport. Like my hon. Friend, I believe that it is crucial to ensure that they do not suffer exclusion because of poor access to transport. My hon. Friend focuses rightly on buses, and so shall I, because they are the main means of transport for people in rural areas. I shall comment on buses, first in general terms, and then more specifically.

As we know, since the 1950s, bus patronage has been falling, largely as a result of car ownership. That is particularly noticeable in rural areas, and as a result services there have become increasingly difficult to sustain. In recognition of that, rural bus services now benefit from a range of Government support. All operators receive a bus service operators grant, which provides a rebate of some 80 per cent. on fuel duty. For environmentally friendly fuels, that rebate is 100 per cent. Of course that will contribute to the financial viability of many rural services, including those in my hon. Friend's constituency.

We recognise, however, that conventional bus services are not always the most appropriate way to meet the needs of people in rural areas. In recognising that, in 2002, we extended the eligibility of the grant to community transport operators, and, in 2004, demanded responsive buses.

It is also worth noting that since 1998 rural communities have also benefited from the rural bus subsidy grant, which has provided £32 million a year to local authorities for new bus services in rural areas. The grant level has been increasing and it is now providing more than £54 million across England, funding about 30 million passenger journeys a year. The grant can be used to support not only conventional buses but a wider variety of flexible bus services, such as those that deviate from their route on demand—in my areas they are provided through Lincolnshire Interconnect—and demand-responsive buses, which are fully pre-bookable.

We have also used Challenge and Kickstart funding to support innovative schemes in rural areas. My hon. Friend will know that Redcar and Cleveland received over £150,000 of rural bus Challenge funds for the East Cleveland dial-a-ride initiative, to provide an extra dial-a-ride vehicle specifically for disabled people in rural areas. Since 2003, we have used a new approach called Kickstart to provide pump-priming for services with the potential to become self-sustaining after three years. My hon. Friend will also know that under Kickstart, Redcar and Cleveland received over £130,000 to enhance service 81, between Redcar and Guisborough, bringing better travel for residents of those towns and villages.

In addition to what I have outlined, we provide all local transport authorities with capital funding through the local transport plan system, in which a block of funding is provided to cover road maintenance and integrated transport. It is for local authorities to decide how that allocation is best spent, but some of it will be used to support bus services with the provision of bus stops, bus lanes, dial-a-ride and other flexible transport services.

Over the past six years, block LTP funding for Middlesbrough has increased by 95 per cent. and that for Redcar and Cleveland has increased by 89 per cent. As part of their second LTPs, which were delivered to the Department in March, all authorities have prepared an accessibility strategy. They were asked to work with local service providers to prioritise the problems that local people face in obtaining access to key services, such as those described by my hon. Friend.

I just want to say a word about the importance of free off-peak local bus travel for people aged 60 and over, and for disabled people, which my hon. Friend mentioned. I am sure that he and his constituents welcome the fact that the entitlement will be extended further, to national bus travel, from April 2008, for which the Treasury has earmarked an additional £250 million a year. I anticipate that in my hon. Friend's constituency alone that will benefit more than 17,000 people. The scheme will help to boost bus patronage in all areas and may make some rural bus services more viable.

My hon. Friend made some specific points about his constituency and I want to answer those. He is concerned that Arriva provides the vast majority of all local bus services in the area. That situation is not unique to his area, or to rural areas, but I agree that 95 per cent. is a very high figure. As my hon. Friend is aware, there is nothing to prevent another operator from challenging the situation by registering services in the area. If Arriva is, as my hon. Friend suggests, giving up profitable services it would surely be an attractive proposition for other operators to take them on.

My understanding of the situation as described by my hon. Friend is that the Tees Valley local authorities have carried out a review of the bus services in the area, in consultation with the bus operators, and have found that many of the traditional routes do not really serve the travel needs of today. Their intention is, by working together, to devise a better way to serve my hon. Friend's constituents. I know that the local authorities have plans to improve the bus infrastructure further as part of that work. That is the kind of co-operation that I am looking for and want to support and encourage. Neither operators nor local authorities have a monopoly on wisdom about where buses are needed and who will use them, and I would expect them to consult the local community.

Of course, any change in a bus network will result in losers as well as winners. My hon. Friend is realistic, and he knows that we cannot expect buses to be provided everywhere and at every time. Local authorities are best placed to decide how best to use their financial resources to support services that are not commercially viable. Such support could include subsidising services to replace those that are withdrawn.

Bus operators are entitled to protect commercially sensitive information, but we encourage them to provide data in confidence to local authorities in the interests of better performance. We have given local authorities the tools that they need to work with bus operators to improve services, and those include quality partnerships and quality contracts.

I am concerned about the situation that my hon. Friend describes. In view of that, I shall ask my officials to raise the issues that he brought to my attention with Arriva through the north-east bus partnership forum. I urge my hon. Friend and, indeed, any other hon. Members who know of problems with access to public transport in rural areas to bring them to the attention of their local authorities, especially as many of them are already working hard to try to address problems through their local transport plan.

My hon. Friend may be interested to know that my officials and I are reviewing future bus subsidies and many other aspects of bus policy. I assure him that I shall bear in mind his useful and carefully considered contribution, for which I thank him.

Question put and agreed to.

Adjourned accordingly at three minutes to Two o'clock.

Westminster Hall

Wednesday 21 June 2006

[JOHN BERCOW *in the Chair*]

Troop Deployment (Helmand Province)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Alan Campbell.]*

9.30 am

Mr. Adam Holloway (Gravesham) (Con): I thank the Speaker for granting me this debate and I apologise to the Minister for trashing a second morning of his time.

The Government's commitment to Afghanistan is brave and principled. As I am sure the Minister will point out, we cannot allow it again to become a failed state—one from which the likes of Osama bin Laden could plot the murder of thousands of innocent people. One should not invade countries and then run, leaving chaos in one's wake. A stable Afghanistan is in Britain's national interest. Unlike our invasion of Iraq, we had compelling reasons to invade Afghanistan, and for wider strategic reasons we had to play a part in introducing stability and democracy there.

As the Minister is aware, during the Easter recess I went to Afghanistan, and I managed briefly to visit Helmand province while there, so I hope that he will forgive me if I am not completely up to date. I do not pretend to be an expert on the subject and I do not have huge armies of knowledgeable advisers, but during my visit I conducted about 47 substantive interviews with Afghans and other well-informed people, with the emphasis on seeking the thoughts of the ordinary people of Helmand province.

The main headline that emerged from those discussions is that the British public have not been alerted by the Government to the great dangers that confront our troops and officials in the province, nor to the great risk of doing further damage to our reputation in the region. Announcing our deployment, the then Secretary of State for Defence said that he hoped, as we all did, that we would leave Afghanistan without a shot being fired. That was a somewhat optimistic observation.

At the moment, we have more than 5,000 troops in Afghanistan, and more than 2,000 in Helmand province. I am reliably informed that we would be hard pushed to get more than a couple of hundred on the ground—out of camp—at any one time. Helmand has a population of about 1 million, spread over an area the size of Wales and the west midlands. There are more than 1,000 villages. The area is dominated by the mighty Helmand river, and most of its population live within 10 km of the river banks. As one flies into the province, one is struck by the cultivation along the river banks. The guy in the next seat may shout over the noise of the aircraft, "Down there, look at that green; 80 per cent. of that is opium poppy and it will end up on your streets."

In the 1950s, Helmand was known as little America. A huge programme to build irrigation systems opened thousands of hectares of desert to cultivation and created a huge farming zone. Recent wars have all but destroyed that. In 2001, about 95 per cent. of the crops were destroyed by drought, leaving many families internally displaced, in debt and destitute. There is virtually no government in the rural areas outside the traditional structure of mullahs and elders. The Government are seen as corrupt, remote—and far away.

With the exception of Helmand's new governor—as the Minister knows, his relationship with the British is extremely close—most provincial government is completely corrupt. The last governor of Helmand was removed when opium may or may not have been found in his office, and his brother Mullah Amir remains the deputy governor. As one officer put it to me, the police are corrupt from top to bottom and police cars are the favoured vehicle for exporting the opium poppy.

In the south, Afghanistan has a 160 km border with Pakistan, but to the local population that is little more than an accident of history because it does not reflect family ties or economic activity—nor the long history of smuggling and the exchange of people. Indeed, when I first heard the word "Helmand" I was 18, and watching the mujaheddin attacking unfortunate Russian conscripts on one of their infiltration routes from Baluchistan and Pakistan into Afghanistan.

The Minister will be aware that a sizable Afghan population remains in that province of Pakistan, and that high levels of the Taliban and al-Qaeda organisations can be found there. Those groups may or may not be planning things from Pakistan, with or without the help of Pakistan's rogue inter-services intelligence, and trying to co-ordinate attacks on NATO troops. A couple of days ago this appeared on an Islamic website:

> "On June 15, armed forces of the Islamic State of Afghanistan ambushed and terminated eight puppet regime soldiers and destroyed their...vehicles".

Another entry says:

> "On June 14, armed forces of Islamic State of Afghanistan attacked a joint convoy of puppet soldiers and puppet policemen in Hasan Kariz area...which left three puppet policemen dead and two...injured. A vehicle was also destroyed in the attack."

Helmand was the birthplace of the Taliban and there remain substantial numbers of Taliban in both the towns and the villages. In the past few months, so-called night letters have been distributed, calling on local people to fight the British. That would not be the first time. In 1880 the Royal Regiment was virtually wiped out in the disastrous battle that it fought along the banks of the Helmand river at Maiwand. A British officer wrote, rather pessimistically, at the time that

> "making war and planning a campaign on the Helmand from the cool shades...is an experiment which will not, I hope, be repeated".

Well, the experiment is being repeated and the Taliban tell people in their night letters that their grandfathers are scratching at the soil in their graves to get out and kill the grandsons of the British troops they massacred.

That is the bad news. The good news is that ordinary Afghan villages badly want British troops. They want security and reconstruction. Since the 2001 invasion, opium production has increased immensely. Most families are involved in its production. It is not something with which they necessarily feel

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comfortable; but needs must. The opium yield per hectare is about $5,400. The yield for wheat is about a 10th of that. People might not starve without the money from opium, but it certainly helps family finances. Attempts at eradication are seen as unequal and unfair. When I was in the country I tried to see a very senior police officer, but his deputy told me, "He's out. He's busy making money." It turned out that he was in the poppy fields, directing that afternoon's eradication programme—presumably sparing the fields of farmers who could pay.

A couple of weeks ago a special forces officer who had just come back told me, while drinking tea on the Terrace, that he had lost count of the number of times he had been to an area in which he had been told eradication had taken place, only to find that the fields that were supposed to have been eradicated were intact, but that on the margin smaller farmers who had not been able to pay had had their crops destroyed. The process is thus seen as corrupt and inequitable. It forces out smaller players and allows bigger drug producers to consolidate.

The UK seems a bit confused about what it is doing about opium. We are the G8 leader on drugs, but one feels a certain sensitivity. Sitting in the garden of the British embassy in Kabul, having a quiet chat, I asked a senior official whether there was to be any change in our policy of providing "lift, cordon and planning" for counter-narcotics operations. The official answered that he was sure that the Minister's position had not changed—remember, this was supposed to be a friendly chat—and that he could only refer me to *Hansard* for what he said. That felt bizarre.

The Afghans are not stupid and we are kidding ourselves if we think that they will not notice if we get involved in the corrupt destruction of a crop that provides people with their livelihood while we cannot provide the conditions or means for them to earn a less harmful living. We will not generate good will by standing around while tractors dragging discs destroy crops that feed families. I am categorically not saying that we should do nothing about narcotics that damage vulnerable people, but I do not buy the supply side argument. Even if we could eventually destroy every poppy in Helmand there would be no resultant shortage on the streets of Gravesham. The situation is corroding Afghanistan from its people to its Government, and everything in between, but battles must be fought one at a time, at a time of one's own choosing. Fortunately, the harvest has just taken place, which will give the British breathing space so that we do not have to get involved immediately.

The end state is unclear and the objectives are confused. Is this a matter of counter-narcotics, counter-insurgency or nation building? Inequitable counter-narcotics operations will inevitably lead to insurgency, which can only have a negative impact on nation building. One major gripe in the villages, and a huge gap in our credibility in Helmand, is that we are working not only with a police force that is seen as 99 per cent. corrupt and whose members are involved in trafficking, but with national, provincial and district governments that are floating on the stuff. I imagine that the whole region is being swamped with signals and electronic intelligence as we look for Osama and his friends, but we have somehow failed to use that large amount of intelligence material, which points to the involvement of an extremely close relative of the President of Afghanistan, and no prosecution has yet been made. That matters, because the individual concerned is, in effect, the business partner of the biggest trafficker in Helmand, and the locals all know it. We are seen as connected with the eradication programme, but these guys are banking tens of millions of dollars and building ornate villas.

Successfully prosecuting a large trafficker would send a positive message to the villages of Helmand. As General Ulumi, the former Communist governor of Kandahar, put it to me,

"no one protects the villages and keeps them safe...They see most of the national income going into the pockets of a small group of warlords and drug dealers".

The villagers feel attacked from all sides. Jolyon Leslie, who used to run the UN development programme and who has been in Afghanistan, including under the Taliban, for about 15 years, says that

"they might have their school burned down by the Taleban, and then get beaten up by the Police for not stopping the Taleban from burning down their school. The trouble is the Taleban have not gone away, or if they have, they come back at night".

We decided to go to Afghanistan based on the assumption that Iraq would be stable by the time we did so. That assumption was pretty shaky anyway, but the conditions in which both would happen at the same time never pertained. As a result, we are carrying a large strategic risk in failing to achieve results in Basra and Helmand. When we decided to go in late 2004, we were keen to support the NATO mission and prove that it was usable, deployable and relevant.

The model that we have taken to Helmand is pretty much a first, with an unprecedented amount of planning. There is joined-up government, which is much to the Ministers' credit. The Ministry of Defence, the Department for International Development and the Foreign Office are working together to deliver the force that buys time for development and governance initiatives to take place.

However, that is all very little. The resources that have been allocated are inadequate. The military budget is £1 billion and the DFID budget was initially £10 million, with perhaps another £11 million, although that may have changed. Not only is the civil-military spend disproportionate, but the military commander is dependent on DFID for delivering his success, and it is unlikely that DFID will deliver. I have not been able to confirm this, but I think that the US has allocated $300 million for its poppy eradication and alternative livelihood programmes in Jalalabad, and the Afghans appear content with that. Even £21 million looks a bit light by comparison. This is what people call buying peace, but more than £1 billion over three years will create a fairly tiny footprint in Helmand, and I have referred to the 200 troops that we could routinely have had on the ground.

We have taken ownership of a huge problem, with the little prospect of gain. We have also not been told by what criteria the Government will measure success. One aid worker told me that

"it is absurd to think that you can create the conditions in Helmand...to pour in armed with hand pumps".

As I keep hearing, however, we are where we are. As usual, our troops get on with things and do what is asked of them.

Clearly, Afghanistan's centre of gravity is Kabul, and our national contribution in Helmand is really a tactical activity. We must do what we can to join up central and provincial government and clean up governance and police. We must also develop the Afghans' own apparatus to ensure that we do not leave Afghanistan as an aid state or a narco-state.

The stated objective of Her Majesty's Government is strengthening the power of the Kabul Government, but, historically, any attempt to strengthen the centre against the periphery in Afghanistan has failed. Afghanistan is not a nation, but a loose confederation of tribes. The establishment of democracy will not replace tribalism, which Afghans prefer, but cause huge resentment between Pashtuns, Uzbeks, Tajiks and Hazaras.

One senior officer who has been heavily involved in some of the more interesting military operations since Labour came to power warns against unnecessarily picking fights, and says that we should guard against considering every militia man with an assault rifle as being Taliban. Troops who have their own area of responsibility may end up having fights that do not help us at all. He says:

"It is a mistake to wind the locals up and give them an excuse to join the Taliban. Company sized swoops through your village and helicopters flying low overhead could act very effectively as a recruiting sergeant for the Taliban. We must be careful not to provide a self defeating profile."

In Iraq, we were until recently in the absolutely woeful position of conducting patrols without an Iraqi face. We must not repeat that mistake in Afghanistan. The senior officer says that we must be seen at all times to be backing up the Afghan army and the Afghan national police.

I do not know how far we have been able to go, in terms of cleaning up the police and working with reliable officers. If we do not manage to do that, the Afghan villagers will simply see us as an extension of a corrupt police force. One westerner who has lived in Helmand for over a decade believes that cleaning up the police and working with them is the key enabler. He believes that once we have done that, we can prepare Helmand for development, which will move people away from insecurity and drug production. Others cite the example of Dhofar, where a small, discrete contribution of UK forces is working with local forces to secure the environment for development. Obviously there are differences; there, the threat was external and everything was not polluted by drugs. Also, critically, we were prepared to be there for the long haul, which does not seem to be the case in Afghanistan.

There are recent reports of insurgents who have operated in Iraq arriving in Afghanistan, in Helmand province. Regardless of the veracity or otherwise of those reports, it seems inevitable that jihadists will transfer their devastating roadside bombing techniques from Iraq to Afghanistan. One British officer who served in both Iraq and in Helmand province in the aftermath of the 2001 invasion maintains that troops are getting killed in Iraq by roadside bombs because we do not have enough helicopters. He says that we seem to have forgotten the lessons that we learned in south Armagh. There, we faced devastating culvert bombs in the early 1970s. Vehicle movement was completely stopped and patrols were done on foot and by helicopters. Bessbrook Mill was the busiest heliport in the world. Of course, there are foot patrols in both Iraq and Afghanistan, but that is no longer the default setting, as it was.

There is another footnote to the lessons learned from Ireland. There, people in the key jobs that required continuity would serve for two years, albeit with rather different leave arrangements, in order to build up long-term relationships. Of course, Afghanistan is not Northern Ireland, where we had absolutely no choice other than to think of the long term. That point is not lost on many commanders to whom I have spoken, even if it is not axiomatic to tri-service chiefs, among whom corporate memory seems to be rather short.

At the time of the abduction and rescue of two special forces guys in Basra last year, the brigade commander's staff are reported to have spent hundreds of hours making the case for more helicopters and more troops. That request was for the most part denied, apparently because it would look presentationally wrong. We are about to take delivery of a couple of hundred partly irrelevant air defence jets, just when the size of our battlefield helicopter fleet is proving completely inadequate to the task. Another officer who will shortly take his troops to Afghanistan rang me the other night to say that he had just heard the likely number of helicopter hours that he would be allocated in Helmand. He said:

"We will be completely hamstrung without choppers—it looks like we are going to have to drive everywhere. Day to day resupply and troop movement will really eat into the hours."

It is not good enough to say that we do not have the air frames and the crews that the troops on the ground so desperately need. If we cannot do the job properly because we do not have the kit or the air crew, either we should not be doing it or we should start shopping, fast. Most people to whom I have spoken describe more battlefield helicopters as the urgent operational requirement. There are a number of other issues connected with the safety and effectiveness of our troops and officials in other Government agencies, of which the Minister is aware, but I do not propose to blunder into those in public.

In conclusion, the condensed view of many people with whom I have been in contact is as follows: the people of Helmand desperately want us there. They want security and reconstruction. They remember the 1950s, when they had irrigation and produced crops, and when they had proper roads and access to markets. They want those things again. They do not want endless war and opium. They want deliverance from poverty, but they also believe that there is a grave danger, given our tiny number of troops and the NATO model, of disappointing such high expectations. Of course it can be done and our troops are doing everything they can to ensure that it happens, within the constraints of the resources that they have.

The average Afghan is in his village and, metaphorically, sitting on the fence. He can either jump off it on the side of security and reconstruction or he can go the other way: the way of the Taliban and the side of insecurity, drugs and poverty. My fear is that the Taliban and external actors might be able to make the villagers feel that security is worse than it was

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before the British arrived. There would then be no development and another strategic failure, which will do nothing to make our people safer.

Several hon. Members *rose—*

John Bercow (in the Chair): Order. It might be helpful for hon. Members to know that I intend to call the Front-Bench winding-up speakers at, or very close to, half-past 10. Approximately four Members have signalled their wish to speak, so with even a moderate degree of self-discipline it ought to be possible for everybody to make a contribution.

9.51 am

Tony Baldry (Banbury) (Con): The whole Chamber owes a debt of gratitude to my hon. Friend the Member for Gravesham (Mr. Holloway) for his interesting, well thought-out, well researched and thoughtful contribution this morning.

When the present Home Secretary was Secretary of State for Defence, he said that he would deploy to Helmand only if there was full support from DFID. I want to speak about that this morning, but before I do so, I should like to give some thanks and make some comments.

Last year I was fortunate, along with the hon. Members for Stroud (Mr. Drew) and for Merthyr Tydfil and Rhymney (Mr. Havard), to go to Afghanistan as part of the armed forces parliamentary scheme. May I, through the Minister of State, thank the officials in the MOD who organise that scheme? It must sometimes be a complete headache having a group of Members of Parliament lumbering around military establishments, but they look after us extremely well.

We were struck by the incredible work of the RAF in heavy lift. It has few heavy transport planes, which it is having to use in both Iraq and Afghanistan, working 24/7. It is a phenomenal task and the people involved do it incredibly well. We were also struck by the professionalism of our forces in Kabul. What a contrast we saw between UK squaddies out on patrol, making eye contact and being friendly with locals, and our American cousins, who are bunkered down in Humvees, travelling at huge speeds around Kabul, frightening the locals and causing mayhem. It is no wonder that people do not respect the United States; it is not difficult to see why that is so.

It was impressive seeing the work that was being done to train the Afghan army, but that process will obviously take a long time, particularly the building up of middle management and the relationships between sergeants and junior officers. None of us should genuinely expect much from the Afghan army for some time. That is not because they are not people who are committed and of good will; they are starting a long way back in respect of their training.

I notice that my hon. Friend the Member for North Wiltshire (Mr. Gray) has disappeared. He and I were looked after by the Royal Gloucestershire, Berkshire and Wiltshire Regiment, which is being amalgamated into the Rifles. I hope that it will be able to keep its back badge. The Minister smiles, but such things matter in terms of the history of our nation. The regiment defeated the French in Egypt, despite the fact that the French were attacking in both directions. Despite the amalgamations, we hope that soldiers in the British Army can keep such things, which are icons.

Everyone recognises that British forces will do an extremely professional job, but in the brief time that I have left I want to talk about DFID. It has been in Afghanistan for some while, but its time has been spent almost entirely in Kabul. The work that it has been doing in Afghanistan is almost entirely about helping the machinery of government to work in Kabul—helping President Karzai and Government Ministries to work. That is not an easy post. It is an unaccompanied post. The number of DFID staff who are particularly interested in Asia is not that great; most of them are interested in Africa. I think that it has not been easy to recruit staff to go to Afghanistan for DFID, although it has had some extremely good people there.

As far as I can discover, there has never been an oral statement from DFID on what it is doing in Afghanistan, and I have tracked down only one written statement, which was made on 31 January. It talked about the 10-year development plan, but nothing very detailed has ever been provided about Helmand. The written statement reinforces the fact that DFID has felt happier or has been more focused on helping

"the Afghan Government's planning and budgeting through more effective delivery and use of aid, resulting in greater impact on poverty"

and reducing

"the risk of funds being misused through weak administration or corruption."—[*Official Report*, 31 January 2006; Vol. 442, c. 17WS.]

DFID has been focused on the machinery of government in Kabul. Hon. Members know little about what DFID is doing in Helmand. How many UK-based staff are working in Helmand? Are they working through local non-governmental organisations and other local organisations? What are they doing to seek to establish alternative livelihoods? Or are we in a chicken-and-egg situation? Is security not yet good enough for DFID and other staff to get to Helmand? We do not even know yet what work DFID is doing in Helmand.

I know that many colleagues want to contribute to the debate. It would be extremely helpful if we could have the information that I have mentioned. The Government have made it clear that in this area of policy winning hearts and minds is partially what the military are doing in bringing in security. However, the question is also what DFID can do to increase and enhance alternative likelihoods. We need to know both sides of the story. Because Helmand will be difficult for journalists to access, we are rather dependent on the Government telling us what they are doing. Perhaps the Minister of State could ensure that colleagues in DFID appreciate that they also need to be telling this story; they also need to be telling us what is going on. Alternative livelihoods in Helmand and in Afghanistan as a whole will never be easy, but we need to see the complete picture.

9.57 am

Mr. David Drew (Stroud) (Lab/Co-op): I shall keep my remarks particularly short because I came into the Chamber a tad late. It is a delight to take part in the debate, and I thank the hon. Member for Gravesham (Mr. Holloway) for initiating it. It is an honour to follow my friend from the trip to Afghanistan, the hon. Member for Banbury (Tony Baldry), and I, too, express my respect for the Royal Gloucestershire, Berkshire and Wiltshire Regiment, which hosted us in Mazar-e-Sharif and looked after us very well there and in Kabul.

I have three quick observations to make from the trip and from what I have read since. The first is an optimistic one. When we make such a trip, we realise how good our troops are, and not only at peacekeeping. The hon. Gentleman and I also saw the provincial reconstruction teams. We took a rather long journey to see how they engaged with some of General Dostum's warlords. It was very moving as well as interesting to see them sit down and talk through issues that were arising, trying to bring about genuine peace on the ground. It was interesting to see the degree of detail that they have to go into. That just shows the commitment of our forces.

The second issue, which has been alluded to, is training. It is obvious that the real battle is training and retaining people in the army and police force of Afghanistan. That will not be a quick win; a long-term structural effort is required. The worry was that the work was being undertaken in different ways by different national entities. The French were training the officers and we were training the NCOs. There were clear tensions about the training. The fact that officers got the same level of training as NCOs and not much more than ordinary troops suggests a somewhat superficial command structure. We must keep putting effort into that.

My third point, which I make no apology for raising again, is about how we manage not just our entry to this difficult scenario—I support our having troops in Afghanistan, for reasons that I shall give in a second—but our exit strategy, inasmuch as this is an international commitment. Afghanistan is not like Iraq where, in effect, the United States and the United Kingdom are leading a peacekeeping effort.

Operations in Afghanistan are under the auspices of the United Nations, and therefore the UN must take responsibility through ISAF. We all know about the difficulties in getting clear commitments from some of the players in the lead-up to the British going into Helmand. The Dutch going into Uruzgan was a classic case. They would not go in until they had their own air cover. Thankfully, that situation was resolved, but I would like the Minister to describe the management process. We cannot keep 5,000 troops there indefinitely. We have to know how we will move through the responsibility that we have taken on, who will replace us and how they will do it, and what will happen.

The Americans continue to pursue various elements—for example, al-Qaeda and the Taliban through Operation Enduring Freedom—but in their own way will begin to reduce the number of troops that they have on the ground. We learned a simple fact about US logistical problems, in that the US uses many reservists. Come the end of their year, having paid off their mortgage, the reservists leave—I am sorry to be cynical, but it appears like that when one is out in the field—but the Americans do not necessarily have people to replace them. There are drivers affecting British military forces that are completely outside our control.

I wish to conclude with a question that has always worried me and which prompts my belief that we have to be in Afghanistan. What is the alternative? There is every threat that the Taliban could return and that Pakistan could be further destabilised. I went to Pakistan shortly before I went to Afghanistan. It is clear that President Musharraf is in a difficult situation with both the north-west frontier province and Baluchistan already somewhat in the grips of more extreme elements. We must recognise that the future of the whole region depends on some level of stability in Afghanistan, but that can happen only if we will the means and the minds of the people. That is why what our provincial reconstruction teams are doing is so important.

I heard what has been said about money. Perhaps the message from this debate is not for the Ministry of Defence but for the Department for International Development. If it is serious about moving through the military stage, which, sadly, we will be in for some years, substantial resources must be channelled through DFID conduits. However, the UN must recognise that this is a real test of its authority. Will it be able to engage properly in reconstructing a country that has known nothing but conflict for decades? It will be difficult to achieve that objective, but the alternative is far worse.

10.4 am

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): I am grateful for the opportunity to make a short contribution to this debate. I would like to start by thanking and congratulating my hon. Friend the Member for Gravesham (Mr. Holloway) on securing this extremely timely debate on the situation in southern Afghanistan. Given the seriousness of the challenges facing our troops in Helmand province and the escalating violence in Afghanistan in recent weeks, this is an appropriate time to discuss these matters.

Without wishing to ignore or downplay the importance of issues such as whether our mission there was planned with sufficient clarity as to its objectives or adequately resourced, I should like to raise another factor that will be critical to the long-term peace, stability and reconstruction of Afghanistan. That is the relationship between Afghanistan and Pakistan, which was touched on by the hon. Member for Stroud (Mr. Drew). My theory is that without much greater trust, co-ordination and pooled effort between the Governments of those countries, the situation will continue to deteriorate, the risks facing coalition troops will increase and the long-term success of the project will be even more difficult to achieve.

Five years ago the Taliban and al-Qaeda in Afghanistan were seemingly smashed by the United States-led Operation Enduring Freedom which, although derided by many now, drew widespread praise at the time for its design and execution. Yet here we are in 2006 and Afghanistan is facing a resurgent Taliban

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movement that threatens to overwhelm that fledgling democracy and poses a real challenge to both coalition troops and the Afghan army.

Given that Afghanistan shares a rugged porous border of nearly 1,500 miles with Pakistan, and that Taliban fighters have found more than a few welcoming homes in the semi-autonomous tribal areas on the other side of that border, the goal of eradicating those militants was never going to be solely concerned with what happened within the Afghan interior.

Effective security in the border areas of both countries is vital for the overall reconstruction effort, but it is not easy to achieve, given that neither Kabul nor Islamabad has ever managed to extend any meaningful authority to those parts. That was well understood by military planners from the outset. However, while—under the auspices of the tripartite commission, which involves the US, Afghanistan and Pakistan—significant steps have been taken towards achieving a co-ordinated approach to stopping the cross-border flow of Taliban fighters, the overwhelming picture is one of mistrust, finger pointing and too little effective action by the Pakistan and Afghan Administrations.

Throughout the past 12 months, the Government of President Karzai have repeated complaints that militants in Pakistan are freely crossing the border and that Pakistan is being used as a launch pad for attacks inside Afghanistan.

Two months ago, the head of the Taliban in Pakistan, Haji Omar, vowed to continue attacks against foreign forces in Afghanistan. The claim is not just that the Taliban have found a safe sanctuary in the north-west frontier province of Pakistan, where they have been able to set up a major logistics hub and training camps and to carry out fundraising and recruitment, but that they have also received help from Pakistan's two provincial Governments, from Pakistani Islamic extremist groups, and from various Pakistani criminal gangs—while the Government in Islamabad looked the other way. Such claims may carry some truth, but the way in which they have been aired publicly by senior Afghan politicians and officials—at embarrassing moments for the US and Pakistan—has done nothing to strengthen the partnership that needs to exist if the Taliban problem is to be dealt with effectively.

Not surprisingly, President Musharraf's Government hotly deny that they are providing any kind of safe haven for Taliban fighters or that they are providing less than full commitment to the anti-Taliban cause. I believe that Mr. Musharraf has shown great courage and taken personal risks in the fight against terrorism, but it would not be surprising if some of his lieutenants were less eager to quell Afghanistan's insurgency, given that they remain dismayed at their loss of influence over a country that, under Taliban rule, they controlled to a significant extent.

Three months ago yet another joint statement was issued at the end of a tripartite commission meeting. It said that the three sides had agreed to enhance communication and co-ordination in order to fight al-Qaeda and Taliban guerrillas in the border area. However, verbal commitments to greater co-operation have been made all too often. Back in 2003, when Pakistan was utilising 60,000 troops in the semi-autonomous tribal areas to seek out al-Qaeda and Taliban members, the Afghan Government angrily accused it of effectively invading their territory. Such accusations and suspicions have even led to the sporadic exchange of gunfire between Afghan and Pakistani border outposts in the past two or three years. That is not the kind of partnership that is needed if the Taliban and al-Qaeda are to be defeated.

Many hon. Members will be aware that the situation is exacerbated by the border dispute to which my hon. Friend the Member for Gravesham alluded, which dates back to the colonial era. Pakistan regards the border as settled; Afghanistan does not. In 2003, the Pakistani Government announced that they had begun fencing the border with Afghanistan, using as a justification their need to block infiltration by Islamic militants. That served only to raise suspicions even further on the Afghan side that Pakistan was seeking to close off any future discussions about the border.

The US has tried to resolve the border issue through the tripartite commission, but so far its effort has had little fruit. It is not just about which particular rocky mountainside the border should cross; the significance of the problem lies in the fact that the colonial border divided Pashtun tribal families who now want easier access to each other. They are the very people that the Taliban are trying to enlist in their cause.

There are fears in Pakistan about the spread of Taliban sympathies within the western border and in other parts of the country. According to reports from Pakistan earlier this year, the Taliban recently opened an office in the capital of south Waziristan, one of Pakistan's semi-autonomous tribal areas, supposedly to help restore law and order.

As the UK shoulders an increasing burden for resourcing and leading the military campaign in Afghanistan, and as the US commitment is reduced, it is right for Her Majesty's Government to consider what steps they can take to help neutralise the points of conflict between the Afghan and Pakistani Administrations, to encourage greater confidence-building measures and to create a much stronger anti-terror partnership between the two Governments.

Crucially, the UK needs to consider how it can strengthen and support the work of the tripartite commission, which has been led by the US and needs to become far more effective. The meeting of the commission two weeks ago in Pakistan was the first time that NATO and the international security assistance force participated as full members. It is important that our involvement with the commission is meaningful from the start. The shared interests of Afghanistan and Pakistan—security, trade and development—should be a healthy foundation on which to build a successful partnership, but that partnership seems very far off.

10.12 am

Mr. Tobias Ellwood (Bournemouth, East) (Con): I congratulate my hon. Friend the Member for Gravesham (Mr. Holloway) on securing this important

debate, and I offer my congratulations and thanks to the Chairman. Mr. Bercow, it is the first time that I have come under your tutelage, and it is a pleasure. I imagine that you are frustrated to watch us speaking with such authority in a debate about international issues. I am surprised that you did not ask us to end early in order to hear 10 minutes of your own views on the subject. Maybe that will happen; who knows?

I am pleased to be participating in this debate. It is not very long ago that I was speaking with the Minister in this very room on the same subject. As we have heard in a number of contributions today, it is not just a military matter any more; it is much more. I put on the record my disappointment that we have received no representation from the International Development team or the Foreign and Commonwealth Office team to answer our questions.

It is always a pleasure to see the Minister here, but it has been up to the Opposition to call this debate. Large numbers of British soldiers, DFID and other organisations are working in Afghanistan. Whenever there is a threshold of interest in another country, it deserves a major debate on the Floor of the House, not a Westminster Hall debate secured by the Opposition. We are here today, however, and the debate has been useful so far.

I had the pleasure of visiting Afghanistan last week—I got back on Thursday—with General Jones, who is the NATO Supreme Allied Commander, Europe. General Jones is overseeing the expansion of ISAF forces as ISAF takes over three of the four regions of Afghanistan.

Hon. Members have expressed concerns about link-ups and the overstretch that our forces are experiencing. Some 36 countries are participating in the international security assistance force, with 10,000 troops. That looks very impressive on paper, but the unfortunate reality is that many countries are participating with caveats—restrictions or limitations imposed by their Government on how troops can and cannot be used. A simple but stark example is that German troops cannot go into combat. They are not allowed; their Government prevent them. Obviously there are historical reasons that need to be respected, but because of the number of combat troops available to do the job, it limits NATO's ability.

There are also concerns about incompatibility between nations. NATO forces have a lot of experience of working together in Bosnia, Kosovo and other operations. However, in Afghanistan, there are still incompatibility issues in communications and, most importantly, airlift and logistics, which my hon. Friend the Member for Gravesham mentioned in his opening speech. The problem I discovered is that all the heavy and medium airlift capability is limited to the home country; in other words, Britain, for example, moves our own troops around Afghanistan, but we do not donate any of our aircraft to NATO. If NATO and ISAF want to move troops to react to a situation in another province or another area of Afghanistan, they have to request from the home nation the ability to use a C-130 or a C-17. That does not allow NATO to act as one. Logistically it is hampered.

There is also concern about equipment. The most worrying is to do with something called blue force tracker. That is a new piece of equipment stuck on to every single vehicle, allowing HQ to monitor it via satnav. The French refuse to use blue force tracker because they want to use another system that is being created by Thalys. That rival system is not yet on the shelf as it has yet to be invented. Huge frustration was expressed by General Jones and by General Richards, head of ISAF, who asked why we could not agree: why cannot Governments come together and collectively determine what is needed and what is not, rather than waiting until we are out in the field to discover that there are frictions in that area?

My hon. Friend also mentioned mission creep. Many of us here have military backgrounds. But as my hon. Friend the Member for Banbury (Tony Baldry) pointed out so eloquently, this is a DFID situation as well. NATO is creating an umbrella of security in Afghanistan, which is fundamental. But while we have a limited period underneath the umbrella of security that we are creating, that is when DFID and other international development organisations must come in and help Afghanistan to get off its knees. Otherwise when that umbrella of security is removed we will be left with an Afghanistan in the same place as it was three or four years ago, and we will have failed.

If we go to visit the provisional reconstruction teams as I did in Helmand, we will see that there is mission creep everywhere. NATO is very much involved, and certainly the British are, working hand in hand with DFID. There is just one DFID representative in Lashkar Gah, but she is working closely with our military. In the same way, this is a G5 project, which is a military term. It is mission creep; it is not going out there providing security. It is that extra step of going down to help to build a school. That is what is happening, but it is being done unofficially. It is unco-ordinated and there is no one above making sure that one hand knows what the other is doing. The problem is that we discover that many organisations are interfering with each other. There is no overall umbrella organisation controlling the international development emphasis. That is the one lesson that needs to be learned. I encourage the Minister to speak with his colleagues in DIFD to see whether that can be rectified.

Poppy crops have been mentioned. We cannot separate them from our task in Afghanistan, much as we went out there to deal with the terrorist aspects. Unfortunately we cannot separate those from what is happening. Last year was the biggest crop ever grown in poppies: 4,100 tonnes. That is after the millions of dollars spent trying to tackle the problem: $400 million was spent last year, but it had no impact whatever because it resulted in the largest crop ever seen.

In a meeting with President Karzai—I brought this up the last time we had a debate—I suggested the idea of a pilot scheme to purchase the poppy crops in a particular area; for example, Helmand, so that they could be removed and used to make the morphine and so forth that we need due to the shortage in the world. That was dismissed last time by a number of British representatives, by the Minister of State here and by other representatives too. President Karzai agrees that it is worth pursuing; so do General Jones, SACEUR, General Richards and the PRT team in Helmand.

It is appreciated that there are problems. Will people deliberately grow poppies simply to come in on the

[Mr. Tobias Ellwood]

trade? There are only about 250,000 people involved in the poppy trade, but the impact that they are having on the rest of the country is phenomenal. We should think a little wider; we could certainly say, "We will buy the poppy crops off you this year, but next year, you have to match your poppy crop with a wheat crop." That way, we are weaning people off growing poppies. That would prevent money getting into the hands of terrorists, who are causing so much mayhem around the world. It would also pour money into the local economy. Some 90 per cent. of the heroin on British streets comes from Afghanistan, so we have a vested interest in challenging what is going on.

Helmand province is facing an awful lot of challenges. It has about 500 policemen, who are not trained; the whole programme of police development is about two years behind schedule. That is hindering the process because there is no overall collective responsibility in that area. Also, something called Talibanisation is occurring, and not only in Helmand. That is when locals and parts of tribes who are in debt have no loyalty to Afghanistan as a whole, but only to their family and then to their tribe. They get a large payment from organisations to come and take a pop at Americans or NATO troops and so forth. International development agencies need to help those individuals through alternative lifestyles, but I am afraid that that is not seen to be working, as a collective measure.

As has been mentioned, NATO's footprint is actually quite small. We speak of Helmand province a lot because that is where the British presence is, but there are 30 provinces in all, and the neighbouring province of Nimroz is actually empty; there is not one British, American or NATO soldier, or one international development organisation, in that province. It is the same size as Helmand, yet there is no one there at all. If a terrorist organisation is in Helmand, and things get busy there, where do we think it will move to?

My hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb) eloquently illustrated the problem with the Pakistani border. When I visited it, it was clear that SUVs and other vehicles were able to drive straight through the border by paying some sort of tariff to the tribes that operate on the border. Pakistan certainly needs to do more to challenge what is happening there. There is no military presence in the 150 miles between Lashkar Gah and the border. If we are to tackle those issues, we certainly need more troops in the province.

I end on international development issues. While I was in Kabul, we met a number of agencies, and I took a look at some of the operations working on narcotics. Hon. Members will be aware that the issue is a G8 responsibility, the UK being the lead nation on that particular subject. There are six major organisations in Kabul run by the Afghans themselves, including the Ministry of Interior, the Ministry of Counter Narcotics, the Afghan national police, and so forth. On the NATO or military side, there are all the PRTs in the country, ISAF and the American equivalent, which is the Combined Forces Command-Afghanistan, and the operational mentor liaison teams.

In addition, there are other organisations, such as the counter-narcotics trust fund, the inter-agency operations and co-ordination cell and the joint co-operation management board. They have just been created in Afghanistan. In addition, there are all the UN organisations, the United States Agency for International Development, the Bureau for International Narcotics and Law Enforcement Affairs, the US embassy, the British Embassy, the EU mission and the EU Commission—which do not talk to each other; they have offices on different sides of Kabul. The World Bank is there as well. That is not to mention the Department for International Development and the Serious Organised Crime Agency, which I understand is now helping with narcotics, too.

That is far too many organisations for us to really achieve the mission of dealing with international development and reconstruction in Afghanistan. Everybody from President Karzai down to the head of the PRT in Helmand province agrees that there is an urgent need for a co-ordinator, a Paddy Ashdown-type character, with the power to cut through the red tape imposed by donor countries on how money should be spent. *[Interruption.]* I thought that might get the Lib Dems excited. What is needed is a co-ordinator with the authority to influence the international agencies. That is not happening, and money is being thrown down the drain. The consequence is the largest poppy crop ever.

If we fail in Afghanistan, it will not be due to the size of the forces that we have sent there; it will be because we have not taken advantage of the fragile blanket of security that those forces provide. I believe that we have about two years to get it right.

10.25 am

Willie Rennie (Dunfermline and West Fife) (LD): I congratulate the hon. Member for Gravesham (Mr. Holloway) on securing the debate. He set out his case in a probing and thorough manner. He says that he is not an expert, but he sounds pretty knowledgeable to me, and I hope that I will be as knowledgeable as he is following my visit to Afghanistan next month.

We have a duty to support the people of Afghanistan in their effort to build a secure environment where they can thrive and prosper. I want this morning to put some questions that may assist the Minister in his thinking and planning, as we strive together to create such an environment. My remarks will focus on six aspects of the question: defining success, clarity of role, Pakistan and the threat assessment—something that has already been discussed—overstretch, non-governmental organisation support and supplies.

Afghanistan has had its fair share of invaders over the centuries, including King Darius, Alexander the Great, Genghis Khan, the British, the Russians, the Soviet Union, the United States and the Taliban. It comes as little surprise, therefore, to learn that Haji Abdul Qadr, a village elder in Helmand, recently remarked:

"We are very suspicious about the arrival of more foreign troops on our land. We are suspicious because for 30 years"—

more than 30 years—

"Afghanistan has been a chess-game for outsiders like the Russians, the Pakistanis, the Arabs and the Americans. We are afraid. When people talk about things as black and white we do not see good and evil. We see the head of a cobra."

Asked whether the Government could help to find him a job, an unemployed Afghan man of 22, from

Lashkar Gah, asked which Government: the government of the foreigners, the Government of Karzai, or the Government of the Taliban? That sets the context of the challenge in Helmand and of the debate. The Liberal Democrats continue to support international efforts to stabilise Afghanistan, and Britain must accept its share of the burden.

My first questions are about vision. It would be helpful if the Minister would enlighten us with a vision of success. When will we know if we have succeeded with our deployment? The Defence Committee noted ministerial

"reluctance to discuss an exit strategy"

from Afghanistan. That may be understandable but I hope that the Minister will seize the opportunity today to be more forthcoming and publicly state the targets by which he will measure the success of the deployment. Has he reflected on the claim that the mission in Helmand will last for three years? There is much scepticism about the chances of completing its objectives within that time. Will the Minister set out a more realistic timetable for completion?

As to the clarity of the mission, it has been reported that British forces may seize drugs and traffickers if they are discovered in the course of routine operations. Yet the forces are not permitted to take direct pre-planned action against the drugs trade, including the eradication of the opium poppy. Does it strike the Minister that that is confusing and complex? If there is a likelihood that opium poppy and drug traffickers will be discovered during action, when our forces are planning that action, what will the role of the British troops be in such circumstances? I would welcome some clarification on the grey area between security action and anti-drug action.

While I am discussing the drug situation, I might mention that the relationship between the poppy growers, the drug barons and the Taliban is an important one. Is the Minister concerned that the effort to beat the drug exports from Afghanistan will support any fledgling alliance between the Taliban and the drug barons? Does he have any evidence that such alliances are developing? Will he outline what measures are in place to disrupt any alliances of that type that develop?

The hon. Member for Gravesham spoke about Pakistan, and I want to discuss the threat assessment. Have the Government received a threat assessment from commanders on the ground in the south of Afghanistan? A written answer put the number of Taliban in southern Afghanistan at possibly more than a thousand, and another stated that there are

"a range of illegally armed groups in the south".—[*Official Report*, 15 March 2006; Vol. 443, c. 2291W.]

It added, however, that the number of individuals involved could not be determined. I would welcome some clarity on that apparent contradiction.

The chief of staff for coalition forces in Afghanistan, Colonel Chris Vernon, says that the Taliban's leadership is operating across the border in Pakistan, in the Balochistan provincial capital of Quetta. The Pakistan Government deny that accusation and are demanding "actionable intelligence" to prove it. The Afghan President, however, agreed with the British chief of staff and blamed Pakistan for allowing the Taliban to hide in its border areas. I am sure that the Minister will not reveal his assessment of the threat from the Taliban, but can he give us assurances that the apparent disagreement between the Pakistan Government on the one hand and President Karzai and the chief of staff on the other is being addressed and that a common view is developing?

On transportation, there are concerns that supplies to Helmand will be threatened by the loss of Hercules aircraft in conflict, as well as by the lack of defence aid suites and of explosive-suppressant foam in the wings. Can the Minister reassure us about the security of the supply lines? Are sufficient helicopters in play? Is he confident that the promise of helicopters from our allies will be maintained for the duration of the mission?

I turn now to NGO support. In the light of ISAF's tougher mission in Helmand and the recent increase in violence, there is concern that civil-military relations will be complicated. Have the Government taken into account the increased threat to those working in ISAF? What discussions have the Government had with NGOs about security arrangements and the impact of bringing Operation Enduring Freedom and ISAF closer together? What security has been planned for NGO staff, who may be put at risk by an increased military presence in the region?

I turn now to overstretch. As the Minister will know, the Government announced in the 1997 strategic defence review that they would be able to undertake either one major operation on the scale of the 1991 Gulf war or one sustained lesser deployment, such as the Bosnia operation in the mid '90s, alongside preparations to mount a second, relatively small operation elsewhere. That approach was updated in 2002 to reflect the experience of having to do more small operations than had been planned. The problem, as the Armed Forces Pay Review Body and the National Audit Office said this year, is that the assumptions are always broken. For at least the past seven years, our forces have been operating at levels higher than those in the planning assumptions, even when those assumptions have been revised. Obviously, that causes overstretch and means that some equipment will wear out more quickly than planned. Resources are allocated against planning assumptions, and while occasional fluctuations above the plan are to be expected, a continuous over-tasking causes cumulative problems.

With our current commitments in a range of locations throughout the world, there is little doubt that our forces are suffering from overuse and have had to call on their reservists to plug gaps on too many occasions. The ability to respond to currently unforeseen crises will inevitably be limited. Like others, I am concerned about the likely consequences of that overstretch, which might make the armed forces less attractive to new recruits, at a time when recruitment levels are suffering, and that is not welcome. Does the increase in commitments mean that UK forces are continuing to work beyond defence planning assumptions? Have we adhered to harmony guidelines? I would welcome details of how the UK's complex commitments around the world are to be reconciled.

The main questions in which my party is interested are these. How will the Minister define success in

Helmand? Will he bring clarity to the mission and to our role in combating narcotics activity? I hope that he will reassure us that the apparent disparity of views between Pakistan, our commanders on the ground and President Karzai is being addressed. Liberal Democrats have long-running concerns about overstretch in our armed forces, and I hope that the Minister will address our concern about the provision of security for NGOs, which are doing vital work. Finally, we need to ensure that the supplies for our armed forces are secure.

10.33 am

Mr. Mark Harper (Forest of Dean) (Con): It is a pleasure to serve under your chairmanship, Mr. Bercow. Let me begin by thanking my hon. Friend the Member for Gravesham (Mr. Holloway) for securing the debate, particularly given the on-the-ground, detailed knowledge that he brings to it as a result of the time that he spent in the country recently and in his youth. I also pay tribute to my colleagues, who have made sure that we have had a wide-ranging debate on the military and international development aspects of this issue. In addition, I thank my hon. Friend the Member for Banbury (Tony Baldry), who is not in his place, for his robust support for ensuring that the Glosters get their back badge. The Minister would expect me, as a Gloucestershire Member, to support that initiative, and I hope that he bears that in mind when he responds.

I am sure that the Minister will want me to give him sufficient time to respond to the many questions that have been raised, and I, too, want to ask him a few questions. Before I do, however, it is worth saying on behalf of the Opposition that the United Kingdom has a clear national interest in being involved with Afghanistan. We saw what happened when it was a failed state run by the Taliban regime. We have a clear interest in being there and ensuring that it is a successful, democratic state. The Conservative party supports that mission. The reason for asking the questions that we do is to ensure that we maximise its success and minimise the threat to our forces.

One question that has already been raised is on the resources that we have available. In response to the Defence Committee report on the UK deployment, which was published last week, the MOD stated that it believed that the force package that it was sending was

"sufficient to meet the threat".

Immediately following the publication of that report, the Government had to announce that they were sending more troops to Afghanistan to secure the airfield at Kandahar.

Other hon. Members have touched on the scale of the province and the job that needs to be done there. It would be interesting if the Minister would say whether he is confident that the troops we have deployed there will be sufficient for the task in the future. The wider question has already been alluded to: given that the mission will go on for the long haul, do our defence planning assumptions need to be revised and do we need to examine our overall military resource?

On that subject, it is clear that NATO views our deployment in Afghanistan—or its deployment there—very much as a decade-long commitment. The current British mission is for three years. Given comments that the Government have made about the difficulty of that mission and the challenge that we face, it seems likely that we will be there for much longer than that. Will the Minister outline the Government's current thinking about how long the mission will last?

Given that the need for the mission is clear and that a clear case for it can be made to the British people, having an honest and robust discussion now about the length of time that we are likely to be in Afghanistan, the difficulties in the mission and the risks that we face is the best way to ensure that, whatever troubles we have in the future, we retain robust public support.

Mr. Drew: Obviously, this is a NATO-led operation, but, as I said, the role of the UN is crucial. Clearly, the UN has various resolutions on Afghanistan and cannot wash its hands of this. Does the hon. Gentleman agree that the only way to secure a force that might be able to continue after the NATO involvement is if the UN gets directly involved? What are his views on that?

Mr. Harper: I thank my neighbour for that intervention. My opinion of the efficacy of the UN is probably somewhat lower than his. He makes a sensible point about planning for involvement after the NATO involvement. The challenge has already been outlined by hon. Members talking about other national forces being deployed: the use of such forces is heavily restricted and subject to caveats.

The reality is that while this deployment remains of real danger to our troops, relatively few countries will be prepared to put their money where their mouth is. That probably means that the United States, the United Kingdom and perhaps one or two other countries will bear a significant burden simply because other countries are not prepared to deploy their troops in situations where they may come into harm's way. That might not be a satisfactory outcome and we should do what we can diplomatically to try to change it, but that is the situation that we face.

One question that has been outlined relates to the availability of helicopter lift in Afghanistan and whether the lift is sufficient. Given the terrain, helicopters are vital; getting around that country by road alone is not adequate. Will the Minister comment on that issue, which was raised by the Defence Committee? When our soldiers were attacked 10 days ago, sadly leaving one officer dead and two seriously injured, did we have sufficient helicopter lift capability to ensure that they were able to be extracted quickly? Is the Minister confident that in any such future engagements helicopter lift will be available to ensure that our troops in difficulty have speedy extraction from danger?

There is some circularity on the issues of counter-narcotics and reconstruction. In its report, the Defence Committee stated that it believed that there was a fundamental tension between the UK's objective of promoting security and stability and the counter-narcotics strategy. In its reply, the Ministry of Defence said that it did not believe that there was such a tension and that long-term stability could be obtained only if the opium trade were tackled. The difference in the two views is on the time scale involved. We agree with the Ministry of Defence and the Government that in the

long term Afghanistan will be stable only if the drugs trade is tackled, but trying to tackle it in the short term before there is a proper security environment will be risky. Will the Minister comment on that? Like my hon. Friend the Member for Banbury and the hon. Member for Stroud (Mr. Drew), I am not sure whether the resources and the work being done on the ground by DFID and the Foreign Office are adequate for the task.

If we table questions to the three Departments we get different answers. The MOD makes it clear that there can be no long-term security if the opium trade is not tackled whereas the Secretary of State for International Development states that delivering alternative livelihoods to those involved in the trade is highly dependent on the security situation. We need to decide which of those priorities should come first. If they are to be done in parallel we will need a more significant troop presence on the ground.

Looking at the role of the two operations, the then Secretary of State for Defence, now the Home Secretary, said on 26 January that we were deploying our force to protect and deter. The ISAF mission was unchanged, focusing on reconstruction. He made a clear distinction between insurgency or terrorist attacks on our forces, which would get a robust response, and our forces having a primary counter-terrorist role. We have repeatedly been told that it is not an offensive mission, but the lines seem increasingly to be being blurred. Last week, the press reported British involvement in Operation Mountain Thrust. Will the Minister confirm the nature of that mission? Was it an offensive mission, and was it undertaken by British forces under Operation Enduring Freedom or ISAF?

The Minister has said that the operation planned for ISAF will not involve it undertaking counter-terrorist operations, which remain the preserve of coalition assets under OEF. In a written question last week, the Secretary of State was asked by my hon. Friend the Member for New Forest, East (Dr. Lewis) whether he classified al-Qaeda and Taliban forces as insurgents or terrorists for the purpose of possible engagement by UK forces. He stated in his reply that no such classification of that threat was necessary for the purposes of the engagement of our forces in Helmand.

A distinction was clearly made by the then Secretary of State when he outlined our mission. He said that we would respond robustly but that ISAF would not primarily be a counter-terrorist operation. The written answer from the current Secretary of State seems to blur that distinction. If there is no attempt to define whether the threat that we face is terrorist or insurgent, then the nature of the missions is widened.

Bob Russell (Colchester) (LD): I have been pondering something that the hon. Gentleman said a minute or two ago and his following remarks. Bearing in mind that a sizeable number of soldiers from the Colchester garrison are already in Afghanistan, is he advocating that more British troops should be deployed there?

Mr. Harper: I am advocating that the number of troops should be equal to the mission. I want the Minister to outline the nature of the mission in which we are engaged and ensure that it is properly resourced, which we will be able to judge when he responds.

I want to leave the Minister the remaining 16 minutes to answer my questions, so I shall draw my remarks to a close.

10.44 am

The Minister of State, Ministry of Defence (Mr. Adam Ingram): I do not think that I have served under your chairmanship before either, Mr. Bercow. You have chaired the proceedings very well.

I congratulate the hon. Member for Gravesham (Mr. Holloway) on securing the debate. As ever, such debates are worth while and serve a genuine purpose. He has not trashed my morning, because I hear things that make me reflect and think. In the time available I will not be able to answer all the questions that have been asked, but I shall do my best to touch on some of them in general terms and some specifically.

I thank the hon. Member for Banbury (Tony Baldry), my hon. Friend the Member for Stroud (Mr. Drew) and the hon. Members for Preseli Pembrokeshire (Mr. Crabb) and for Bournemouth, East (Mr. Ellwood) for their contributions, and I also thank the two Front-Bench Opposition spokesmen.

Before I deal with the issues raised in the debate, I wish to pay tribute to Captain Jim Philippson, who was killed in Afghanistan on 11 June. In the same incident, two of his fellow soldiers, from the Royal Artillery and the Royal Horse Artillery, were seriously injured. Captain Philippson's death underlines what a demanding mission our forces have in Afghanistan. I know that all hon. Members will join me in offering condolences to Captain Philippson's family, and sympathy to the injured soldiers and their families.

The hon. Member for Forest of Dean (Mr. Harper) asked how casualty evacuation was delivered. An investigation is being held into how rapid our response was, and I shall write to him about that. We try to deliver a rapid and effective CASEVAC approach at all times, but lessons must be learned if it does not deliver as it should. It is an ongoing investigation and we will find out the background.

Everyone accepts our reasons for being in Afghanistan. We all vividly remember the terrible events of 11 September 2001, which provoked a justifiable international reaction. It is worth remembering that it was the first time in its 57-year history that article V of NATO's treaty had to be invoked. If we had not acted, Afghanistan would have remained a cauldron of competing fanatics, tribal warlords and drug smugglers. In short, it would have remained the ideal breeding ground for a new generation of global terrorists. There were noises off—some did not think that it was justified—but in the wider political spectrum it was recognised to be fully justified.

We must prevent Afghanistan from again becoming a haven for the likes of al-Qaeda and other insurgents. We must help her people rebuild their nation as a functioning, stable, secure and prosperous country. To put it bluntly, it is in our interests to do so. It will always be in the interests of the Afghans, but it is also in our interests. It is the right thing to do: we are helping a people, a society, to recover from the corrosive impact of decades of war, criminality and repression.

[Mr. Adam Ingram]

The hon. Member for Gravesham clearly set out his support for, and justification of, our presence in Afghanistan; and everyone else who contributed to the debate, in their own way, made a similar point. The hon. Member for Dunfermline and West Fife (Willie Rennie) spoke about the extent of our commitments globally. It is always easy to criticise, but those who make such criticisms ought to say what we should not be doing. Questions are easily asked, but answering them is much more difficult. Does the hon. Gentleman not want us to be in the Falklands, in the Balkans, in Northern Ireland, or in Iraq under a United Nations mandate? Does he not want us to be involved in sub-Saharan Africa? When he raises such questions, he should ask himself where we should not be. Perhaps we are to be enlightened.

Willie Rennie: The answer is quite clear. We should not have started from that position. We stated our opposition to the Iraq war from the early stages.

Mr. Ingram: I am not going to debate whether we should be in Afghanistan—[Hon. Members: "Ah!"] We are where we are, and such a question must be answered from that point, and not from where it is thought we should be. When the hon. Gentleman asks the question, he should ask himself those other questions. We are in Iraq under a UN mandate. Is he now saying that we should withdraw our troops? If so, it would be an interesting development of Liberal Democrat policy.

Why are we in Helmand? As we have heard, it is an ungoverned space and the conditions are unquestionably severe.

Mr. Crispin Blunt (Reigate) (Con): Will the Minister give way?

Mr. Ingram: I have only 10 minutes left to respond to the debate, but if I find time I shall certainly do so.

The authority of the central and provincial authorities is weak. There is no question about the influence of the insurgents, no matter how they are defined, and the drug traffickers are in a strong position. Large parts of the province lack any real government, and its people are unquestionably very poor. As the hon. Member for Gravesham pointed out, it was once the bread-basket of Afghanistan, and that is what we are trying to recover. Can we restore that part of Afghanistan and revive the legitimate economy in the region? That is our objective. We want to make a positive difference. By doing that there, we can help the rebuilding of the whole of Afghanistan.

I responded last week to the Defence Committee's recent report. It noted some of the issues that must be addressed, and the issues that it raised are valid, but overall it endorses our objectives in Afghanistan. It recognised, as the Government do, that our goals are ambitious. They will not be achieved easily. Things will not happen overnight. There is no simple equation. That applies to any troubled part of the world where we try to achieve a stable economy and the redevelopment, or sometimes the creation, of a society that understands the benefits of democracy and all that flows from that. That applies wherever we find ourselves, and Afghanistan is no different.

I was asked how long the mission is for. We have made a commitment for three years. That is a long-term commitment—longer than usual—but we do not expect to achieve all our objectives within the three years, as I told the Select Committee when I gave evidence. It would be foolhardy to say that we would not have a presence in Afghanistan three years or five years from now, or perhaps even later. However, our current presence in Helmand has a specific purpose. Progress will be uneven, but given the size and potency of our force package, I believe that we can make a real difference.

Mr. Harper: The Minister does not think that by the end of three years we will have achieved all our objectives, but does he have a sense at this stage of what we can realistically expect to have done by that time?

Mr. Ingram: I can speculate. There is always the danger of being too specific, because the nature of the environment that we are in can create uncertainty. Things will be extremely difficult. We do not know what will be thrown at us. However, we have planned very carefully for this mission. We know the potential strength that is there and we have put in place a potent force to deal with it. Of course, it is not just a UK presence. Other countries are heavily engaged in all that. It is part of NATO's mission. Again, we know the purpose of what we are seeking to do.

We started in Kabul. For too long, Afghanistan was Kabul-centric. There was no governance beyond Kabul. We then developed the concept of provincial reconstruction teams. We reached out into the north and the west. Those who have visited Mazar-e-Sharif will have seen the benefits of that. It was a more benign part of the country, but it was not without dangers. In the early stages of that PRT, there were real threats on the ground. However, we have stabilised the situation. We have got a measure of development and support from the local population.

It was logical that next we had to take the benefits of that—the construct of that—and look at other ungoverned parts of Afghanistan, which is what we are doing. That is stage 3 of ISAF's development. It is why we are in Helmand and the rest of the south. If we make good progress there, the next step is to move into the east and stage 4. That is an ambitious programme. It cannot be delivered by the UK or even by the UK and US together; it has to be multinational. There has to be international buy-in. There has to be that NATO commitment.

The hon. Member for Gravesham asked about the financial commitment. I know that he was not saying that money alone can solve the problem. It cannot, but money is a real trigger for progress. At the London conference earlier this year, the UK committed £500 million. That is a sizeable tranche of money, and it is in addition to the £1 billion or more that we announced for our military commitment. The sum, which is across Government, is not just for Helmand but for the whole of Afghanistan. It is part of a total donor commitment from international pledges of $10.8 billion—again, a sizeable package of aid. The question is how the aid is delivered and used to achieve the objectives.

Mr. Ellwood: Will the Minister give way?

Mr. Ingram: I want to make one or two other points. I have been asked many questions, and I want to give some detail in my responses.

In Helmand, we plan to spend £38 million on non-military activity this financial year, and there is an ongoing commitment of £20 million per annum for support programmes. The overall change in Afghanistan is truly substantial. Consider the number of people who are now at school, the number of health clinics that have been built and the way normal society is beginning to come into play. Those who have visited the country and tried to understand it appreciate the benefits that have come mainly to areas in and around Kabul and in the north and the west. We must now try to replicate those benefits in the south and the east.

On co-ordinating our activities with DFID, the hon. Member for Bournemouth, East was right to point out that there is only one DFID representative in the south. At present, security issues do not allow easy transference out of the social and economic programmes that we need to deliver. Interestingly, because of close ministerial engagement and the new way of working cross-Government—there is a sharp focus in Government on delivering across Government agencies—DFID could be working in the field alongside military personnel as a way of delivering its programmes.

I do not accept that our efforts are unco-ordinated. They are not yet well specified because the situation on the ground has to be better understood and stabilised. We could put civilians' lives at risk if we just go out and start to do things. Clearly, it would be detrimental and highly damaging if lives were lost. We must ensure that we get a return from our programmes when we go out to deliver them. We have shown that we can do that in the rest of Afghanistan, so let us build on that model.

The hon. Gentleman made a point about multi-agency working. There are many agencies in Afghanistan, and that is a good thing. It shows buy-in by the international community. A joint co-ordination and management board has been created to oversee the Afghanistan compact. The board is chaired by the Afghans and the United Nations and brings together ISAF, the combined forces command in Afghanistan, the World Bank, the Asian Development Bank, the European Union and other agencies. The hon. Gentleman's criticism that multi-agency working can result in dissipation and duplication is valid. Agencies should not compete with each other but should be complementary. That is how we seeking to develop programmes.

The point was made about DFID's role and how the Department should answer these questions, and I do not disagree. We are open about what we are trying to do, but if the view is that there is a paucity of response from DFID or other Departments, I will ask my colleagues to ensure that their message is getting out. Getting the message out is one of the benefits of this debate.

I have many more points to make but time is working against me. I will consider some of the key issues that have been raised and write to hon. Members to give them a better understanding of where we are going.

The men and women of our armed forces play a major part in our work to help bring about a more stable and secure Afghanistan, and they do so in difficult, uncomfortable and often dangerous conditions. Anyone who has seen them deployed on operations will know that they act with great courage, restraint and good humour. They deserve our full support, and I know that that opinion is shared by everyone in this Chamber.

Hague Convention 1996

11 am

Sir John Stanley (Tonbridge and Malling) (Con): I am very glad to be able to initiate this debate on the 1996 Hague convention on the international protection of children. I start with a point of curiosity, which I hope that the Minister for the Middle East, the hon. Member for Pontypridd (Dr. Howells), who is responding to the debate, will not take personally. The debate is on a human rights issue, and I am curious to know why the Minister for Trade, the right hon. Member for Makerfield (Mr. McCartney), is not replying to the debate. After last Thursday's human rights debate in Westminster Hall, I had the opportunity to mention to him that I had secured this debate, and he said that he expected that he would reply to it. He is, as the Minister is aware, not only the Minister with responsibility for human rights but a previous Chair of the all-party group on child abduction, which I currently have the privilege of co-chairing with the hon. Member for Nuneaton (Mr. Olner). He would, therefore, have been extremely well qualified to respond to the debate and I hope that that is not the reason why the Foreign and Commonwealth Office has decided that he should not do so. Having said that, may I, as always, welcome the Minister for the Middle East. I know that, with his usual diligence, he will have burned the midnight oil and got himself fully up to speed on the convention.

The non-ratification by EU member states—apart from a small handful, which ratified it before becoming EU member states—is regrettably one of the worldwide scandals from a human rights standpoint. I use the phrase advisedly. It is a scandal and it is having serious human rights repercussions. It would be a scandal wherever it happened, and one might expect such a thing to occur in a part of the world that was conspicuous for violations of human rights. However, one would not expect such a situation to arise in an area such as the EU, which prides itself on the fundamental importance that it attaches to human rights—including children's rights—and which makes them a centrepiece of its architecture. However, that is the position.

I shall come on to why EU states have still to ratify the 1996 Hague convention, but I want to highlight at the outset why its ratification is critical. Its significance was well summarised in a letter from the Secretary-General of the Hague Conference on Private International Law, Mr. Hans van Loon, to the then EU President, Mr. Luc Frieden, on 25 February 2005, in which he appealed to him to achieve EU ratification of the convention during the Luxembourg presidency. Mr. van Loon wrote as follows:

"The 1996 Convention, which entered into force on the international plane on 1 January 2002, has huge potential to bring justice and relief to parents and children dispersed over EU territory and third States of all continents, including countries from within the Islamic tradition (Morocco is already a Party to the 1996 Convention). It will help prevent international child abduction and provide a secure legal framework for cross-border contact between children and their parents when families separate. It will help, worldwide, to establish a framework for the co-ordination of legal systems, and for international judicial and administrative co-operation, which will further many objectives of the almost universally ratified United Nations Convention on the Rights of Children of 20 November 1989, and complement the widely ratified Hague Conventions of 25 October 1980 on Child Abduction and of 29 May 1993 on Inter-country Adoption."

That passage from the letter to the then EU president shows all too clearly what is at stake in ratifying the convention. The specific rights of children and the opportunities that the convention presents to give them additional protection were extremely well summarised by the deputy Secretary-General of the Hague conference, Professor William Duncan, in the conference's judges' newsletter of last autumn. Professor Duncan wrote of the benefits to children that will arise from the ratification of the 1996 convention:

"The children who stand to benefit include: those who are the subject of international parental disputes over custody or contact, those who are the subject of abduction or wrongful retention (including in those countries which are not able to join the 1980 Convention on international child abduction), those who are placed abroad in alternative care arrangements which do not come within the definition of adoption and are therefore outside the scope of the 1993 Convention on inter-country adoption, those who are the subject of cross-border trafficking and other forms of exploitation, including sexual abuse, those who are refugees or are simply vulnerable unaccompanied minors."

The 1996 Hague convention is of the most profound importance to vulnerable, needy, exploited and sexually abused children all over the world. Its non-ratification denies all those categories of children the benefits of the legal protection that it would afford.

I appreciate that the position is not 100 per cent. black worldwide, and that the EU has taken it upon itself—quite unnecessarily, in my view—to introduce its own parallel provision to the 1996 Hague convention in its 2005 parental responsibility regulation. However, although that effectively gives children in the EU the protection afforded by the 1996 Hague convention, it provides that protection only in cases of abduction and so on between EU member states. It does not provide any protection in abduction and other cases involving an EU member state and a state outside the EU, or to children who are involved in such cases between two states that are both outside the EU. The protection provided so far for children by the EU 2005 parental responsibility regulation is very limited geographically.

I come to the key issue: why has the 1996 Hague convention, a vital convention for the protection of children, not been ratified so far by the EU? The answer is one word, and that word, extraordinarily and reprehensibly, is Gibraltar. It is because the British Government and the Spanish Government are unable to agree on how the 1996 convention should be operated within Gibraltar that children throughout the world are being denied the crucial protection and fundamental rights that they would otherwise have under the 1996 Hague convention.

It is because of the dispute over Gibraltar and how the convention should be operated in Gibraltar that, although the Hague convention came into force in January 2002, now—four and a half years later—we still have no EU ratification. It is a completely unacceptable position and I must say that both the British Government and the Spanish Government should be hanging their heads in shame that such an

important issue to benefit children throughout the world is not available because they are unable to deal with the Gibraltar dimension.

I say straight away that I understand the significance of the sovereignty of Gibraltar issue. Indeed, as a Member of Parliament individually and as a member of the Foreign Affairs Committee, I have been consistently robust in defending and upholding the right of the people of Gibraltar to determine their own future and to do so by a legitimate and democratic process of self-determination. They should not have their sovereignty removed against their will. The issue that the Spanish and the British Governments should be attempting to resolve and which should have been resolved ages ago is how to disentangle the Gibraltar sovereignty issue from the equally imperative issue—in this context, I would say more imperative—of getting the 1996 Hague convention ratified. That is not difficult, given good will and common sense.

I say to the Minister that the British Government have been here before, well within living memory. I shall give him a precedent. We were in the same position when dealing with sovereignty vis-à-vis Argentina after the end of the Falklands war. The British Government had to normalise their relations with the Argentine Government. They had to do business with them, sort out the limits of fishery zones, fishery protection issues, the resumption of civil flights between the Falkland Islands and Argentina and the resumption of sensible commercial relations between them. That was done successfully in the obvious, simple way of the British Government and the Argentine Government agreeing to put the sovereignty issue on one side, take it off the table and concentrate on reaching common-sense, responsible solutions that were in the interests of the Falkland islanders and the people of Argentina. That is how the issue was solved. It seems wholly negotiable to achieve a similar solution to the issue between the Spanish Government and the British Government.

What I question about the British Government is whether they are putting the amount of effort into solving the matter that it requires. We are talking about the denial to children throughout the world of the protection afforded by the 1996 Hague convention. To establish what degree of priority the British Government and Ministers have given to the issue, I recently tabled a question in anticipation of eventually being successful with this Adjournment debate. It stated:

"To ask the Secretary of State for Foreign and Commonwealth Affairs, which Government Ministers have had discussions with Spanish Ministers on the ratification of the Hague Convention of 1996 on the International Protection of Children; and on what dates such discussions took place."

First of all, for some unknown reason the question that I tabled was transferred by the Foreign Office to the Department for Constitutional Affairs. I fail to see why the Foreign Office ducked answering the question. On 8 May, however, I received a reply from the Minister of State, Department for Constitutional Affairs, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), who said:

"My right hon. Friend the then Foreign Secretary raised the matter in a letter to the current Spanish Foreign Minister, Miguel Angel Mbratinos, on 12 October 2004.

In addition to this, my right hon. Friend the Member for Rotherham...raised the issue in a meeting with the then Spanish Europe Minister on 13 November 2003, when Minister for Europe. On 24 November 2003 Baroness Scotland also discussed the issue with Ana Palacio, the then Spanish Foreign Minister."—[*Official Report*, 8 May 2006; Vol. 446, c. 111W.]

So the shocking answer, and I did find it truly shocking, is that Ministers have raised this issue three times, and three times only, since the convention came into force in January 2002—four and a half years ago. I appreciate that work has been going on at official level, but what priority have Ministers been giving this key issue when they have raised it just three times in the past four and a half years? The Government are giving this key human rights and child protection issue an unacceptably inadequate level of priority.

We had a golden opportunity to crack the problem during the British presidency last year, because the presidency gave us influence and the ability to prioritise the agenda. Mr. Hans van Loon returned to the charge and wrote to the Prime Minister, who was then President of the EU, drawing attention to the incredibly negative effects that non-ratification was having on the prospects of ratification around the world. He said:

"We are also concerned about the negative effects of delay on other regions of the world. There is interest in the 1996 Convention among a growing number of States in Africa, Asia, the Middle East, South and North America, among others. The Convention is viewed as an instrument which will not only help to build bridges between the regions but also have an application to some of the very challenging problems of cross-frontier child protection within certain regions such as Southern and Eastern Africa. The ratification of the Convention by all European Union States will send out a strong signal internationally. It will be an act of leadership which will bring benefits to children in different parts of the world."

Well, the Prime Minister replied on 22 November 2005, and hon. Members will draw their own conclusions about his reply, although I think that it is very disappointing. It is brief, so I shall read it out in full. Mr. Blair wrote to Mr. van Loon:

"Thank you for your letter of 25 October about the 1996 Hague Convention on the Protection of Children.

The UK is well aware of the Convention, and remains committed to securing its ratification. I sympathise with your frustration that this has not happened, and I was grateful for your thoughts on how to break the impasse over this, and other, instruments. You are aware of the difficulties raised by Spain over Gibraltar, and the background to these. We have tried to be flexible, working in both our national capacity and as EU Presidency, and explored various possible solutions with both Spain and Gibraltar. So far, a resolution has eluded us. But I am hopeful that we can eventually achieve one, working through the dialogue between Spain, Gibraltar and the UK that Jack Straw and his Spanish counterpart established last year. We will, of course, continue to keep you posted on progress."

And progress on this issue during the British presidency there was none. As far as I am aware, there has been none since. However, the issue has been selected for debate today, so perhaps the telephone wires have been humming and a deal has been done over the weekend. With good will, it would have been perfectly possible to do a deal over the weekend, and perhaps the Minister will announce that the problem has been solved. That would be wonderful. Should that not be the case, however, the British and Spanish Governments will continue to be censured by all the other EU member states, and by international groups

[Sir John Stanley]

around the world concerned with child protection, for failing to resolve this issue and for preventing the ratification of the 1996 Hague convention on the international protection of children. In my view, such censure will be richly deserved.

11.20 am

The Minister for the Middle East (Dr. Kim Howells): I congratulate the right hon. Member for Tonbridge and Malling (Sir John Stanley) on securing the debate. I know from his distinguished record in this field how strongly he feels, as indeed do you, Mr. Bercow, about the subject. He is right that there can be few subjects of greater importance. I shall try to explain why this extremely regrettable impasse continues.

There was quite a debate in the Foreign Office about who should deal with this subject. The right hon. Gentleman is right to question why I am answering the debate and not my right hon. Friend the Minister for Trade, who is the Minister with responsibility for human rights, or my right hon. Friend the Minister for Europe. The reason is precisely because of some of the issues that the right hon. Gentleman raised when he described the importance of the Hague convention. Such issues stray into my responsibilities, and they include human trafficking. These are very serious issues and I hope that he will accept my answer to his debate, which I am glad he raised.

May I begin by saying that the Government are well aware of the 1996 Hague convention on the protection of children and its significance, and remain committed to securing its ratification? I sympathise with the right hon. Gentleman's frustration that this has not so far happened.

Before dealing with specific concerns, I shall take the opportunity to make a few comments to set the context for my response. Both the 1996 Hague convention and the new EU parental responsibility regulation are intended to reinforce the operation of the 1980 Hague child abduction convention, one of the most widely adopted and most effective Hague conventions worldwide.

The 1996 Hague convention on jurisdiction, applicable law, recognition, enforcement and co-operation in respect of parental responsibility and measures for the protection of children is one of a number of international instruments that are intended to work together to secure better outcomes for children in circumstances where cross-border arrangements have to be made for residence and contact—known as custody and access internationally—following family breakdown.

The revised Brussels II regulation—EC regulation No. 2201/2003—which came into force on 1 March 2005, was drafted to take account of the provisions on jurisdiction, recognition and enforcement of decisions relating to children contained in the 1996 Hague convention.

EU member states signed the 1996 Hague convention on the protection of children on 1 April 2003. It is intended that they will ratify the convention simultaneously. Several EU member states will need legislation in order to ratify. The revised Brussels II regulation gives partial Community competence in this field, which means that ratification must take place on an EU-wide basis. As matters stand, the UK will need primary legislation in order to ratify the 1996 Hague convention on the protection of children.

As the right hon. Gentleman is aware, Spain is currently blocking the EU from making decisions on the signature or ratification of international instruments that involve a degree of EU competence unless special provision is made for their application to Gibraltar. The most prominent case to date has been the 1996 Hague convention on the protection of children.

Spain wants to limit the extent of direct contact between the competent authorities in Gibraltar and those of other parties to such instruments, including states outside the EU. We understand that the Spanish view such contact as recognition of the 1969 Gibraltar constitution, which the right hon. Gentleman hinted at. However, they have never acknowledged that constitution because the preamble makes clear the principle of Gibraltarian consent to any change in sovereignty, and we do not consider the 1969 constitution to have any sovereignty implications.

That problem held up EU business in the late 1990s. The UK therefore entered into detailed negotiations with Spain, in consultation with Gibraltar; and in April 2000 we agreed a system that allows for indirect communication between EU member states and the competent authorities in Gibraltar, via the FCO—the so-called "post-box" system. That covers business within the EU, and a limited number of international treaties. What Spain wants represents a significant move beyond those arrangements—that any country that is party to an international instrument to which the EU is party must communicate with Gibraltar via the FCO post-box.

In 2003, as a compromise on the Hague convention on parental responsibility, the UK offered to consider using the post-box between EU member states and Gibraltar. Spain refused to accept that solution, and more recently the broader issue of post-boxing was raised by the Government in the trilateral forum—a dialogue between Spain, Gibraltar and the UK that was established in 2004. That forum is precisely what the right hon. Gentleman spoke of when he mentioned arrangements made after the Falklands war. It is about putting sovereignty to one side and making progress on co-operation between Spain, the UK and Gibraltar, which is what we want to see happen.

Sir John Stanley: Will the Minister say why the British and Spanish Governments were able to agree over the operation in Gibraltar of the EU's parental responsibility regulation, but could not agree to a similar arrangement that would enable the 1996 Hague convention to be settled?

Dr. Howells: As I understand it, the Hague convention is of an altogether different order. It is not an EU provision; it is an international treaty and it is therefore treated differently within the EU.

I will answer the right hon. Gentleman's questions about what we have been trying to do about it recently, but since the establishment of the trilateral forum, representatives of the UK, Spain and Gibraltar have been sitting at the same table, each with an equal voice. The post-box is an anachronism. It impedes the development of better and more efficient communication.

So far, the Spanish Government have not been able to offer an acceptable proposal. However, we will continue, through the trilateral forum, to find a way forward acceptable to all three parties that will enable the EU to ratify the 1996 Hague convention. Indeed my right hon. Friend the Minister for Europe was in Madrid on Monday and in Gibraltar on Tuesday for discussions in the context of the trilateral forum.

A special commission will discuss the work of the 1980 Hague convention from 30 October to 9 November 2006; and the Hague conference intends to devote one and a half days to discussing the implementation of the 1996 Hague convention. I hope that we can arrive at a solution. I agree entirely with the right hon. Gentleman that it is urgent. Indeed, my right hon. Friend the Minister for Europe has been dealing with the matter over the past couple of days.

Member states are being canvassed about what issues should be raised at the special commission, and the questionnaire includes questions on the 1996 convention. We recognise that the United Kingdom will probably be criticised at the special commission—the right hon. Gentleman has criticised us, and so will Spain—for holding up implementation of the 1996 convention. It is a serious matter.

John Bercow (in the Chair): Order. I apologise for having to interrupt the Minister.

11.30 am

Sitting suspended until half-past Two o'clock.

Local Transport Funding

2.30 pm

Mr. Paul Truswell (Pudsey) (Lab): I am not inclined to view you as an avenging magistrate, Mr. Bercow, but may I begin by saying how delightful it is to appear before you for the first time?

This debate on future funding for local transport is timely, as the Treasury is beginning work on the 2007 comprehensive spending review, and it has been pursued primarily on behalf of me and other Members representing metropolitan areas served by passenger transport executives. We support the Passenger Transport Executive Group in advancing the case for funding for our areas, not only because of the key economic role that they play, but because of the increasingly crucial environmental factors that also underpin the case for enhancing local public transport. I hope that my hon. Friends from other PTE areas will succeed in catching your eye, Mr. Bercow.

At the end of the debate, I would like to present my hon. Friend the Minister with a hot-off-the-press copy of the PTEG case for investment. I ask her to confirm her willingness to meet with me and other PTEG MPs in the near future to discuss its content.

We hope that the CSR process and the Department for Transport submission to it will be an opportunity to bid for the additional investment that we need in public transport networks in city regions. In the last spending review, London made a good case for better public transport. There is no doubt that London needed and deserved better public transport, and the Labour Government can be rightly proud of how they and a Labour Mayor worked together to agree a £10 billion, five-year investment plan for the capital.

Of course, London is the UK's world city and a major driver of the UK economy. It put forward a cogent and successful argument that a modern, efficient public transport network is crucial to its continuing growth. However, after London, the economic drivers of the UK are the country's other city regions. They also need modern, efficient transport networks if they are to continue to drive wider regional economies.

It is straightforward to paint a broad economic case for investment in public transport in those regions, and I shall refer to that in more detail later, but the case equally needs to explore the benefits to and positive impact on the people we represent, and the neighbourhoods in which they live, in terms of tackling social exclusion, congestion and pollution, and dealing with road safety and parking problems, as well as all the other effects that come with increased use of private cars and the inadequacies and shortcomings of public transport. That is why I will, on occasion, descend from higher and loftier planes to the more parochial experience in my own constituency.

David Taylor (North-West Leicestershire) (Lab/Co-op): In descending from the heights to the depths, will my hon. Friend also descend from the built-up areas of West Yorkshire, the west midlands and so on, where PTEs operate, to recognise that there are similar issues in the less densely populated parts of the

[David Taylor]

country? They also need improvements in public transport by whatever financial means may be possible. The Chancellor's recent contribution towards concessionary fares in those parts of the country and free national fares will be a huge boost to regions such as the east midlands, which do not benefit from access to PTE funding.

Mr. Truswell: I could never describe talking about my constituency as descending to the depths. I am forced to correct my hon. Friend for what I am sure was an inadvertent slip of the tongue. As I indicated at the outset, I shall concentrate on PTE areas, but I am sure that his intervention will have made the wider point to my hon. Friend the Minister.

As a Leeds MP, Leeds is the example with which I am most familiar. Much of my contribution will focus on Leeds and West Yorkshire, but the general points that I shall make could be made about all PTE regions and, as an aside to my hon. Friend the Member for North-West Leicestershire (David Taylor), possibly about other areas as well.

Over the past 20 years, Leeds has created more jobs than any major city outside London. Between 1981 and 2002, it added 86,000 new jobs to its work force. It has provided more than 30 per cent. of the 144,000 net additional jobs in the Yorkshire and Humberside region that were created between 1994 and 2004. It is expected to provide about 46 per cent. of the region's additional 60,000 jobs between 2004 and 2014.

Although jobs have been created in Leeds, many are being taken up by people living outside the Leeds city boundary. Between 1991 and 2001, the number of people commuting to Leeds increased by 38 per cent. The trend towards more and longer-distance commuting will continue as cities such as Leeds develop as centres for high-value economic sectors in financial and legal services. However, although such cities are transforming themselves, the pace of renewal within wider city regions such as Leeds and between those city regions varies substantially.

It is an unfortunate fact that our cities and city regions have yet to make the European premier league. For example, in the top 50 European cities for gross domestic product per capita, there are only three English representatives: London, Bristol and Leeds, with Leeds in 43rd place. The economic performance of the north also lags significantly behind that of London and the south-east. The gross added value per head in Yorkshire and Humber is £14,222 compared with £18,411 for the south-east. PTE areas also have some of the worst concentrations of deprivation in the country, with 84 of the 100 most deprived neighbourhoods being located in metropolitan areas.

If we are to raise the economic performance of our city region, tackle deprivation and deal with increasing environmental problems, we need to accelerate not only the pace of economic renewal, but infrastructural issues such as public transport. That regeneration must take place on a sustainable basis—it is not simply a case of dashing for growth at all costs.

We cannot simply create more jobs and businesses, generate more journeys and build more houses without examining the impact on communities and the infrastructure required. Transport is a crucial part of that process.

Philip Davies (Shipley) (Con): I apologise for being unable to stay for the entire debate, but I congratulate the hon. Gentleman on securing it. Does he agree that this is a matter of improving not just buses, trains and even the supertram, but the roads in West Yorkshire, where we are neighbouring Members of Parliament? They must receive a fair share of spend from the Highways Agency to relieve many of the pressure points that run into Leeds, as well as the Saltaire roundabout in my constituency, where many local people consider we do not receive a fair share of that money.

Mr. Truswell: I shall touch briefly on investment in roads, although I must admit that my contribution will focus mainly on rail and bus public transport.

I was speaking about sustainability. Some parts of my constituency have seen substantial additional house building on brownfield sites—an experience that typifies that of many hon. Members here today. We have frequent arguments about the sustainability and density of such developments. Planners seem to base their interpretation of planning guidance, such as planning policy guidance note 3, on the simple existence of a local rail station, rather than realistic analysis of the capacity of that station and the line that runs through it to provide transport to the increasing number of residents generated by the developments.

It is fair to say that, working with PTEs, the Government have invested heavily in schemes that have been effective in supporting the economic revitalisation of core cities such as Leeds, tackling exclusion and, to a certain degree, addressing some of the environmental issues of which I have spoken. I can cite examples from my constituency, which is served by three stations and three different rail lines—Horsforth, New Pudsey and Guiseley. They have had major improvements, and all three have undergone refurbishment and renewal. The efficiency of Leeds City station has been increased with a £250 million investment to reduce congestion and delays. A rail passenger partnership grant has enabled the provision of excellent new 333 class rolling stock on the Airedale and Wharfedale line.

I shall listen with interest to the comments of Conservative Front Benchers, but I must say that there could be no starker contrast between what was on that line under the Conservative Government and what is there now. We have replaced 40-year-old slam-door cast-offs from the south-eastern commuter belt with the most up-to-date, relevant stock imaginable. Much of the investment has gone into playing catch-up, and we need even more to catch up further.

Graham Stringer (Manchester, Blackley) (Lab): I have been listening intently as my hon. Friend has built his arguments, and I agree with them. However, I must apologise for being unable to stay because this important debate clashes with a sitting of the Transport Committee, which starts in five minutes.

Does my hon. Friend agree that although investment has gone to Leeds and our other major cities, they have

suffered from a double whammy? The investment gap per capita there has been growing as compared with London and we suffer from the disadvantage of a deregulated bus system that is inferior to the regulated one here.

Mr. Truswell: My hon. Friend mentions two points that are close to the hearts of PTEG members. I shall come to them in due course, and at some stage in the not too distant future we will pursue the Minister over them.

As more and more people are commuting to new jobs in Leeds, the West Yorkshire rail network has grown phenomenally during the past 10 years, from 1.5 million journeys in 1994-95 to 21.1 million in 2004-05. The modernised Airedale line, which runs through the constituency of the hon. Member for Shipley (Philip Davies), now has a 75 per cent. share of commuter trips to Leeds. Unsurprisingly, that growth has led to overcrowding on peak services, which is a continual source of complaint from our constituents. I see the hon. Gentleman nodding in agreement.

To help to tackle the problem, Metro, West Yorkshire's passenger transport executive, is working with Yorkshire Forward and Northern Rail to develop a £20 million partnership to add 12 additional carriages to the local train network. That will include extra capacity on two lines through my constituency that suffer from serious overcrowding, the Harrogate and Calderdale lines.

The investment should lead by 2013 to a reduction of more than 90 million road vehicle kilometres. That equates to a net saving of 3,200 tonnes of carbon dioxide. On the question of carbon emissions, we know from research by the Tyndall Centre for Climate Change Research that per passenger mile, rail travel produces only 40 per cent. as much CO_2 as petrol-fuelled cars and only 50 per cent. as much as cars fuelled by diesel. Coaches and buses compare even more favourably, with figures of 30 and 40 per cent. respectively.

Another West Yorkshire Metro initiative that supports the continuing revitalisation of Leeds is a free city bus service, provided in response to the organisations represented by the Leeds Initiative and other major city employers. The free city bus links up key points in the city centre with main rail stations. Since the service started in January, it has proved hugely popular, with passenger numbers topping 500,000 in just five months, and has taken some 1,450 journeys a week off Leeds roads.

The West Yorkshire yellow school bus service is another Government-supported initiative that has proved hugely successful. It provides a safe and high-quality home-to-school service and is reducing congestion caused by the school run. In fact, 70 per cent. of pupils who use the service used to travel to school by car. The yellow bus is taking 8,000 km of car travel off the roads each week, and by 2007, 300 West Yorkshire schools will be benefiting from the scheme. As the Prime Minister said when congratulating Metro on winning the working together category at the recent national public servant of the year awards, the scheme represents a remarkable achievement.

I am sure my hon. Friend the Minister agrees that these schemes demonstrate how a Labour Government, working with local PTEs as their delivery agencies, are bringing real improvements to transport for the city regions. However, welcome though those schemes are, there are clearly not enough resources available for the PTEs to keep pace with the needs of the growing economies in our major cities and increasing environmental problems faced by our local communities and constituents.

So, it is equally clear that unless we obtain more investment in public transport, the combination of traffic congestion and a public transport network that cannot cope with the number of passengers using it will begin to choke our communities and strangle economic growth in cities such as Leeds and other PTE areas.

In the light of last year's cancellation of plans for the Leeds supertram—I do not intend to go into that in any great detail—a 20-year transport vision has been drawn up for the Leeds city region. The data presented in the vision document show that overcrowding problems already affect most rail services to Leeds during peak hours. They also indicate that the strategic highway link, including several sections of the M1, the M62 and the M621, is operating close to capacity. At morning peak hours on the M621 between junctions 5 and 6 near Leeds, for example, speeds are as low as 20 mph.

If we look into public spending on transport—this comes to the point made by my hon. Friend the Member for Manchester, Blackley (Graham Stringer)—we can see that London is obtaining the resources it requires to provide the capital with the public transport system it needs. Spending on transport in London in 2001 was £223 a head. By 2005-06, that had risen massively to £631 a head. In Yorkshire and Humberside, transport spending in 2000-01 was £117 a head, and by 2005-06 that had risen significantly to £197 a head.

David Taylor: My hon. Friend makes a powerful point about West Yorkshire. Will he acknowledge that the English midlands is bigger geographically and more populous, as well as the contributor of a larger section of UK gross domestic product, than Greater London? We need some rebalancing of the investment that is going into regional transport away, perhaps, from the metropolitan area, which we are debating in relation to this important topic.

Mr. Truswell: I thank my hon. Friend for that contribution, although I disagree that there needs to be some redistribution of the investment in metropolitan areas to the county areas, for want of a better expression.

The point I am making is that the PTE areas in the city regions are major drivers of the UK economy—maybe second only to London in terms of their importance in that respect. That is why my PTE colleagues and I are pursuing this debate. I do not want to get into a beggar-my-neighbour discussion about it, because all hon. Members feel that they have a duty to pursue the case for investment in all kinds of services in their own area and my hon. Friend is doing a good job on that on behalf of his constituents.

[Mr. Truswell]

I talked about the increase in funding. Clearly, there has been an increase in Yorkshire and Humberside, which is very welcome, but the main point is that it is well below the London figure. The rate of increase for London is far faster than it has been for Yorkshire and Humber and other PTE areas. Recent research by the PTEs suggested that if we were to halve the funding gap—not close it completely—between London and the PTE regions, that would release close to £4 billion a year extra for transport spending in those regions.

A higher transport spend per head would allow West Yorkshire Metro, for example, to provide the Leeds city region with a model for an efficient public transport network that would underpin the sustainable development of the city region's economy. Sustained and significant investment will build on the excellent, but often isolated and limited, examples of successful good practice and demonstrate that the PTEs are an excellent agency for delivering such a step change, given the right investment levels.

As I said a few minutes ago, the 20-year transport vision for West Yorkshire has been drawn up for the Leeds city region. On the rail network, that vision includes more rolling stock to provide much needed extra capacity for the ongoing growth in rail patronage, as well as the even more important potential to draw even more people out of their cars by giving them a good, affordable and reliable alternative to the internal combustion engine. It would enable new and enhanced stations, such as those proposed for Appleby Bridge and Kirkstall, and extra car parking at rail stations.

It is often impractical to build new stations or enhance park and ride simply because there is insufficient capacity on the rail network to carry the additional passenger numbers that would be generated. That is clearly a nonsensical paradox that must be addressed as we strive to get people out of their cars. We know that good rail services do just that.

Investment would also allow tram-train technology on routes such as the Harrogate line to get the most out of the Metro train network. Extra investment would also allow the introduction of a new Metrocard zone for commuters beyond the West Yorkshire border. Investment on buses would allow bus rapid transit on planned supertram routes and be the alternative that—we were told by colleagues from the Department for Transport—was a more economic alternative to the tram proposal. It would enable high-quality, improved bus corridors and bus rapid transit schemes to provide better connections throughout our PTE areas.

Investment in roads—this is perhaps my one mention of roads; I must apologise to the hon. Member for Shipley—would allow the upgrading and improvement of the Leeds and Bradford ring road, and allow other key routes between towns and cities to remove some obvious bottlenecks and pressure points, of which the roundabout that he mentioned, which I know well and use often, is one example.

The total capital cost of the long-term transport vision for the Leeds city region is some £3.5 billion. Together with all the proponents of this case, I recognise that, as in London, funding for a programme of that scale needs to be drawn from a range of sources, not just central Government grant. For example, a recent report by Tony Travers and Stephen Glaister of the Local Government Association suggests that if PTEs were to gain greater powers over public transport fares and revenues, as in London—again, that point was made by my hon. Friend the Member for Manchester, Blackley—they would be able to gain access to up to £1.5 billion in fare revenues. That would, in turn, give the PTEs an income stream against which they could borrow. That would be the important source of funding.

Despite the time, I cannot resist the temptation to digress to the issue of bus deregulation, which was also touched on by my hon. Friend. In PTE areas across the rest of the country, private bus operators have had 19 years—20 years this year—to show that they can provide decent services, and they have signally failed to do so. It is time that they were made more accountable to passengers and communities.

Since deregulation, quality and standards have fallen dramatically, fares have risen by almost 50 per cent. in real terms and the number of passengers in West Yorkshire has fallen by almost a third. That represents about 100 million passenger journeys. Deregulation has meant that the bus companies can pick and choose where they provide services. They are free to make profits while providing poor service. The result is that many people have been denied a reliable and affordable bus service to travel to work, school, college, shops, health centres and hospitals. Week in and week out, that is the experience in my constituency: services are chopped or changed, go missing or arrive late, and passengers suffer and simply vote with their feet.

Quality contracts, as my hon. Friend the Minister will be aware, already operate to good effect in London, and my hon. Friend the Member for Manchester, Blackley was right to point out that juxtaposition. Bus use in regulated London increased by about 10 per cent. in 2004-05, the last year for which I have figures, whereas outside the capital, it fell annually by about 3 per cent.

Stephen Hammond (Wimbledon) (Con): As a Member for a London constituency, I am interested to hear the hon. Gentleman's eulogy. Perhaps he can tell us what the average use of a London bus is.

Mr. Truswell: Perhaps I cannot, Mr. Bercow. That is clearly a rhetorical question. I shall ask the hon. Gentleman another: will he come to West Yorkshire and talk to my constituents, then let them come down to London and see its services? Although those services are not perfect—services never are—my constituents would bite his hand off if he offered them as replacements for our deteriorating services in deregulated West Yorkshire.

Ian Stewart (Eccles) (Lab): Absolutely true.

Stephen Hammond: Complete nonsense.

Mr. Truswell: Thank you.

West Yorkshire Metro can influence just 20 per cent. of services in the area; in London, virtually all the services can be influenced. There is little competition for tenders, so it is difficult to test value for money, which my right hon. Friend the Chancellor is rather

keen on. The vast majority of tenders for service contracts receive only one bid. That is a tremendous indictment of the competition that was supposed to be generated by the deregulation of which the hon. Member for Wimbledon (Stephen Hammond) is such an advocate—perhaps one of the few remaining.

Partnership is the Government's preferred approach and nobody disputes the fact that we need partnership where it can work. We must continue to invest in partnerships with operators who are prepared to take a long-term view. However, in my view and that of colleagues from PTE areas, we need much tighter regulatory intervention.

The CSR provides an opportunity for the DFT, districts and PTEs to work together to get the right mix of powers, local funding freedom and central Government support for giving city regions the transport networks that they need. That process has taken place to some degree in London, and I reiterate that we would exchange the London situation for what exists in our patches.

A deal is in place between the private sector, London government and the national Government, and the people of London have been the winners through a £10 billion, five-year investment plan. It must now be the turn of the city regions. I urge my hon. Friend the Minister to ensure that the opportunity presented by the CSR is grabbed with both hands. If we can get the funding right, then in PTEs the Government have the proven delivery agencies that they need to turn funding into public transport networks that can do the job for the city regions they serve and the people who live and work there.

Several hon. Members *rose—*

John Bercow (in the Chair): Order. It may help hon. Members to know that I intend to call the Front-Bench spokesmen at approximately 3.30 pm. Four hon. Members are seeking to catch my eye, so it will require the exercise of marked self-discipline for all who wish to contribute to be able to do so.

2.58 pm

Andrew Selous (South-West Bedfordshire) (Con): Thank you, Mr. Bercow. I shall heed your warning and be as brief as I can. I am sure that we all agree that public transport is vital for the cohesion of our constituencies. It aids social justice and gets people to their jobs. It is therefore all the more important that there is value for money and that money for public transport is not wasted.

I am grateful to the National Audit Office, which issued a report entitled "A5 Queue Relocation in Dunstable – Wider Lessons" on a Highways Agency scheme in my constituency. The report is important because the Highways Agency spent some £2 million trying to relieve congestion on the A5 in Dunstable. The scheme was not asked for locally, it did not do what it said it would do—in the memorable phrase used in the *Dunstable Gazette* it "did not do what it said on the tin"—and it made the situation worse in some respects, given that pollution is worse in the town centre as a result and accidents have increased. That came at a cost of £2 million, which is money that all of us in this Chamber could use on schemes in our constituencies that would be worth while.

I have had a letter today from the Comptroller and Auditor General telling me of his plans to ensure that the Highways Agency takes note of the NAO report when considering other schemes across the country. Is the Minister aware of the report? Will she ensure that the Highways Agency follows its recommendations to ensure that there is value for money and that money is not wasted? I wrote to the Comptroller and Auditor General shortly after the report came out, because I had been alerted to the potential further waste of £10 million of Government money through not providing a new junction, 11A, on the M1, during the current widening of the M1 between junctions 10 and 13. That is important because a previous Secretary of State for Transport announced that a bypass—now known as the A5-M1 link—will be built to the north of Dunstable. It came to my attention that if the junction were not to be put in while the M1 was being widened, the cost of the bypass would be increased by £10 million, thus possibly further delaying it and perhaps calling into question whether it would meet the Department's own value-for-money criteria.

I was, therefore, reassured to receive, not 15 minutes before I entered the Chamber for the debate, a fax of a letter from the Comptroller and Auditor General, telling me that the Highways Agency intends to progress the two schemes—the M1 widening and the construction of the new junction 11A—at the same time. The letter states:

> "The Agency is currently proceeding on this basis and has let one contract covering both jobs to the same contractor."

I should be grateful if the Minister could let me know, even if she cannot do so today, whether that is indeed the case, so that we avoid the further waste of £10 million of public money, and so that we have synergy between the two schemes. One is under way and the other will happen, but I want to make sure the £10 million will not be wasted.

On 17 May, the excellent town clerk of Dunstable, Richard Walden, received a letter from the Government office for the east of England, informing him that construction would not commence on the A5-M1 link project until 2013, and that a guided bus way, known locally as Translink, had received approval under the Transport and Works Act 1992 and would receive priority funding for the financial year 2006-07. That letter caused consternation locally, because we are desperate for the A5-M1 link. The Translink proposals are by contrast highly controversial and there are serious concerns that they will make local congestion worse. We were alarmed by the letter for several reasons.

Not three weeks later, however, on 7 June, the same official at the Government office for the east of England wrote again to the town clerk of Dunstable to say that his earlier letter was wrong. I have been told that it is almost unprecedented in a local government career of nearly 40 years that an official letter saying one thing should be contradicted three weeks later. The further letter on 7 June said that there was no decision about whether to approve the Translink proposals, that work would, indeed, start on the Dunstable northern bypass, or A5-M1 link, as it is known, in 2009, and that

[Andrew Selous]

it would be open to traffic in 2010-11. I hope that that is the case, and that the cat was not let out of the bag in the earlier letter of 17 May, which informed us of a delay to the bypass and the early implementation of Translink.

In the letter that I received today from Sir John Bourn, the Comptroller and Auditor General—it is dated 7 June, which was the date of the second letter from the Government office for the east of England—a third date is proposed. Sir John says:

> "In prioritising schemes in the East of England within available funding, the regional assembly has taken the view that construction of the A5-M1 link scheme cannot commence until about 2012."

That is a third date from three official letters. The letter continues:

> "We understand from the Department for Transport that the Secretary of State is currently considering the regional submissions."

We are confused, locally, about what is to happen in those important schemes.

There is considerable annoyance that the East of England regional assembly is giving the Government—from a south Bedfordshire perspective—bad advice on the importance of the various schemes. My constituency is right on the edge of the East of England area. It borders your own, Mr. Bercow, in a neighbouring government region. We feel that we are often short-changed and that our needs are not properly understood. Because we are right on the edge of a region we do not get fair consideration.

All the local authorities, and people from all political parties, differ from the view of the East of England regional assembly on Translink, whereas everyone—every local authority and every political party—agrees on the importance of bringing forward the A5-M1 link. The issues are serious and we do not feel that they are being treated sufficiently seriously by the regional assembly. We look for clarity on these important issues from the Department for Transport and I hope that the Minister or one of her colleagues can provide that—if not today then by letter.

3.6 pm

Mr. David Clelland (Tyne Bridge) (Lab): It is a pleasure to serve under your chairmanship, Mr. Bercow, although I must begin with an apology to you, the Minister and Opposition Front Benchers, because I will not be able to stay for the winding-up speeches. I have to attend the Select Committee on Transport, which is dealing as we speak with issues not unrelated to those before us.

I congratulate my hon. Friend the Member for Pudsey (Mr. Truswell) on securing this important debate. He is right that in the next round of the comprehensive spending review it is crucial that transport in the major conurbations is properly addressed. Funding is certainly an issue in the north-east of England, where there is a Going for Jobs campaign that has been supported by local business, local Members of Parliament, local government and the local press. In that campaign we are recognising that transport is crucial in improving and growing the economy of the north-east, and in increasing jobs. At the moment we are suffering from under-investment in transport—not only in public transport but in road and rail links, especially roads.

The north-east is the only English region that is not directly connected to the motorway system. There is a stretch of two-lane motorway running from Newcastle to Scotch Corner, followed by 35 miles of dual carriageway before we rejoin the motorway system for the rest of the country at Dishforth. There should be national as well as local investment in transport issues.

The north-east's spending on road and rail infrastructure has increased by just 25 per cent. over the last six years—four times less than the national average and nine times less than for London. I know that there are arguments that London is a special case, and perhaps that is why more is spent on education and health in London, but the spending gap in those areas is as nothing compared with the spending gap per head between London and the rest of the country on transport. Crossrail and the Olympics are in danger of making that even worse.

One answer to congestion and environmental problems is to improve public transport. We are particularly concerned about that in the north-east, and in Tyne and Wear in particular. Our passenger transport executive and authority do a remarkable job, but they recognise that congestion costs British business £20 billion and that that figure is getting worse and will continue to do so over the next few years. Car ownership in the region is expected to rise by 30 per cent. between 2001 and 2021.

The Highways Agency is not helping. Using its infamous article 14 orders, it is blocking new development because of congestion, which is slowing down economic growth in the region. If we introduced congestion charging, as is being examined, it would increase the need for efficient public transport solutions.

That brings me to the Tyne and Wear metro system, which is extremely successful. When the new Sunderland extension was opened, 16 per cent. of its passengers had previously travelled by car. Thirty per cent. of individual passengers using the system could travel by car but instead choose the metro. The metro certainly allows longer commuter journeys and is crucial as skills shortages become more of an issue with employers.

It is also cost-effective. The metro meets 69 per cent. of its costs; only 7.4 per cent. is met by local authorities. However, the metro is 26 years old. It has carried more than 1 billion people over those 26 years and it remains the only locally owned and operated railway in England. It carries 36 million passengers every year through some of the busiest commuter corridors in Tyne and Wear. Having no metro would mean 15 million more car journeys every year in Tyne and Wear. The metro is the most cost-efficient urban passenger transport railway in the UK. The subsidy is just 42p for each passenger carried. As I said, however, the metro is 26 years old, so it needs to be improved if it is to last.

That brings me to Project Orpheus. That proposes a £500 million investment plan, which will secure the future of the metro over the next 30 years, renewing the

whole system for the price of renewing London's Victoria station. Project Orpheus was recently submitted to Ministers, and we await their consideration. It is a 20-year plan to reinvigorate the metro. It offers bus-based solutions in all 29 key corridors over the next 10 years, and the possible long-term extension of the metro would come about through use of on-street tram technology. The Department for Transport does not look favourably on that at the moment, but let us hope that that changes.

If we do nothing, speed restrictions on deteriorating track will mean longer journey times. Metro cars will begin to fail between 2010 and 2015. Reliability will fall as power, signalling and escalators fail more often. Stock and stations will degrade, increasing the gap in comfort with the car. The cost to the taxpayer will spiral as passenger numbers fall and costs rise. The operating deficit is predicted to rise to £60 million per annum by 2025, and if nothing is done, the whole system will have to be closed at some point in the next 20 years. In that case, there would be up to 40 million more journeys by road in Tyne and Wear—15 million by car—which would increase the pressure on river crossings and major routes, and overall business competitiveness would suffer. It is therefore crucial that we have that public investment in the metro system and in public transport generally in Tyne and Wear over the next few years.

We should be considering not only funding, but the powers of passenger transport authorities. Currently, local government carries the power when it comes to providing bus lanes, concessionary fares and so on. PTAs have very little power in those areas, hence Newcastle has no-car lanes, Gateshead has bus-only lanes and some other authorities have bus lanes. The situation is confusing for motorists and particularly taxi drivers, who like to use those lanes when they can. They do not know which lanes they can use and which they cannot. However, the passenger transport authority has no power to apply a common standard and a common rule across the conurbation. In that respect, the powers of PTAs need to be increased.

The situation is similar for concessionary fares. In relation to concessionary fares for over-60s and disabled people, the problem of cross-boundary issues will be resolved in 2008, when the national scheme comes in. However, other concessions that we have in Tyne and Wear or had until recently, such as teen travel and concessions for students travelling around, are restricted according to local authority boundaries. Quite often, students want to travel to further education establishments and so on outside their area, but are unable to do so. The PTAs need more powers, but perhaps there should also be a regional authority, not necessarily on the model of Transport for London, although certainly Transport for London has shown that a co-ordinated approach in a major conurbation is the way to have successful public transport, and that is something that we can do in Tyne and Wear.

I support my hon. Friend the Member for Pudsey in what he said about bus deregulation. The Transport Committee, which I am about to address, is considering that subject. The public need improved bus services in the conurbation: the services have deteriorated badly since bus privatisation. A form of regulation or re-regulation is needed quite urgently. I hope that the Select Committee produces a report that suggests that, and that Ministers take it seriously.

3.14 pm

Greg Mulholland (Leeds, North-West) (LD): I calculated that, with four of us wanting to speak, we had about eight minutes each to do so and I will endeavour to stay within that time. I congratulate the hon. Member for Pudsey (Mr. Truswell), my neighbour, on securing this important debate. I speak as a Leeds MP but also as the passenger transport executive group contact for the Liberal Democrats. I want to make it clear that I support the thrust of the debate and the argument that the hon. Gentleman has put forward today. I know that he is an advocate, as I am, of improved public transport in the region. It is appropriate that on the boundary between our constituencies is Horsforth railway station.

To reiterate the situation that we face in Leeds, the hon. Gentleman has mentioned the overcrowded roads and the fact that we simply do not have the capacity on the railways. In my constituency we have the infamous A660, which is reputed to be one of the top five congested roads in the country, while the hon. Gentleman has the similar A65, another traffic hotspot that causes many problems.

The hon. Gentleman and I have come from a pleasant lunch with the new editor of our local paper, and we had a vibrant and interesting discussion. We do not all agree on all issues, but all eight Leeds MPs strongly agree that we have an enormously successful city and city region, of which we are very proud, and that the one single thing that holds back that continued economic success is inadequate transport infrastructure. It is the one thing that needs to be dealt with as a matter of urgency.

I disagree with the hon. Gentleman on one thing: his comments on the Leeds supertram scheme. As a passionate advocate of the scheme, I think that it was a great shame and a disgrace that it was turned down for the city and that £39 million was spent without a single rail being laid. I look forward to the NAO report and its comments.

Mr. Truswell: At the risk of correcting the hon. Gentleman, I share his view about the supertram but my view was that the debate should look forward and not back.

Greg Mulholland: Absolutely, but it is important to get such points on record. I will go so far as to say that one day, when we have a more progressive method of transport decision making in this country, we shall indeed have light rail in the city. Of course, the hon. Gentleman is right to say that for now we must look forward. We are where we are.

Simply, public spending on transport is not keeping pace with the needs of the city or the region. At the same time, London has secured a five-year, £10 billion investment plan for transport. As has been mentioned, there is now a significant funding gap between Yorkshire and Humberside and London; it stood at £434 per head for the year 2005-06. That is a huge and scandalous difference.

[Greg Mulholland]

I wholeheartedly concur with the comments made by the hon. Member for Wimbledon (Stephen Hammond). Of course London needs and deserves a better transport system, but so do we in West Yorkshire. The point of the debate is to say that the comprehensive spending review offers an opportunity for us to achieve what is available in London. Halving the spending gap with London would generate close to £4 billion a year to improve transport in the north-east, Yorkshire and the Humber, the north-west and the west midlands. That is a significant factor.

My main point is that although I agree that that is an opportunity that we need to take locally and nationally, we also have to consider the decision-making process for public transport. At the moment, insufficient decision-making powers are granted to the generally efficient passenger transport executives and to the passenger transport authorities that are the publicly accountable side. Those bodies are in place, and they have huge professional expertise, but they simply do not have the ability to make decisions or the resources to do what needs to be done. That is especially true of long-term sustainable developments in public transport, which I am sure that we would all agree are essential. That is largely why these things are not happening. The Local Government Association report, "Improving local transport: how small reforms could make a big difference", made recommendations about decisions on transport schemes such as light rail and bus services. I again put on record my wholehearted support for bus deregulation outside London.

Ian Stewart: Re-regulation.

Greg Mulholland: Absolutely, I am rushing to get through my speech in time, but I appreciate the hon. Gentleman's intervention.

I want to put on record my support for bus re-regulation, to give power back to local authorities and local people rather than having bus routes determined by private bus companies as a result of profit.

In conclusion, we need a fairer and more equitable deal for areas outside London, and I specifically include my own Yorkshire and Humber region in that. Such a deal is needed to solve the increasingly acute problems of gridlock and overcrowding on both rail and road, and to provide sustainable economic development in these areas. Let us not forget that it is also needed to deliver environmental improvements, to which all the parties are now committed. We must also seriously examine how public transport decisions are made in this country and seek to give more power to local areas to enable them to make decisions to deliver appropriate, affordable and sustainable public transport systems for their areas and the people whom they serve.

3.21 pm

Ian Stewart (Eccles) (Lab): It is good to see you in the Chair, Mr. Bercow. I apologise for being slightly late to the beginning of the debate. I was taking part in the debate on the BBC on the Floor of the House. I congratulate my hon. Friend the Member for Pudsey (Mr. Truswell) on bringing this important debate to this Chamber.

Manchester city region plays a crucial role in the UK economy, contributing £47 billion to its gross domestic product, but it needs significant transport investment to underpin its economic competitiveness. I agree with my hon. Friend the Member for Manchester, Blackley (Graham Stringer) that the gap in funding between London and the north-west needs to be addressed. I also agree with my hon. Friend the Member for Pudsey about the important issue of the re-regulation of buses.

For our economic growth to keep going, we need better transport links. Connectivity is vital to the success of the Manchester city region and the whole of the north-west. If people cannot move about efficiently, the private sector will not invest. Public transport helps to promote agglomeration of businesses and therefore productivity, as well as providing significant wider benefits both in terms of sustainable growth and in helping to tackle social exclusion.

Research through the Greater Manchester integrated transport strategy has shown that Greater Manchester requires a £4 billion programme of investment by 2020 to support its economic growth. That investment includes getting more and longer trains, improvements at Victoria station, high-quality links such as Metrolink and Tram-Train, and improvement to the Manchester rail hub. Our Greater Manchester passenger transport executive is responsible for both bus and rail, and is doing a great job of implementing its integrated transport strategy. Not the least of the developments has been our successful and popular Metrolink tram system.

The PTE needs more resources to allow better access. For example, it would be good if some trains stopped at the relatively accessible and pleasant rail stations of Clifton Junction, Irlam and Eccles in my constituency. That would make the whole pattern useful to my constituents.

I have just come from the Chamber, where I made a contribution to a discussion on a major development in the BBC move from the south to the north. That will bring around 15,500 new jobs to the Manchester city region and the whole north-west. With such massive developments, transport infrastructure becomes a big issue, too. I hope that the Government will see the need for integrated economic, social and infrastructure development, and will make sure that the Manchester city region gets much greater transport investment. I urge the Government, through their comprehensive spending review, to provide Greater Manchester with funding on a similar scale to that for London.

3.25 pm

Paul Rowen (Rochdale) (LD): It is a pleasure to serve under your chairmanship, Mr. Bercow. I congratulate the hon. Member for Pudsey (Mr. Truswell) on securing the debate, and on the contributions that he and others have made this afternoon. Although we are predominantly from metropolitan areas, many of the remarks made this afternoon are equally applicable to other areas.

As has been said, the debate is timely. The comprehensive spending review has been mentioned. There is also the Lyons review of local government finance, and the White Paper on city regions is due in the autumn. All those provide us with an opportunity to move forward. However, it should be remembered that, in the 10-year transport plan White Paper, issued in 2000, the Government set a whole series of targets. It is instructive to consider those targets because, although huge sums have been expended, very few of them—only two, I think—have been met. One is about individuals being killed, and the other is about children being seriously injured.

Let us consider some of the other targets. The growth in bus transport that was mentioned has not happened. Outside of London, bus use has declined, on average, by 45 per cent. That is not acceptable, and hon. Members have mentioned the need for re-regulation. We have heard warm words from the former Secretary of State on that subject, but it is about time that we saw some action. On light rail and trams, we were told that there would be 25 new schemes. The reality is that only two of them are likely to go ahead: the Edinburgh scheme, which is predominantly funded by the Scottish Executive, and, hopefully, the scheme in Manchester—when we get an announcement from the Department.

On roads, the picture is not very rosy. The hon. Member for South-West Bedfordshire (Andrew Selous) mentioned his own particular scheme. The average overspend on road building is 45 per cent. I am pleased to report that, as a result of Liberal Democrats complaining about that, the National Audit Office is investigating not just the scheme that the hon. Gentleman mentioned, but all road schemes—and about time, too, because it has already been stated that in the next comprehensive spending round there will not be huge sums of new money. We have to make sure that the money available is used properly and to best effect.

On rail, the picture is much better: there has been an increase in the number of people using rail, but it is not as large as the Government said it would be. There will be serious problems if there is a continual increase in rail use, because of the overcrowding that many of us experience on commuter lines even now. There are new rail franchises. Northern Rail, which combined three franchises and is the largest franchise in the country, was let last year, but there have been no new developments, no new rolling stock. Apart from what Yorkshire Forward are doing in west Yorkshire, there is no new rolling stock planned. The average age of that rolling stock is 17 years, and that is clearly unacceptable.

In other areas, the Government are not only letting new franchises, but are stipulating the timetable. On the west coast, we have seen reductions in the commuter services that are being operated, which is not acceptable. One simple way for us to move forward would be not to let rail franchises on 10-year contracts. The original transport plan envisaged a longer term, and giving companies a 20-year contract would enable them to invest in new rolling stock and the development of services. That is not happening now.

We have had local transport plan 1, and we are now on to local transport plan 2. There have been good schemes, and the hon. Member for Eccles (Ian Stewart) mentioned our passenger transport authority. Like him, I think that it has an excellent record on delivering public transport, albeit without the resources that it needed.

We also have the transport innovation fund, but I am concerned that Ministers talk about congestion charging as if it were the panacea for all ills. That is what the new Secretary of State did in his first public speech, but I must tell the Minister what many local authority leaders are saying. Interestingly, the Department for Transport has today published a survey of people's attitudes to congestion charging, but many local authority leaders believe that it works in London only because the investment has already been put in place. No local authority leader—whether in Manchester, Leeds or elsewhere—will agree to introduce congestion charging. That is the view of Greater Manchester Transport, and that will remain the case unless and until there is investment in improved public transport. Those who responded to the survey accept that there is a problem, but very few of them—only 10 per cent.—see themselves switching their journey, because many people have no alternative.

So what do we need to do? We must have investment, which must be put in place before we have road user pricing. We also need greater democratic devolution because we have some of the most centralised decision-making processes in the world. It is ridiculous that Department for Transport officials stipulate the timetable for the Rochdale-Oldham loop line, and that will not bring about efficiencies. We therefore need greater devolution to city regions, but they must be accountable. That is the Liberal Democrats' major concern about the current proposals; handing over complete control to the 10 leaders in Greater Manchester is not the way forward.

There needs to be re-regulation of the buses. I think, for example, of the money that private sector companies are making on the London operation, where they are on a 9 per cent. return. Elsewhere, companies are on an average of 16 per cent., so cost savings can be made by allowing local authorities to stipulate and control the services.

There is a need to look at other forms of funding if, as the hon. Member for Pudsey said, we are to raise the £4 billion extra to bridge the gap between London and elsewhere. That money must come from somewhere, and it will need to be found.

There also needs to be an integrated transport policy. We need to make sure that we have responsive rail franchises that are let over a longer time frame and deliver the services that are needed. We need to ensure that the pricing on all franchises cuts across others. People in London can use their Oyster card, but there are myriad pricing schemes everywhere else, and people cannot go from one bus service to another using the same card. I travelled around on the buses last week as part of green transport week, and it was ridiculous that I could not buy a pass in Rochdale that enabled me to travel on the services run by the different bus operators.

In the next few months, we have an opportunity to move forward, which, as many hon. Members have

[Paul Rowen]

suggested, is what we all want to do. I hope that the Minister can respond to some of the concerns that I have raised so that a decent transport system can develop.

3.34 pm

Stephen Hammond (Wimbledon) (Con): Good afternoon, Mr. Bercow. It is a pleasure to serve under your chairmanship. I congratulate the hon. Member for Pudsey (Mr. Truswell) on gaining this debate. He may be surprised to hear that I agree with some of what he said, but probably not surprised that I do not agree with it all.

Since being appointed to speak for the Conservative party on transport, I have had the honour of contributing to six Westminster Hall debates in the past six months. I started each in the same way, and I shall do so again. I shall ensure that the Conservative party is committed to delivering value for money on public transport.

I congratulate my hon. Friend the Member for South-West Bedfordshire (Andrew Selous), who will be glad to hear that the Minister is going to write to him. We have heard numerous contributions, including from the Liberal Front Bench spokesman, the hon. Member for Rochdale (Paul Rowen), and I am particularly pleased to hear that his party will join us in calling for longer railway franchises. That is to be welcomed.

Before speaking on the future funding of local transport, it might be instructive to consider some promises made by the Government in their now infamous 10-year plan. That plan promised more than 200 major local road improvements, including 70 bypasses. I would be interested to hear from the Minister how many of those improvements and bypasses have thus far been funded and built.

On light rail, the plan said:

> "We will fund a substantial increase in the role of light rail in our larger cities and conurbations over the next ten years."

It went on to promise up to 25 new light rail lines, but the Minister can count on her left hand the number of light rail routes introduced under a Labour Government. Over the last couple of years, funding approval has been revoked for schemes in Manchester, Leeds, Liverpool and south Hampshire. I could go on, but I have made the point. Whatever the Government's plans for the future funding of local authority transport, one has to hope that they have considerably greater longevity than the 10-year plan, and substantially better delivery.

The transport innovation fund—TIF—is designed to enable local authorities to research radical and innovative ways to reduce congestion. It is supposed to encourage local solutions to local problems, but councils have discovered that they are entitled to be as radical and as innovative as they like as long as the plan involves road pricing with Government backing. Perhaps the Government are worried that an errant council might come up with another awkward light rail scheme, and that the Secretary of State will have to pull the plug on it.

My colleagues and I are not against road pricing—it should be noted that it is very different from the simple congestion charge—but local authorities should not be asked to go to the trouble and expense of preparing a bid for TIF money only to find that their plans, which are appropriate for the local area, do not meet what central Government want and therefore have to be withdrawn. There is an inherent contradiction between what TIF and the local authorities want to do.

I wonder what the Minister will have to say about the expectancy of the new approach. Will the fund quietly be dropped, along with the 70 bypasses and the 25 light rail schemes? We shall see. I think it was Groucho Marx who said that history repeats itself first as tragedy and then as farce. Whatever local transport funding the Government settle on, it will inextricably be tied up with the future of local government funding, which has been referred to several times.

I hope that the Government resolve the problem of imposing obligations on local authorities without giving them the extra requisite funding. I used to be a local councillor, and I know that that habit is a notable feature of the Labour Government. However, they are not the only ones to have it.

The hon. Member for Pudsey eulogised London, but council tax payers in my constituency faced a 13.5 per cent. rise in the Mayor of London's precept this year and last to fund some of his schemes. The council had to divert 9 per cent. of the social services budget to pay for transport policies that were imposed on it. London boroughs are forced to implement Livingstone's transport policy through local implementation plans, yet a number of those schemes are often of no direct local benefit to the boroughs. There is an inherent contradiction between local transport and regional transport funding.

Ian Stewart: Does the hon. Gentleman realise that the criticism that he just made of the Mayor of London can also be levelled at the Conservative Government, who reduced grant to local authorities year-on-year for 18 years, and forced them to divert money from social services and roads?

Stephen Hammond: Indeed, the same criticism could be made of this Labour Government in respect of numerous authorities all over the country. I do not think that we need any lessons there.

Let me return to TIF, and the revenue support grant, because that is where the bulk of funding for local transport comes from. Local transport plans and local funding are inextricably linked to the Lyons review, and to the slings and arrows of fortune that might result from the rate support grant settlement. However we look at it, over the past few years the rate support grant has been disproportionately favourable to some authorities and disproportionately unfavourable to others, which has had implications for local transport funding.

The hon. Member for Pudsey challenged me to go and see the schemes in West Yorkshire and to find out about their problems. I would be delighted to do that, and I am sure that either he or my hon. Friend the Member for Shipley (Philip Davies), who is no longer in his place, would be happy to organise it for me. In my role as transport spokesman for my party, I have

visited a number of regions. I have been down to the south-west, which has been devastated by the over-prescription of the Government's timetable for the railway, and to the west midlands, where the PTA told me about underfunding by the Labour Government. I have been to Manchester, where PTA officials expressed very clearly their views on the withdrawal of funding for the light rail scheme, and I have listened to views around the country. I would be delighted to go to West Yorkshire, if that is the challenge.

We seem to have spent a lot of time referring to a relatively recent debate in this place on the funding of PTAs and local bus services. I stated in that debate, and reiterate today, that I am not in favour of re-regulation. However, I am in favour of greater co-operation, and I challenge the hon. Member for Pudsey, if he thinks that London is the great place—we might disagree on that—to go to Brighton, where the local private operator and the local council, operating together, have made substantial improvements to the bus service.

I laid out in the previous debate a number of the preconditions for that arrangement, which have enabled it to be such a success. A number of the hon. Gentleman's colleagues asked me afterwards what they might learn from that lesson. It is instructive that a number of PTAs have decided not to co-operate, but rather to go against. That is an issue.

We have heard a lot in this debate about the difference between London funding and that in the rest of the country. It is true that some of that funding comes from central Government. It is also clear that some of it comes from the Mayor's having decided to push prudential borrowing right up to its limit and that the London council tax payer has had to pay considerably more. As a result, we have increasing bus usage, but there is tension between Transport for London and the London boroughs. To answer my rhetorical question, the average number of passengers on a London bus is 15. There has been no clear analysis of the capital cost involved in that project.

Any moment now, the Minister will undoubtedly regale us with a huge number of statistics. She will tell us that local transport will receive £1.6 billion this year for capital projects, and that TIF has been a huge success and will receive extra pump priming. I know that she will tell us that £18 million is available for congestion this year. I would also like to hear the answers to some questions. What do the Government believe should be the relationship between local authority and regional funding? Who should take priority, and who should decide on that?

When will local authorities have adequate powers to raise funding for local transport? Can the Minister confirm that all TIF funding is to be congestion related in this round? What assessment have we of the planned projects? Have local authority transport schemes so far met expectations? Why do the Government not ensure an appropriate balance between revenue and capital funding in respect of local funding?

There are myriad schemes, and I would be interested to hear the answers to my questions. If the Minister cannot deliver them today, I am sure that she will write to everybody in the Chamber with some of them.

Due to the Lyons review, this could be one of the most important years for local government funding—so it is, of course, an important year for local authority transport funding. Sir Michael's report could provide the opportunity for new funding streams, at a very local level, to supplement the council tax. Such streams would be available for the local authority funding of transport.

Sir Michael might, for instance, choose to consider sources such as planning gain supplements, congestion charging and road charging at local level, an extra levy on lorries and a local environmental levy on polluters. He might support the idea of municipal or project-specific local bond financing. Such opportunities would create a wider package of opportunities for local authorities to increase their funding. I look forward to the Minister's answers to some of the questions posed during the debate.

3.46 pm

The Parliamentary Under-Secretary of State for Transport (Gillian Merron): It is a pleasure to take part in this debate under your chairmanship, Mr. Bercow. I congratulate my hon. Friend the Member for Pudsey (Mr. Truswell) on securing this important debate on the future funding of local transport.

My hon. Friend made his case well, and was right to concentrate on his constituency. The matters of local interest that he raised illustrate the important issues. I confirm that I would be delighted to meet him and his colleagues, as he requested, to discuss the 2007 comprehensive spending review and its implications for transport. I shall also be delighted to consider closely the points made by the hon. Member for South-West Bedfordshire (Andrew Selous) and write to him in detail about them.

We all agree that local transport is vital. Every one of us depends on it every day, for our own personal travel, for travel to our jobs, for the transportation of the goods that we buy and for the services that we access. Importantly, local transport also combats social exclusion. I thank my hon. Friend the Member for Pudsey for his generous acknowledgement of the positive difference that this Labour Government have made and are making to the quality of the lives of all our constituents, including his own. I certainly share his view on that.

As my hon. Friend outlined, the city of Leeds has enjoyed remarkable economic success in recent years. I join him in congratulating all those responsible on helping him secure that growth. My hon. Friend brought a welcome note of realism to the debate in talking about what an improving transport system has contributed in this country. I particularly acknowledge the work of Metro, the West Yorkshire PTE, in spearheading the changes needed to cope with the transport consequences of success.

No one should underestimate—I do not—the challenge of dealing with commuter traffic that has increased by nearly 40 per cent. in the past 10 years. As my hon. Friend said, Metro has invested in a number of successful schemes, including the free city bus service, the yellow school bus service and an innovative partnership with Yorkshire Forward and Northern Rail to develop rail services.

I am pleased to say that the Government have invested substantially in Yorkshire. They invested

[Gillian Merron]

£600 million in upgrading the A1 through Yorkshire to motorway standard. The final section of the Leeds inner ring road is to be completed and substantial investment in rail has enabled a 44 per cent. rise in daily GNER services between Leeds and London in the past 10 years. As my hon. Friend knows, I travel on said services each week.

Funding for local transport in the Yorkshire and Humber region has more than doubled since 2000-01 to £160 million in 2006-07. As my hon. Friend acknowledges, in addition to investment, an important factor in the success of Leeds—and of course this is not unique to Leeds—has been close working between the city and this Government.

To give a further note of realism, I would like to describe three ways in which our transport policies have helped to ensure continuing economic growth not only in Leeds but in many parts of the country. First, local authorities have benefited from large and sustained increases in transport funding. Second is our strong view that local people know what is best for them. Third is our encouragement of authorities to develop and deliver their transport policies in a broad context of objectives for the long-term future of cities such as Leeds.

This Government took steps immediately after the 1997 election to remedy the under-investment in local transport during the preceding decade and before that. We provided for a step change in the provision of local transport. The result is that Government-supported council investment in local transport projects has roughly trebled in cash terms since the late 1990s. That has enabled councils to deliver far more projects for the benefit of their areas. English councils outside of London have developed and delivered major improvements over the past four years, including more than 2,500 miles of bus route improvements.

Andrew Selous: The Minister's second point was that local people know what is best for them. Everyone in Dunstable, including all the elected representatives, told the Highways Agency that the green wave scheme would not work and that we did not want it. They were overruled and £2 million was wasted. Have lessons really been learned by the Department?

Gillian Merron: I thank the hon. Gentleman for that point. I shall discuss local transport planning in some detail, particularly the regional allocations and how decisions will be made. They will, of course, be very much informed by local views.

The Government have provided the framework for investment. They have provided £7 billion of support to councils outside London for local transport investment over five years, and—this is important—they have provided stability for that investment.

Hon. Members will know that the Government replaced annual bids for funding with five-year plans. The local transport planning system has provided local authorities with a new level of certainty about funding so that they can tackle local issues that often require a long-term view, whether improving road maintenance, securing better traffic management, enhancing road safety or making buses more accessible and integrated.

In introducing local transport plans, the Government recognised that stability is vital in helping councils make decisions for the longer term. Councils outside London have recently produced their second five-year local transport plans. We are continuing the investment programme and providing the financial stability that is so necessary.

Overall, the funding levels build on the expanded investment levels introduced five years ago. Some £550 million per year is available to councils in England outside of London for smaller transport improvements, and funding for highways capital maintenance is a further £670 million per year.

I have listened closely to the points that hon. Members have made about London. However, I do not feel that comparison is workable for the following reasons. First, transport spending per head will never be the same in every part of the country because projects in different parts of the country do not take place at the same time or in the same conditions. Secondly, successive Governments have all recognised the importance of London to the UK economy when making spending decisions. Expenditure in London includes spend on the London underground and is therefore always likely to be higher than elsewhere.

However, the third point is the key in determining how useful a comparison is. We must recognise the unique position of London and the fact that transport demand in London is on a different scale from the rest of the UK. It is enormous not only because of the spread of the capital and beyond but because of its sheer density and congestion and the challenges in responding to traveller demand. The comparisons that some colleagues have attempted to make are perhaps not the most useful for us to apply ourselves to. Good local transport is fundamental to prosperous, thriving communities. Since 2000-01, the Government have more than doubled transport funding to local authorities in every region to over £1.6 billion in 2006-07.

On local decision making, I assure hon. Members that the Government moved swiftly in 1998 to recognise that good decisions on priorities must be made as near as possible to those affected. What is important to people in Lincolnshire might not have the same priority as issues in Lancashire. Our local transport planning system, introduced in 2000, was designed to help authorities make the right policy and priority decisions.

It could be easy to forget the transport policies and programme system introduced by the Conservative Government, but I doubt that we will, because it was so universally disliked. It required local authorities to submit all their significant investment decisions to central Government. The result was vast bureaucracy and a series of unrelated top-down decisions that did absolutely nothing to help authorities and local communities form coherent plans and left them uncertain about the funding available even a year ahead.

It is not so easy to forget the Conservative Government's neglect of the transport system, which led to our roads being in worse condition at the end of

the '90s than at any point since records began. Hon. Members will be glad to know that the Government's significant increase in local road maintenance funding has halted that deterioration. Of course, we recognise that national and regional objectives must be met as well as local ones.

Stephen Hammond: Perhaps it has halted that deterioration, but how many of the 200 schemes promised at a local level in the 10-year plan have actually been implemented?

Gillian Merron: My reference was to the maintenance of local roads.

We have put a clear framework in place. Local authorities work within defined national policies and regional transport strategies, but the principle has been that all decisions should be made at a local level. Last year, we extended that principle for the first time not only to the myriad small investments that make up the bulk of transport investment but to larger schemes that authorities cannot fund without help from central Government. Until now, each authority has sought additional funding by making a direct application to the Government, and decisions on those applications have been made individually in the light of Government priorities.

With regional funding allocations, we have offered each region an opportunity to advise us, in the light of long-term indicative budgets, of their priorities for spending. The total indicative transport budget for regions outside London is set to rise steadily to more than £850 million per annum, over and above the amounts that I mentioned previously for regular LTP funding.

Regional funding allocations present a much more transparent system, which I know hon. Members will welcome. I also know that they will be keen to hear the Government's response to regional advice, and they can expect an announcement shortly. The Government have provided sustained extra support for councils to invest in local transport, and that will continue as investment, which will be welcome up and down the country, as we enter the second local transport plan period.

I look forward to continued close work with our partners in regions and local authorities to develop a local transport system in which we can all take pride. We hope for further success in serving people throughout the country, whether in London or outside it, to create the kinds of improvement that my hon. Friend the Member for Pudsey has pressed for, worked for in Leeds and the surrounding area and explained to us.

Transport (West Lancashire)

4 pm

Rosie Cooper (West Lancashire) (Lab): I welcome the Minister to her new position. I am grateful for the opportunity to discuss the variety of transport issues that affect my constituency today and that will affect it to a greater extent in the years to come.

Unquestionably one of the great advances of the 20th century was that transport opened up the world to nearly everyone in the UK. We think nothing of continent-hopping or of going away for a weekend break. The problem that we face in West Lancashire is not travelling to Australia but the lack of bus services and the difficulties faced in going to the local hospital to visit relatives.

4 pm

Sitting suspended for a Division in the House.

4.15 pm

On resuming—

Rosie Cooper: As I was saying, the problem lies with day-to-day travel in my constituency. People are now trying to negotiate a public transport system that does not get them where they need to be when they need to be there. That is serious in places such as Skelmersdale, where there is low car ownership. There is no doubt that the Labour Government are and have been committed to local transport, since their election in 1997, and that there have been year-on-year increases in transport investment. That is, indeed, a stark contrast to the policies of previous Conservative Governments. In particular, privatisation of buses has led to companies vying with each other for the most lucrative routes and deserting the less profitable ones without conscience.

I know that this is the third Adjournment debate on transport in the past two days, and that reflects the challenging agenda that faces us. I apologise to the Minister for the wide-ranging nature of the debate, but an efficient, sustainable and successful transport system is built on the right mix of transport forms. I believe that West Lancashire is disadvantaged in two ways on transport matters. First, we are at the edge of major regional cities such as Liverpool, Manchester and Preston, which attract much support and many services. I believe also that West Lancashire is not helped by its position in a two-tier authority, as its priorities are not necessarily those of Lancashire county council.

I want to deal in the debate with the roads issue in relation to the Ormskirk bypass, and then move on to public transport, in the form of bus services and, finally, rail services. There is a temptation to deal with space travel as well, but I leave that to another occasion.

In one form or another the Ormskirk bypass has been on the road transport agenda in West Lancashire for about 45 years. The current bypass proposal stands at No. 2 of Lancashire county council's transport plan priorities, but since the recent disastrous decisions on regional priorities it has been dubbed the road to

[Rosie Cooper]

nowhere. The scheme is the key to unlocking many of the transport problems of West Lancashire, but it is being ignored. The local transport plan envisages significant public transport improvements along the Wigan, Skelmersdale, Ormskirk and Southport corridor. However, those can be fully realised only if the existing congestion is tackled. There is no question that the increasing number of car trips, exacerbated by poor public transport, is bringing Ormskirk town to a standstill. In the hot weather the local vicar and his wife hand out glasses of water to trapped, exasperated motorists who just cannot get through Ormskirk. We need the Ormskirk bypass as we face gridlock.

There is also a threat to life and limb as ever-bigger heavy goods vehicles thunder along unsuitable roads. The Government invested £15 million in a new secondary school in Ormskirk, and when I visited it recently schoolchildren expressed amazement that none of them had been killed or injured as a result of the ever-increasing size and number of HGVs thundering past the school. Other local residents complain that their homes are shaken to their foundations by those vehicles.

As the M6-Heysham road was due to be delivered, many people in West Lancashire naturally expected the Ormskirk bypass to move to No. 1 position. However, changes to the funding allocation process, away from local and towards regional priorities, mean that there is little likelihood, under the present system, of the road being built in the next 20 or 30 years. The decision not to make the Ormskirk bypass a regional priority will have serious economic, social and environmental implications for West Lancashire in the years ahead.

My hon. Friend the Minister will know and understand the importance of the road in my constituency because I raised the question with her predecessor and the Prime Minister several times, in questions and in correspondence. I am concerned that the process of regional prioritisation will mean a favourable wind for city region areas, and not for constituencies such as mine. Does that really mean that there is no prospect of delivering local transport priorities to aid the future prosperity of constituents such as mine? I do not believe that that is the Government's intention. My concerns are compounded by recent information from Lancashire county council. Using the regional priority criteria, it reassessed the Ormskirk bypass, and according to that reassessment, the scheme would score a minimum of 100, not the 76 that it scored in the regional assembly's assessment. Reassessing it using those criteria would put the Ormskirk bypass near the top of the second quartile, and would give it real prospects of being built.

The county council continues to work on progressing the scheme. It is currently collating information on an environmental assessment, and will submit a planning permission application at the end of the year. If agreement cannot be reached on the completion of the Heysham-M6 link road, could not precedence be given to the Ormskirk bypass, making it Lancashire's No. 1 transport priority? If that were to happen, I hope that the Government would recognise the need to retain a Lancashire priority when allocating funding for a north-west transport scheme, and would therefore include the Ormskirk bypass.

My second issue is local bus services. This Labour Government once again demonstrated their commitment to public transport with the recent introduction of concessionary travel for the over-60s and the disabled. In the last Budget, it was announced that the scheme would be made a national scheme in 2008. In West Lancashire, we desperately need more buses and more funding for transport schemes, but where the Government are investing, local authorities are using some of the money to prop up their general revenue budgets. In my constituency, the Conservative-controlled district council received a very generous settlement of £900,000 for the new concessionary travel scheme. It estimated that it would cost £700,000 to fund the scheme and held the rest in reserves. It tried to conceal that fact by suggesting that the token scheme, which is already funded by the district council, is now being funded from Government money. Paul Daniels would be proud of that.

Once again, Conservative politicians are prepared to starve the transport system of much-needed funding. They failed to agree with other councils across Lancashire, including Lancashire county council, a scheme that allows free travel across Lancashire. That has angered local pensioners. The council could have made a real difference with the money, but has chosen not to. What good is a free bus pass if there are no buses to use it on? That is a common and vociferous complaint that many West Lancashire residents make to me. As one resident said, there are only so many times that one can travel between Ormskirk and Skelmersdale within the district.

Some of my constituents live on the edge of West Lancashire in Up Holland. Their nearest shops are in the next district, Wigan. They cannot get free travel to their local shops, so that bus pass is of no use to them whatever. There have been severe cuts in commercial bus services in West Lancashire in the past few years, and that will leave many of my constituents isolated and detached, unable to access core public services, employment opportunities or recreational activities.

Some years ago—before I became an MP—a decision was made to move the accident and emergency unit from Ormskirk to Southport, a decision that I believe to be absolutely and fundamentally wrong. A lack of transport infrastructure, fast road through Ormskirk or easily accessible public transport system compounds that bad decision and poses real threats to my constituents.

Another service, the Roundabout bus service, was funded by moneys made available under section 106 of the Town and Country Planning Act 1990. That bus service took Skelmersdale people to work, but when that money ran out, the scheme was stopped. Surely we can find solutions that enable people to get to work. That includes disabled people, who used the Roundabout bus services to go to Midstream, an organisation that enables them to carry out garden work. Dial-a-ride, for example, cannot guarantee to take such people to work every day. I am sure that my hon. Friend will point me in the direction of demand-responsive transport, and I am a firm supporter of that method of organising and providing

transport schemes. Once again, however, the experiences of people in my constituency have not been encouraging. There is a dial-a-ride scheme that almost closed last year; it has six buses but can afford to run only three of them, despite the fact that people cannot get a bus to go to a doctor's appointment. It is impossible for local people to understand.

We need to reassess who should be the main beneficiary of bus service provision. For the past 20 years it has been the bus operators, and we know only too well the damage that privatisation has caused to public transport services, particularly in constituencies such as West Lancashire. There is no getting away from the fact that bus services are not run on a social need basis or even to allow profitable services to subsidise less profitable routes. If we are to pursue a social inclusion agenda then transport is what connects all other aspects of life: health, education, support services, employment opportunities and social activities. In my constituency there is limited cemetery provision. Local people have to travel to Liverpool, St. Helens and Southport to bury their nearest and dearest. The problems that they face are compounded when they want to visit graves and find that they have to fight with a transport system that does not help them. That is the reality of the everyday situations that my constituents face and must negotiate.

I know that Lancashire county council spends approximately £8 million a year on subsidies for bus services. Those subsidies range from nearly £8 to perhaps £44 a passenger, which everybody will accept is not a sensible use of taxpayers' money. We need solutions that get value and good services but do not leave people isolated from key public services or from their relatives.

Lancashire county council is an example of the Government providing substantial funding increases but local decisions meaning that my constituents get a poor deal. There has been an increase of £6.7 million and a further increase of £10.2 million, which is nearly a 5 per cent. increase in 2007-08, but in the past year 10 bus routes in West Lancashire have been withdrawn or reduced. There are currently another five routes that fail to meet the county council's subsidy criteria, which are a maximum of £2 a journey or a minimum of a 20 per cent. revenue-cost ratio.

School bus services are under serious threat as the council looks to withdraw them. In a new town—Skelmersdale is a new town—that would place schoolchildren in danger as schools are not located near the centres of population and main roads are designed for cars, not pedestrians. There are no pavements on the main thoroughfares and it would be a travesty if the loss of a bus were to mean a loss of life. I understand that subsidies cannot be stretched to support all possible routes, so it is vital that we explore sustainable and realistic options to ensure some sort of transport provision across our communities, not just along profitable routes.

My final point is on rail transport. In February the Under-Secretary of State for Transport, my hon. Friend the Member for Halton (Derek Twigg), opened a new interchange station at Burscough Bridge station in the heart of the community. It shows how we can better understand the ways in which people use public transport, and it is the beginning of a move towards more integrated transport services in the area. Burscough is a transport hub for much of the district, as it provides access to the wider region. We can enhance transport integration through further investment in rail services in Burscough. That would involve the electrification of the line from Ormskirk to Burscough Junction and the reinstatement of the southern Burscough curve, which would provide once again a local rail link between Ormskirk and Southport. Such a development would have benefits not only for the integrated transport system but for rural economies such as Burscough and I hope that the Government will support it. I know that there is an in-principle commitment to the scheme from the county council and from Merseytravel, and I would welcome a positive commitment from the Minister who is present today to drive it forward and examine how we could support such developments to better integrate modes of transport.

I am not asking simply for more money to be invested in transport provisions; I am asking for a fair distribution of what already exists. People have been patient in West Lancashire, and their voices—rather than just the voices of the big cities—should be heard. We are talking not just about adding value but about what is essential. Without it, we could potentially be creating transport haves and have-nots, and that is not acceptable to any of us.

4.30 pm

The Parliamentary Under-Secretary of State for Transport (Gillian Merron): I congratulate my hon. Friend the Member for West Lancashire (Rosie Cooper) on securing this important debate for her constituents. As on previous occasions I listened carefully to her remarks. She is a tireless campaigner for her constituents and she continues to be a strong advocate for their views and concerns.

I appreciate that areas such as West Lancashire have particular transport challenges and opportunities. The larger settlements of Ormskirk, Skelmersdale and Burscough have grown around a network of major roads that has experienced an increase in traffic and congestion in many conditions.

The county's local transport plan acknowledges the bypass as the most important proposal for West Lancashire. The A570 Ormskirk bypass is the county council's second highest priority highway scheme after the Heysham-M6 link road scheme near Lancaster. At present, the A570 runs from the M58 to Southport, in a one-way system through the centre of Ormskirk. Through traffic conflicts with what is going on in the town centre and causes congestion, both for the through traffic and for local traffic. The local transport plan proposes a bypass that would take through traffic out of Ormskirk, improve journey times between the M58 and Southport, and reduce traffic congestion in the town centre. It would greatly improve access to local services, and the town centre would become a safer place for all road users.

As my hon. Friend has confirmed, there is strong support for the proposal from the local hospital trust, which suffers from difficulties with access to its two hospital sites. Lancashire county council is currently

[Gillian Merron]

developing the proposal, and environmental assessment and traffic modelling work have started with a view to a planning application being made in due course. It will be a matter of years, however, before Lancashire county council is in a position to bid for funding.

As my hon. Friend is very clearly aware, last year the Government provided indicative financial allocations for every region, and asked the regions to provide 10-year investment programmes for housing, transport and economic development. All major transport schemes are part of that process, which represents an opportunity to show how the interrelated areas of transport, housing and economic development can be better aligned so as to serve the people of the region and the north-west better.

Each region was asked to prioritise, using the realistic funding assumptions, funding for major transport schemes up to and including 2015-16. In the north-west, the two regional bodies that were responsible for preparing advice to Ministers were the North West Development Agency and the regional assembly. The region's advice was developed following a programme of regional and sub-regional consultation events. The Lancashire sub-regional event was held at the end of October and provided an opportunity for partners to provide advice about sub-regional and local priorities, and to inform the assessment criteria. All Lancashire local authority chief executives and leaders were invited to the event, which was followed by a regional consultation event held on 1 December last year to discuss the outcome with regional partners and to identify any major concerns. I understand that West Lancashire district council was represented at the meeting.

As my hon. Friend knows only too well, competition for funding for schemes in the north-west was, as elsewhere, tough. More than 100 schemes were assessed, many of them in the final stages of preparation, and 25 were identified as priorities, supporting regional and local objectives. In reaching its recommendation to Ministers, the North West regional assembly and the development agency took fully into account the assessment by independent consultants who were commissioned to examine economic, social and environmental impact and the deliverability of the schemes that were put forward by the local authorities.

In the event, the region accepted that the three schemes that Lancashire county council identified as top priorities should be prioritised for funding: the completion of the Heysham to M6 link; phase 1 of the Blackpool and Fleetwood tramway upgrade, with Blackpool borough council; and the East Lancashire rapid transit scheme, with Blackburn with Darwen borough council. That meant that the region did not recommend the Ormskirk bypass as one of the 25 prioritised schemes. I have heard only too clearly, both today and previously, how much of a disappointment that is to my hon. Friend and I understand that.

I also appreciate that the decision is disappointing to the people of Ormskirk. However, the decision on regional priorities does not exclude the possibility of the scheme being reconsidered at a later date when it is has been more fully worked up. I know that the county council is working to complete environmental appraisal and traffic modelling work once it has a clearer picture of the time scales and costs of the scheme. Once it has that, I assure my hon. Friend that we will be happy to discuss further the way forward with the council.

Rosie Cooper: May I just make a second plea: should there be difficulties over the Heysham-M6 link and the moneys not be spent in time, could the Ormskirk bypass be reconsidered?

Gillian Merron: I note clearly the point that my hon. Friend makes, but we still have to work on regional priorities. She might like to make that point to the relevant regional bodies who will be advising Ministers should that event occur. We are currently considering the recommendations from the north-west region and she can expect an announcement before the summer recess.

On rail, the reopening of the redundant railway lines known as the Burscough curves would improve rail links between Ormskirk and Southport and between Preston and Southport. The lines are protected as a long-term proposal in the Lancashire structure plan, but I regrettably must inform my hon. Friend that there are no current proposals to reopen the line.

On tackling congestion in West Lancashire, I understand and appreciate the strength of the case that my hon. Friend put for the Ormskirk bypass, reflecting, as I know, the strong views of her constituents. I am bound to point out, as I am sure she knows, that the building of bypasses is not the only way in which we can tackle congestion. Many initiatives do not require new infrastructure but aim to help people to reduce their car use while enhancing the attractiveness of alternatives. Such initiatives include workplace and school travel plans, personalised travel planning, travel awareness campaigns, public transport information and promotion, car clubs, car sharing, teleworking and teleconferencing, and home shopping.

As part of that, I know that my hon. Friend is particularly interested in the issue of buses. The Lancashire bus strategy will form an important element of the overall strategy on congestion—an issue that we are seeking to tackle. The Government recognise that buses are the backbone of our transport system and that compared with rail and light rail they are a flexible and low-cost option for tackling congestion, meeting environmental targets and, importantly, reducing social exclusion.

In West Lancashire, the proposed quality bus partnership for the Wigan-Skelmersdale-Ormskirk-Southport service will raise standards for an important route that takes staff, patients and visitors to the hospitals. I know that that is of great concern to my hon. Friend and her constituents. The county council will be working with bus operators and local authorities to raise the quality of vehicles and the infrastructure on that cross-border route.

I know that there has been some local concern in West Lancashire about the operation of the Government's bus challenge initiative. The grant schemes were never intended to provide permanent revenue support for services and successful projects

should become self-sustaining or part of mainstream support from local authorities or other sources. Inevitably, some services turn out to require a high level of subsidy and they are difficult to sustain. The local authorities, as we know, decide on the viability of such schemes.

I would also like to clarify the position for the Government's concessionary fare scheme. All relevant authorities have extra money—my hon. Friend welcomed that, for which I thank her—and that reflects the new duty to provided free concessionary fares. The Government have put an additional £350 million into the settlement, which correctly reflects the cost of free fares. There is general agreement that there is enough additional money overall for the new local authority responsibilities. Both the level of the settlement and the way in which it is made reflect the fairest way of sharing out the money.

It is, of course, for local authorities to decide their overall funding priorities based on their judgment of local need and circumstances. Cross-boundary travel, which is important to my hon. Friend's constituents, is offered at the discretion of the local authority. It must, of course, be based on their judgments of local needs and their overall financial priorities. Regrettably, the 14 district and unitary authorities of Lancashire have yet to agree on a county-wide concessionary travel scheme, so free travel across boundaries is not available at present although it is in other parts of the country. With that in mind, I have asked my officials to take it up with the authorities and I shall write to my hon. Friend on the matter.

As my hon. Friend will be well aware, we are introducing a national scheme in April 2008 that will allow older and disabled people free off-peak bus travel anywhere in England. I know that my hon. Friend will welcome that on behalf of her constituents. Capital funding for local transport in West Lancashire is allocated to Lancashire county council and the total funding provided to fund major schemes, integrated transport measures and maintenance of assets for transport since 1997 amounts to more than £185 million.

Having made those points, I conclude by thanking my hon. Friend for doing such a good job in raising so clearly and ably on behalf of her constituents a range of issues that matter so much to them. I hope that I have been able to give her a response that will help her in continuing to work to improve transport in her local area.

VAT (Isle of Mull Swimming Pool)

4.43 pm

Mr. Alan Reid (Argyll and Bute) (LD): It is a pleasure to serve under your chairmanship today, Mr. Bercow. I start by thanking the Speaker on behalf of my constituents on Mull and Iona for granting me this Adjournment debate.

I want to set out the background to the swimming pool before turning my attention to the complex VAT issue. Mull is the largest island in the country that does not have a swimming pool. I do not want anyone to think that because Mull is an island, people have the alternative option of swimming in the sea. The seas round the island are very treacherous and are certainly no place for anybody to learn to swim.

Tragically, every year about 50 children in the country die from drowning. That shows the importance of learning to swim, and Government policy rightly attaches a high importance to teaching children to swim. The Schools Minister recently announced a £5.5 million scheme to give daily catch-up lessons to children who cannot swim by the end of their primary schooling. Such a policy could not be implemented on Mull simply because there is no swimming pool.

For a quarter of a century, the islanders have been trying to raise enough money to build a pool. The Mull and Iona Swimming Pool Association was formed and it set up a company with charitable status to manage the fundraising, oversee the design and construction and to own the pool when it was completed. That company is called the Mull and Iona Community Enterprise—MICE, for short.

After a quarter of a century of effort, the islanders are now tantalisingly close to getting a swimming pool, having raised £1.8 million required to build it. They have overcome many hurdles along the way, one of which was the fact that on an island of only 3,000 people, no swimming pool could be run without making an operating loss. That hurdle was overcome by reaching agreement with the North British Hotels Trust—NBHT—a registered charity that owns and operates the Isle of Mull hotel at Craignure on the island. It was agreed with the trust that the pool would be built next to the hotel and that it would be leased to North British Hotels Trust, which would then operate the pool and absorb any losses on the running costs.

The pool would, of course, be open to the public and made freely available to schools and swimming clubs. It has received financial support from the Argyll and Bute council, Argyll and the Islands Enterprise and SportScotland, as well as many contributions from trusts and individuals. A great deal of money has been raised through voluntary fundraising activities by the islanders.

A few months ago, it seemed that the difficulties were over. MICE had raised £1.8 million that was required to build the pool and the North British Hotels Trust had agreed to manage and operate it and absorb any operating losses. It all seemed fine, but then came the bombshell in the form of the dreaded VAT man, which is why I applied to Mr. Speaker for this debate. It is frustrating that the islanders are so close to realising the dream of a swimming pool, yet they are being

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foiled by the prospect of being taxed to the tune of £300,000 for a project that I am sure the whole House would agree is a worthwhile voluntary sector project. It would be simply impossible to raise that extra £300,000.

It has always been assumed that, because MICE and the North British Hotels Trust are both charities and the pool was for school and community use, as well as being non-profit making, it would be zero-rated for VAT. However, it has turned out that the law is not quite as straightforward as that. Much correspondence has taken place between Revenue and Customs and MICE and, so far, Revenue and Customs has not been able to give a ruling on the matter. I stress that the HMRC officers with whom MICE has been dealing have always answered its questions speedily and are doing their best to do their job and co-operate. MICE has no criticism whatever of the people in the VAT office, but simply of the complicated rules under which they have to operate. Parliament designed those rules to catch large banks and insurance companies that wanted to avoid VAT, but it seems to have caught a small voluntary group in that net.

The list of items that are zero-rated for VAT are specified under schedule 8 of the Value Added Tax Act 1994. Under the heading "Group 5—Construction of buildings, etc.", item 4 states:

"Use for a relevant charitable purpose means use by a charity in either or both of the following ways, namely—

(a) otherwise than in the course or furtherance of a business;

(b) as a village hall or similarly in providing social or recreational facilities for a local community."

However, the interpretation of the law is that a swimming pool does not fall into the zero-rated category, despite its being used for social and recreational activities and—in this case—being operated by a charity. It was therefore accepted by MICE and North British Hotels Trust that some VAT had to be paid, but it was assumed that the hotels trust would be able to pay VAT on the lease and charge VAT on admissions to the pool and that MICE would be able to recover the VAT on the construction.

An independent commercial valuation of the lease was obtained, and it was estimated that the commercial value of the lease was about £5,000 a year. That is the cost of the lease that the hotels trust would pay to MICE. The assumption was that the hotels trust would be able to pay VAT on the lease, which would work out at slightly under £1,000 a year, and that would allow MICE to recover the £300,000 VAT on the construction costs.

However, an unexpected problem arose, and this is where the whole affair becomes difficult to understand. Certain categories of admission to the pool are zero-rated for VAT. Those include schools, clubs and what is known as a series of lets. The series-of-lets rule is specified in the Value Added Tax Act 1994, schedule 9, group 1, note (16). In conjunction with that, we have to look at another part of the 1994 Act: schedule 10, paragraph 2. That is a long complicated paragraph, and it would probably take me the whole time allocated for the debate to read it out, so I shall refrain from doing so, but the crux of the issue is a phrase in that paragraph: "wholly or mainly".

The Act says that the hotels trust cannot recover VAT on the construction costs unless the pool is used "wholly or mainly" for purposes for which VAT would be charged on the costs of admission. I find that slightly illogical. Parliament has decided that certain activities are zero-rated for VAT. I will refer to those activities as good causes. If the pool operators admit too many of those good causes, the builders, MICE, have to pay £300,000 VAT, yet if those good causes were not admitted, VAT would be required to be paid only on the lease and would be less than £1,000 a year. That seems rather illogical.

Let me summarise the position. Revenue and Customs says that the law is that more than 20 per cent. of admissions being good causes attracts £300,000 VAT, but with less than 20 per cent. good causes, VAT is less than £1,000 a year. Surely there is something far wrong there. I cannot believe that Parliament intended that when it passed the legislation.

Because of the agreement with the council and with SportScotland, schools and clubs must be admitted to the pool, and of course MICE wanted schools and clubs to be admitted. That was one of the main reasons for wanting a pool on the island in the first place. There is surely something far wrong with the law if it says that a charity cannot recover VAT on the construction costs if too many zero-rated categories of swimmer are admitted. That is surely the wrong way round.

The law that Parliament passed uses the phrase "wholly or mainly", but does not put a figure on it. Revenue and Customs has adopted a policy that, in the case of indirect taxation, "wholly or mainly" means 80 per cent. That, I understand, has never been tested in court, and it must be stressed that the 80 per cent. figure was not passed by Parliament, but adopted by Revenue and Customs.

It has been estimated that less than one third of the usage of the pool would be by groups that were zero-rated for VAT, so if "wholly or mainly" could be reinterpreted as more than two thirds, the problem would be solved. I would have thought that "mainly" could reasonably be interpreted as meaning more than two thirds; 80 per cent. seems a very high interpretation of the word "mainly".

The accountants hired by Argyll and the Islands Enterprise to advise MICE have told me that they are confident that if the case goes to a VAT appeals tribunal, MICE will win the case, but of course none of us wants the case to go to an appeals tribunal, so I ask the Paymaster General to take a look at the Revenue and Customs interpretation of the Act of Parliament.

MICE's accountancy advisers have told me that the "wholly or mainly" rule was originally introduced in an attempt to eliminate anti-avoidance measures by some large financial institutions. There appears to have been a scam involving deals between financial institutions and universities or private hospitals. Apparently, universities or private hospitals were taking advantage, through a convoluted series of agreements, of the zero-rated status of health and education to enable the financial institutions to recover VAT on non-exempt activities. However, I understand that that loophole has been plugged by other means: the Government recently introduced other legislation that plugged that loophole,

and a recent European Court ruling, which rejected an appeal by HBOS plc, BUPA and Huddersfield university, confirmed that.

My understanding is that that ruling shows that the 80 per cent. policy is no longer required to stop such tax avoidance by big banks, big universities and private hospitals. If the policy were to be reinterpreted to, say, two thirds for the deserving case of the Mull pool, I do not believe that that would open the floodgates.

The Paymaster General (Dawn Primarolo): Will the hon. Gentleman disclose which company is giving that financial advice to MICE? That may become pertinent to what I have to say.

Mr. Reid: I am perfectly happy to do so. Ernst and Young has been hired by Argyll and the Islands Enterprise and has given that financial advice. I have certainly used financial advice from that company in preparing my speech. I am working on the assumption that it is correct professional advice.

If the policy were reinterpreted to two thirds, that would not open up the floodgates to undeserving cases, because the European Court case was decided on a different piece of legislation.

It must be stressed that the recent agreement between MICE and the hotels trust was put in place because MICE could not afford to fund the inevitable operating deficit on the pool. The structure was not chosen as a VAT avoidance measure.

A Customs and Excise officer who had been dealing with the case had originally been suspicious that the purpose of the lease may have been to avoid VAT. However, in his latest letter to Ernst and Young, dated 16 June, he seemed satisfied that it was not. He wrote:

"I have decided not to pursue the question of purpose further in respect of the structure set out in MICE's letter dated 10 March 2004."

The crux of the problem appears to be the 80 per cent. policy, which, given how it has operated in this case, means that if the pool operators admit too many good causes, MICE has to pay a VAT bill of £300,000. Customs and Excise will never collect that money. If the ruling is implemented, no pool will be built, so at the end of the day no money will be collected.

To show how unfair the VAT bill for MICE would be, I shall refer to another swimming pool. Last Friday, I was delighted when the Scottish First Minister opened a new swimming pool in Campbeltown, also in my constituency. That pool is owned and operated by the council, so under the legislation it is free from VAT. However, because Campbeltown is big enough to enable the pool to run without an operating loss, the council was able to afford it. The paradox is that a reasonably large town on the mainland gets a VAT-free pool run by the council, but when a voluntary organisation on a smaller island tries to build a pool that would run at a loss, it receives a VAT bill. I do not understand how that can be fair.

The community on Mull has done what it thought the Government, the Scottish Executive and the council wanted it to do. It formed a community group, raised the money itself and went into partnership with the private sector. Like all islands, Mull has a tremendous community spirit. People there did not rely on the state, but got up, worked their socks off and raised the money themselves. Now it appears that they have to pay VAT on the pool that would not have had to be paid if the council had built it.

Time is running out because many of the bodies that awarded grants imposed time limits, for obvious reasons. For example, the European objective 1 money must be spent by the end of November or it will be lost forever. In a 16 June e-mail to Ernst and Young, the Customs and Excise Officer who is dealing with the case wrote:

"I note that you now appear to challenge customs policy in regard to the wholly or mainly test in schedule 10 of the VAT Act. I am sure that you can appreciate that HMRC officials are accountable to Members of Parliament through the appropriate Minister. We may have ministerial direction on this matter after Wednesday's debate."

I do not expect the Paymaster General to give an answer today, but I am sure that she will be sympathetic to the islanders' plight. I would hope that she would study the problem in detail and attempt to find a way round the VAT problem.

I must stress that when I am speaking in the debate, I have no criticism of Customs and Excise officers or the way that they are carrying out their job. They are responding quickly and giving advice. I have no criticism there.

I am sure that all those laws were passed by Parliament for perfectly sensible reasons to stop VAT avoidance by big companies and banks. However, two charities are involved, MICE, a community group and the North British Hotels Trust, a voluntary group trying to provide a swimming pool for the island. Therefore, I hope that we can find a way round the problem without opening up floodgates that would allow big banks and insurance companies to benefit from it.

The islanders of Mull have tried very hard for 25 years. Therefore, I hope that we can find a solution to the problem that would allow them to build a pool without the extra £300,000 bill from Customs and Excise.

5.1 pm

Mr. Michael Wills (North Swindon) (Lab): I am grateful to the hon. Member for Argyll and Bute (Mr. Reid) for allowing me to take a couple of minutes to support the powerful argument that he made. I agree with everything he said about the need to crack down on evasion; I think that everyone in the House agrees on that. However, he put forward a powerful case for how that can have perverse consequences for small community groups. I understand that absolutely from my own experience.

For example, as the hon. Gentleman noted, if a building is built in one way it can attract VAT, yet if it is built in another it does not. In a recreation facility in which the entrance to the swimming pool is through a central area, if the pool is completely replaced but the entrance remains the same, that new facility attracts VAT. However, if it were wholly new—with an entrance in a separate place—it would not attract VAT. As the hon. Gentleman said, that can be enormously damaging for small voluntary groups that are trying to build a community facility, not trying to evade VAT,

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and which are not big corporations. Therefore, I support everything he said in that respect.

The hon. Gentleman also referred to the fact that time is running out on the Isle of Mull. Time, as he powerfully demonstrated, is often of the essence in these judgments. It is important for small community groups, such as those on the Isle of Mull and in Highworth in my constituency, that do not have access to much professional advice—they cannot afford it—to get a clear and rapid indication of their tax liability. In my experience in Highworth, that can take a year, which I am sure he agrees is too long.

I hope that my right hon. Friend the Paymaster General, whom I know will be sympathetic to the efforts of voluntary groups in the Isle of Mull and elsewhere, can find a way to reassure everyone about those concerns.

5.3 pm

The Paymaster General (Dawn Primarolo): It is delightful to see you in the Chair, Mr. Bercow. You have chaired quite a few debates in which I have participated. I congratulate the hon. Member for Argyll and Bute (Mr. Reid) on securing today's debate, and I shall return to the comments made by my hon. Friend the Member for North Swindon (Mr. Wills).

First, let me say to the hon. Member for Argyll and Bute that things are not always as they seem. For instance, when the officer wrote the e-mail to him about ministerial direction, he was referring to whether the officer had authority to meet him as a Member of Parliament. Ministers have absolutely no power of direction over the tax system; it is divided by care and management. However, I want to return to the points that the hon. Gentleman made.

First, I appreciate why the people of Mull and Iona—an island community with an extensive coastline—attach such great importance to the issue of the pool. Their feelings reflect and are reflected in their impressive and sustained fundraising efforts over many years. As the hon. Gentleman was good enough to acknowledge, the project fits closely with the Government's objectives for access to swimming pools for members of the public.

I pay tribute to the efforts of the community on Mull and Iona, particularly the swimming pool association, which has been involved for some 25 years in campaigning, fundraising and trying to establish the pool. All of us would probably acknowledge that it is probably one of the longest-running fundraising campaigns in Scotland. Pools are expensive to build and maintain, and the association has experienced several difficulties over the years in respect of those costs. We all congratulate members of the association on the endurance, determination and imagination that they have demonstrated in overcoming those many difficulties.

In that respect, I was particularly interested to hear about the partnership that the community set up with Argyll and Bute council and the Isle of Mull hotel. It was unfortunate that the hon. Gentleman referred to "the dreaded VAT man". Again, I shall defend my officials. Anybody who works in Her Majesty's Revenue and Customs is following the law of the land as instructed by this Parliament. They are not allowed to vary it—Members of Parliament do that. They do a fine job and are not to be dreaded. I hope to demonstrate that in this case we are in great danger from a series of misunderstandings.

The hon. Gentleman appreciates that HMRC administers the VAT rules, as I have said. Those rules are laid down by Parliament and I have no power personally to intervene and direct HMRC. It follows the law of the land.

I understand that Mull and Iona Community Enterprise—referred to by the hon. Gentleman as MICE—has sought to waive an exemption on the proposed lease of the swimming pool to the hotel. That would enable MICE to reclaim the VAT costs incurred on the construction of the pool, subject to the normal VAT rules. Let us be clear about events: the scheme was notified to HMRC in March 2006 and, in defence of my officials, the numbers of letters that have been exchanged are two from HMRC to MICE asking for information about the proposed scheme and its financial structure, two from MICE to HMRC responding to those requests, and another one or two—no more than five or six. We are only a little way into the discussion.

The hon. Gentleman touched on what is at the heart of the problem. Just before the 1997 election, the then Government introduced anti-avoidance rules to prevent significant VAT revenue losses, which were £100 million or more a year. The rules were designed to head off a classic VAT avoidance structure in the property sector whereby non-VAT recovering bodies created taxable bodies to reclaim the VAT incurred on construction costs, and then charged an artificially low rent for the occupation of the premises.

Whatever the advice that the hon. Gentleman received from Ernst and Young about the court cases and whether the anti-avoidance rules are still needed, I must tell him that if he cares to look at any Finance Bill, including the one that we finished considering in Committee only yesterday, he will see that VAT on property remains one of the main areas of avoidance activity. That has not changed and is not affected by the rulings.

There is a dilemma over how to proceed. There are classic VAT avoidance structures that involve hundreds of millions of pounds, and they follow certain key steps, but I want to make it absolutely clear that HMRC accepts that the intention of the arrangements in relation to the swimming pool is not to avoid that VAT. Nevertheless, the Department has to satisfy itself—we do not want to set a precedent here and find the same scheme popping up somewhere else, but this time involving a bank and hundreds of millions of pounds. It is necessary for the facts to be put on the table, then Revenue and Customs can give an adjudication.

The best advice that the accountants can give MICE is to disclose the facts of the case and put them on the table as quickly as possible. I can assure the hon. Gentleman, because I have made sure of this in talking to my officials, that HMRC officials will resolve the matters as quickly as possible. Instead of relying on

complex accounting—which, as my hon. Friend the Member for North Swindon said, is not always accessible—simply and straightforwardly say, "This is what we want to do and why we want to do it." Then a decision can be taken, and very speedily.

I want to emphasise that HMRC stands ready now, as quickly as possible, to clarify the VAT treatment, once all the facts have been established, although we are still waiting for all the facts. It is much better to get it done this way than via a VAT tribunal. Then a decision can be made.

The issue of whether a swimming pool has a similar use to a village hall goes to the heart of the points that I want to make to the hon. Member for Argyll and Bute. This is the question: is the proposed use of the swimming pool similar to that of the village hall for the purposes of VAT and why do they not come within that? Even a cursory glance will demonstrate why. Here, case law is followed and it is defined in case law what needs to be done for a building to qualify. It must be constructed by a charity, it must have a high degree of community involvement in its operation and activity, and it must be provided for a wide range of predominantly social and/or recreational activities.

As I understand the proposals, the pool will be managed and operated by the hotel, which is not a charity. The pool may also not be managed with a high degree of community involvement. Furthermore, by definition, the pool is unlikely to be able to cater for a wide range of social and/or recreational activities beyond swimming and water safety. Therefore, it is not within the similar treatment. But to recap, this is an important scheme that is hugely important to the community, which has done a great deal. We should pay tribute to it.

I must impress this on the hon. Gentleman: get the facts on the table and HMRC will make a decision. I am confident that it will be the right decision and all will be happy. That is all that needs to be done.

Question put and agreed to.

Adjourned accordingly at thirteen minutes past Five o'clock.

Westminster Hall

Thursday 22 June 2006

[MR. JOE BENTON *in the Chair*]

Democratic People's Republic of Korea (Human Rights)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Tony Cunningham.]*

2.30 pm

The Minister for Trade (Mr. Ian McCartney): I should declare an interest. Mr. Benton, you employ my wife and, for the purpose of today's debate, you are employing me. This is the first occasion in 18 years that this has happened. We have been forced apart all that time.

The United Kingdom's dealings with North Korea are constrained by three key concerns to which I shall come in a minute. I will give a full update on the current position and on what I have been doing since I took over the portfolio. I assume that Opposition Members will then speak, after which I shall answer specific questions. At the end of the debate, I hope to have clarified what has been happening as well as my intention to make my role as effective as I possibly can to improve the situation in the country.

The three key concerns to which I referred are the threat to the security of the region posed by North Korea's illicit nuclear weapons programme, the potential for proliferation both of nuclear weapons material and technology and missile technology, and the North Korean human rights situation, which ranks among the worst in the world.

I deeply regret that the North Korean Government have so far declined to give the world some reassurance about their intentions regarding missiles. In the current climate, to conduct a test of a long-range missile would be bound to raise tensions in the region. I hope that the North Korean Government will step back from such a provocative move and preserve the moratorium that they have honoured since 1999. The human rights and weapons issues are interlinked. The North Korean Government have made it clear that they regard respect for human rights as a risk to their national security. That, in turn, in North Korean eyes, seems to revolve around the possession of what they describe as a nuclear deterrent and the means to deliver it.

I am pleased that we have the opportunity today to discuss such concerns and commend the continued interest shown by members of the all-party parliamentary group on North Korea, which has promoted the debate. Hard information on North Korea's human rights is difficult to come by. Human rights organisations, including the United Nations, are denied access. Nevertheless, often through the bravery of individual North Koreans risking their lives and those of their families, a picture of serious and widespread abuse has emerged over the years.

Torture and the death penalty are in regular use. There are horrifying reports of inhumane treatment, including forced abortions and infanticide. Religious persecution appears systemic. Arbitrary detention and forced labour in prison camps is common. A so-called offender may find that three generations of his or her family suffer the same fate for the alleged offence. North Korea's penal code allows the death penalty for ill-defined crimes, such as counter-revolutionary activity. The judiciary has no independence and the legal system has no transparency.

We have seen a recent much-publicised example in Mr. Son Jong Nam, who was charged with alleged treason. The United Kingdom and its European Union partners have been pressing the North Korean Government to halt the scheduled execution of a man whose crime appears to have been to have met his brother outside North Korea. The country has ratified four of the major United Nations human rights conventions—the international covenant on economic, social and cultural rights, the international covenant on civil and political rights, the convention on the rights of the child and the convention on the elimination of all forms of discrimination against women. However, North Korea has yet to make any commitment in respect of slavery, trafficking in humans, refugees and migration. Although it has signed those covenants, there is no evidence of its respecting the concept and principles contained in them.

North Korean refugees impact heavily on the surrounding region. Large numbers seek refuge in China from destitution or persecution in North Korea. Estimates vary, but there may be up to 100,000 North Koreans in China's border provinces at any one time. They risk arrest by the Chinese authorities and forcible repatriation to North Korea, where punishment for leaving without permission may include the death penalty. We regularly urge China to allow the United Nations High Commissioner for Refugees access to the border region and to observe its obligations under the 1951 Refugee convention. South Korea, on the other hand, is ready to accept North Korean refugees. Approximately 8,000 have settled there. The numbers have increased in recent years. The North Koreans have found their way to other countries in the region, including Thailand, Burma, Mongolia, Laos and Vietnam.

The United Kingdom and the international community continue to press the North Koreans to co-operate with the United Nations and allow international monitors, human rights organisations and experts to investigate many allegations. The North Korean response has been to claim that the reports are fabricated by the west to provide us with a stick with which to beat them.

I wish to set it on record that our interest is to see improvement in human rights in North Korea. We have no hidden agenda. We believe that our concerns can be resolved. The North Korean Government simply need to seek co-operation with the international community rather than confrontation.

We have maintained an embassy in the country since 2001. Our staff are working in difficult conditions. We have been able to raise our concerns with North Korean authorities at a senior level. It took some time to persuade North Korea of the need to engage in human rights at a ministerial level.

In September 2004, the then Under-Secretary of State at the Foreign and Commonwealth Office, my hon.

[Mr. Ian McCartney]

Friend the Member for Harrow, West (Mr. Thomas), visited Pyongyang. He pressed hard, both on matters of principle and on several specific and particularly troubling cases. The North Korean Government did not refuse to contemplate the steps that my hon. Friend was urging on them. However, over time, it has become clear that they have not yet taken the decision to engage on those matters of concern to the United Kingdom and the international community.

In July 2004, Professor Vitit Muntarbhorn was appointed as the UN special rapporteur on North Korean human rights. North Korea has refused to acknowledge either him or the UN resolution that appointed him. He has nevertheless been able to compile reports which set out in detail the many allegations and reports of abuse. They make chilling reading.

On behalf of the Government and all hon. Members, I was able to thank the special rapporteur personally when I met him briefly at the opening session of the UN Human Rights Council in Geneva on Tuesday of this week. I invited him to London at his earliest convenience. I hope that his diary will permit him to take up the invitation soon. If it does, we will arrange for him to brief interested Members from both sides of the House, including those present here today, on his work as special rapporteur. We will invite him to meet and discuss his perspective on developments in North Korea with non-governmental organisations and other interested religious groups

In 2005, during the EU-led activity on North Korea by the United Nations High Commissioner for Human Rights, another resolution was adopted by an increased majority. North Korea has failed to respond. The EU therefore decided, under the UK presidency, to raise the matter in the United Nations General Assembly. A resolution was adopted here in December 2005.

The North Korean Government have so far rejected that clear criticism of its human rights record by the General Assembly. The regime continues to insist that the subject of human rights in North Korea is solely the concern of the United States and a few European countries, including the United Kingdom. The vote in the General Assembly suggests otherwise—88 voted in favour of the EU resolution and 21 against. I am amazed that 21 countries were prepared to vote against it.

Mr. Jeremy Browne (Taunton) (LD): The Minister may not have to hand a list of those 21 countries, but are the British Government able to influence and put pressure on them to see the full seriousness of the situation in North Korea?

Mr. McCartney: Yes, I will set out what we have been doing and what we intend to do in my speech. The establishment of the new Human Rights Council this week provides an opportunity. I thank the hon. Member for that question and will come to that point in a minute.

We remain hopeful that North Korea will reflect more carefully on the significance of the General Assembly's actions. UN resolutions, both General Assembly ones and those issued by UN human rights bodies are useful tools and have an important role to play in extreme cases of human rights violations such as we have seen in North Korea. However, our hand has been strengthened this week with the establishment of the United Nations Human Rights Council, which has succeeded the Commission for Human Rights. The council's procedures will provide more tools for applying pressure to regimes such as that of North Korea. Countries with better relationships with the regime than ours will be able to use their influence behind the scenes more effectively. There will be more opportunities for open debate, and a fair and balanced mechanism of universal periodic review will allow council members to identify practical steps to support the human rights of the North Korean people.

This is the nub. So far, the simple, blunt instrument of resolutions, important though they are, has had two effects: first, North Korea has completely ignored the situation and secondly, some of its friends have had the opportunity to say, "We do not agree with motions and resolutions; we'll do nothing". Under the proposals, those who do not agree with resolutions in any circumstances now have the responsibility to follow the new principles behind the Human Rights Council and will be able to help North Korea come through the door into the international community, allow NGOs and United Nations bodies in, start working with them on the road to reconciliation with their own citizens and the international community, and develop an approach to human rights— something that it has refused to do so far.

Some of those 21 countries are very close geographically to North Korea or have had a long-term relationship with the regime for other reasons. They now have an opportunity. They no longer have the excuse simply to vote against a motion or resolution, but should be practical and hands-on and use their influence with the regime on behalf of the powerless and voiceless who suffer daily, weekly, monthly and yearly behind the doors of the state.

Mr. Greg Hands (Hammersmith and Fulham) (Con): I agree with the Minister about the various resolutions and the importance of the Human Rights Council. He rightly flagged up the influence that some countries have with the DPRK regime. With that end in mind, what discussions has he had with the Governments of China, South Korea and Russia?

Mr. McCartney: I shall come to that. The hon. Gentleman will be pleased to hear that the issue has made me rather busy since I was appointed. I am not being flippant; I have been busy, and the reason for that is plain. It is not only about the history and the responsibility of any Minister who holds this post but about the growing concern across this House and in the other place at the systematic information coming from religious and other groups about the deteriorating situation.

One aspect of North Korea's human rights record that is of concern to us is the abduction of foreign nationals, notably the Japanese nationals abducted in the 1970s and 1980s. Some were returned to Japan after 2002, when the North Korean Government admitted to the abductions. However, the fate of others remains unclear. In my meeting with the Japanese Vice-Minister for Foreign Affairs in Geneva on Tuesday, I offered to visit the families of some of those abductees when I am

next in Japan, I hope in the next couple of months. The Vice-Minister was keen that I should do so—subject, of course, to the wishes of the families. In the near future, I shall also visit South Korea, which has similar concerns about abductions of its nationals.

We have done what we can to help. My hon. Friend the Member for Harrow, West pressed the issue during his visit in 2004. Since then, we have worked with Japan and others to ensure that the issue is addressed in the international forums, in which North Korean human rights are increasingly under discussion.

For many years, the international community has provided extensive food aid to North Korea, at one point feeding perhaps a third of the country's population. In September 2005, the North Korean Government claimed that harvests had improved so much that aid was no longer required. The United Nations and aid agencies did not share that view. Nevertheless, the World Food Programme was obliged by the North Korean Government to shut down most of its operations in December last year.

Given those circumstances, the United Kingdom also had to suspend further funding. We stand ready to resume humanitarian assistance if and when the North Korean Government are willing to accept it and the monitoring that must go with it to ensure effectiveness and accountability and that the food goes to those who require it.

Last month, the World Food Programme resumed some of its activities on a much-reduced scale. It remains to be seen how effective that will be. Concerns obviously remain that not enough food is reaching vulnerable groups, including small children and the elderly.

Relations between the United Kingdom and North Korea are bound to be constrained while such major concerns remain. Human rights are not the only concern. North Korea's nuclear weapons programmes and missile development also stand in the way. The nuclear weapons programmes are a serious violation of its obligations under the nuclear non-proliferation treaty and its International Atomic Energy Agency safeguards agreement, as well as of commitments undertaken in agreements with the United States and South Korea.

Six-party talks, involving the US, China, South Korea, Japan, Russia and North Korea, have been under way since 2003 to try to resolve the issue, under energetic Chinese leadership. I discussed the issue of North Korea with the Chinese Vice-Foreign Minister in Geneva on Tuesday, and with the Chinese ambassador yesterday. North Korean engagement with the six-party talks has been frustratingly sporadic, and the talks are currently stalled as North Korea refuses once more to return to the table.

In September 2005, North Korea signed up to a joint statement of the six parties to the talks, in which it undertook to abandon all nuclear weapons and existing nuclear programmes and to return, at an early date, to the non-proliferation treaty and International Atomic Energy Agency safeguards. The United Kingdom and the international community expect that undertaking to be honoured without further prevarication.

It should be obvious to North Korea that it has nothing to gain from a nuclear weapons programme. We hope that it will step back from that misguided path, and devote its energies to restoring life to a shattered economy and hope and dignity to a despairing population.

Finally, to answer the question put to me by the hon. Member for Hammersmith and Fulham (Mr. Hands), I have spoken twice to the Chinese and once to the Japanese, and will be visiting the region in the next few weeks. I have yet to speak to a Russian counterpart, but that will happen too. I have also answered a parliamentary question. That will appear on the Order Paper in the next day or so.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Is the Minister to have any discussions with the South Koreans? *Times Online* reports that South Korea sent 350 tonnes of fertiliser and 500 tonnes of rice last year—when North Korea had a relatively good harvest—but its spokesperson, Yang Chang-seok said that if North Korea were to test-fire a missile, that would have an impact on rice and fertiliser aid. The firing of missiles will have a real effect on the lives of the people of North Korea. Can the Minister comment on that?

Mr. McCartney: I shall be visiting South Korea in the coming weeks as part of my regional engagement. Meanwhile, I have almost daily contact with departmental officials both in the countries concerned and back here, and constant contact with the Governments of all the countries that will be most affected by any missiles that are launched.

John Bercow (Buckingham) (Con): Given that quite the most egregious human rights abuses are perpetrated by this bestial regime, and that access even to the most basic services is determined by the Government on the strength of their assessment of citizens' loyalty to the state, and that the Government of the DPRK is not a signatory to the International Criminal Court, can the Minister tell us what levers are available for the international community to pull, beyond continued passing of resolutions and very laudable and justified attempts at negotiation?

Mr. McCartney: That is a fair question. The establishment this week of the United Nations Human Rights Council means that we will have the capacity over the next few weeks to obtain agreement on a range of tools not hitherto available. The only tool that we have had in the past has been resolutions. Some resolutions are won, some are lost, but in reality, in the case of the North Korea, they have little or no practical effect. What can and should have effect, if agreement is reached on the work programme of the new council, is the potential for countries that are close to it—either geographically or in terms of long-term relationships—to work with it. Such countries could pressurise North Korea to allow access to the United Nations and to a professor whom I have asked to come to the United Kingdom and who is waiting to work in North Korea. Alongside that, logistical support goes into providing a programme of work to allow the Government of North Korea to start reversing the process of attacking their own citizens and creating a climate to introduce proposals for a fair, open, accessible and independent legal system and all the panoply of a normal democratic state.

[Mr. McCartney]

I gave the example of Nepal in my speech to the new Human Rights Council on Tuesday. Huge strides have been made in Nepal because it agreed to allow the United Nations Commission on Human Rights, other agencies and non-governmental organisations to come in and work with it. A lot remains to be done, but what has happened is dramatic; dramatic change is taking place and we now see a common approach within the country, where we can assess the move to democratic accountability, deal with issues of conflict and provide conflict resolution.

Along with the United Nations, we are now introducing a transparent process of demilitarisation involving the Maoists and the state. The Maoists are coming in from the conflict to work with the state. The state is refurbishing every democratic aspect, and addressing issues around men, women and children. All of that goes with what we needed to do in Nepal. It has now come back into the international community; indeed, it is now a member of the Human Rights Council. It is possible, working with other countries and the United Nations, and using other tools, for a country to transform itself. Things do not have to be this way in North Korea.

The big issue is that on every occasion so far, North Korea has rebuffed any access, at any level, for any United Nations agency or NGO. Even when people such as ourselves are in the country and we provide the evidence to North Korea, it rebuffs any opportunity to take action that would reduce even in a limited way the abuses against its own people. Why is that? Like most of these countries, it is afraid of its own citizens.

In the 21st century, we are talking about one of the world's failed Governments, who are so frightened of their own citizens that their citizens are frightened of them. Until we can get the mechanisms in place, countries, some of which I have mentioned, will have an obligation to work with the United Nations to turn their friendship into more than just a friendship. They need to create a practical programme of action so that North Korea begins the process of allowing its citizens to play a full and active part, so that they can to go to bed each night and get up each morning without fear of action being taken against them, their families or their communities.

Mr. Clifton-Brown: In preparation for this debate, either the Minister or his officials doubtless had discussions with our ambassador in the DPRK. Is the Minister satisfied that the Foreign Office knows the full scale of the human rights situation in North Korea, given that there is not a free and fair press? Do we in the west have the full picture of what is going on in North Korea or is even our ambassador denied knowledge of the full extent of it?

Mr. McCartney: I do not think that people understand just how closed a society North Korea is. The regime is not just adamant; it takes collective steps at every level to prevent any information from coming out about what happens there. No one knows the full extent of the situation. As I said, we know things because of the undoubted bravery of men and women living in that country who get the information out and because of the flow of refugees, who travel hundreds and thousands of miles and get through. They do that in the knowledge that they will face the death penalty if they are caught and returned. As I said, that applies not just to the refugees but to the generations that are coming up. If a man of our age, Mr. Benton, is caught crossing the border, his children and grandchildren will face the same penalty. That is how brutal this regime is.

There is another aspect to the brutalisation. Not for the leadership the food queues or the malnutrition; these people live a very comfortable lifestyle, and they intend to keep it. That is why this week's decision in Geneva was so important. For the first time in many years, I am hopeful that new tools are available. If states work with us on an international basis, we can start the process of finding out exactly what the level of abuse and human rights violations is. We can then get North Korea to agree to engage with the United Nations and other agencies in a programme to end the abuse and turn the country around.

John Bercow: I am listening with great interest and respect to the Minister. The Prime Minister told me on the Floor of the House that it was only the absence of television cameras that had allowed the State Peace and Development Council in Burma, as well as many other abusive regimes, to escape scrutiny for as long as they had. Might I make a suggestion, however, which is intended not as a substitute for, but as a complement to, the robust multilateral action that the Minister envisages? Given that there is an African peer review mechanism, might there not be something to be said for a similar mechanism in Asia, not instead of robust multilateral action but in addition to it? Are these characters, as we suspect they are, not only afraid of their own people, and contemptuous of the international community, but afraid of their near neighbours?

Mr. McCartney: I will answer that this way. The Human Rights Council can introduce a whole range of different intervention tools, which is why the early discussions are taking place, although not about the specifics of North Korea. The council's next two meetings in the next few weeks and months will play a critical role in turning the fine words into practical deeds. A great deal of discussion will take place about the periodic reviews and the work programme, as well as about the situation that we face in a number of states, that, prior to the creation of the human rights council, were already subject to growing concern in the United Nations and on which action has been proposed. North Korea is one of those states.

When I go to the region in the next few weeks, one of the key issues that I will talk to Governments about is what they can do collectively to make good use of the Human Rights Council's new tools of operation. I take on board what the hon. Gentleman says about that, and he is right that we must find ways to ensure that regions take responsibility. The countries in them have economic, social, religious and friendship ties, just as we do, and they must take responsibility in an effective way. Up until now, some regions have ducked out, but there is no excuse for that now—as if there ever was in relation to North Korea. I can only try to be optimistic that we will engage in a different way—not just supporting resolutions, but trying might and main to get the key countries in the region to take steps with their friends in North Korea to make a palpable difference.

2.59 pm

Mr. Greg Hands (Hammersmith and Fulham) (Con): I welcome the opportunity to take part in the debate. I can say from my own knowledge that the DPRK is probably the worst tyranny that the world has seen since the death of Stalin and possibly a few years before that. We in the Chamber can all condemn the tyrannical regime in the DPRK, but it is important for us to think practically about the possibilities open to the Foreign and Commonwealth Office in pursuing these matters. I was intrigued by the question from my hon. Friend the Member for Cotswold (Mr. Clifton-Brown), who asked about the knowledge of the British embassy on the ground in Pyongyang. My impression was always that the diplomats in Pyongyang are generally the least knowledgeable people about day-to-day activities in the country, because they are so restricted in what they are able to see.

Mr. McCartney: We need to be clear that we have in this country and other countries some of the brightest and bravest diplomats, men and women, who out of choice go to some of the most difficult regions and postings. We can be assured that they put great effort into building relationships with the regime and also, in difficult circumstances, into maximising information in this regard. I want to reassure the hon. Gentleman of that. That is linked with information that comes from other sources. I gather that all those countries that are interested in making a difference in North Korea talk together. The picture emerges, sadly, through NGOs, religious groups and the bravery, skill and commitment of the people of North Korea themselves.

Mr. Hands: I agree with the Minister on that point. I do not doubt the motives and ability of our staff on the ground, but my question was more one of practicality. There are practical difficulties if one is effectively locked into a compound for almost the entirety of each week, which was the situation as I understood it until recently and is probably still the case. Especially if one also has great difficulty in gaining access to Western media sources, it is difficult to be fully apprised of what is happening on the ground. That was my point. I was not doubting the professionalism of the staff on the ground.

We have seen from the Foreign Office's own human rights report, as will be familiar to others in the debate, that the situation in the DPRK is unique. Pretty much everything and anything horrible that has ever happened to human beings—almost in the history of humanity—seems currently to be going on in the DPRK. We have stories of abductions and disappearances, arbitrary detention and imprisonment, political executions, routine use of torture, forced abortions and infanticide, political prison camps, extreme religious persecution, chemical experimentation, sanatoriums for non-conformists and so on.

I mentioned that getting information from the DPRK, especially from within, is incredibly difficult. All reports, including reports coming from aid agencies and human rights agencies, have to be welcomed, but we must bear it in mind that nobody can really be more than 50 per cent. certain of what is happening on the ground in that country. Any information that comes out of the country, as the Minister said, is routinely questioned by the DPRK authorities. For example, witness statements of escapees and underground samizdat-style documents have their authenticity questioned by the DPRK. The regime is particularly afraid of photographs and video from within the country.

A couple of years back a Japanese TV crew had a video—I cannot remember how they obtained it—of a public execution in North Korea. The video, which was unsurprisingly not of a particularly high quality, was routinely denigrated by the North Korean authorities as a forgery. That was despite the evidence being at least strongly—it is impossible to say "overwhelmingly" in any of these cases—in favour of it being genuine.

I know that many photographs, at least, are genuine, because I was the photographer for some of them. I was in the DPRK for 10 days in September 2003. I am sure that others here have been to the country as well. It is a shame that we are not allowed any visual aids in these debates, because some of the things even that I photographed were quite harrowing and frightening. That was on an orchestrated visit, when for every moment of the day, from the moment that one wakes up to the moment that one is returned to the hotel room, one is constantly accompanied by policemen of the state. I have photos of undernourished children who appear to be doing forced manual labour, emaciated farm animals and thousands of people queuing all night—one cannot actually see that on the photo, of course—for trains that seem never to arrive.

I wanted to give a flavour of the DPRK based on my visit as a private tourist. It is very difficult to go to the DPRK as a private tourist. First, it is necessary to go through an agency in Germany—at least, that was the case three years ago. One has to sign all sorts of papers and is subject to all sorts of investigations to check whether one is a journalist: they are very paranoid about journalists, and many categories of people are not allowed in. People are given a choice: they can either go for five, seven or 10 days. I strongly urge anyone thinking of going not to go for the seven or 10-day option. If people really must go, they should go solely under the five-day option. It is necessary to pay quite a lot of money to the regime for the rather dubious privilege of visiting the DPRK.

When I visited in September 2003, the country had been entirely out of bounds to western visitors for six months, due to what one might call the severe acute respiratory syndrome crisis, or scare, depending on one's point of view. I was one of the first western visitors there for some time, other than diplomats and those from very specific aid agencies. I shall return to the question of human rights in a moment, but it is important to realise that although visitors to the country only get a limited view of it, their view might ironically be better than that gained by our ambassador or other diplomats during the 10 days they are afforded. Again, I am not denigrating the Government's efforts.

Visitors are accompanied at all times by people loosely called interpreters or guides. It is reasonable to assume, judging from their behaviour, that they are actually intelligence officers, or closely linked to and monitored by them. Visitors have no say over their itinerary, what they are allowed to photograph, their contact with local people or even their contact with the very few other travellers or westerners who may be

[Mr. Hands]

there. On my trip, I was one of three visitors, and we were accompanied by two interpreters and a driver. The interpreters spoke reasonably good English and, strangely, had been to quite an interesting collection of countries: Germany, Finland, Russia, China, Bulgaria, Turkey and the Seychelles. It is reasonable to assume that such travel possibilities are beyond the means, both financial and political, of normal DPRK citizens. I see the Minister nodding.

Given the defections over the years from the DPRK, it can be assumed that these people are absolute, utter loyalists. They go to extreme lengths to prevent travellers from seeing or recording anything that might give a negative impression of the DPRK. For example, it is necessary to get permission for each photograph taken. If visitors want to photograph anything relating to the general living standard or lifestyle in the country, they have to develop the most elaborate ruse for taking it. With good photography equipment, it is possible to tell the guide that one is taking a photograph of something, while taking one of something entirely different.

The guides would organise a shot by going up to the individuals whom one wanted in an otherwise benign photograph—the Juche monument in Pyongyang, for example—and removing them from the background. It was always the individuals who were shabbily dressed—I mean them no disrespect—or appeared in any way not to be in line with DPRK ideology who were removed.

Virtually everything told us by these interpreters or guides during our trip was a demonstrable lie, but appeared to be less of a lie than the propaganda fed to the ordinary citizens. When we went to what might be called a tourist site, a local guide would take us around and the interpreter would translate. The information that the locals were given was truly mind-boggling and even the stuff the interpreters told us seemed reasonable by comparison.

It was possible to get into serious trouble. A friend of mine with whom I was travelling made what he thought was a joking comment about a roadside statue of Kim Il Sung in a raincoat and hat, which was pretty much his standard garb. It happened to be raining, and my friend said, "It is lucky that he is in his raincoat when it is raining," but that showed grave respect to Kim Il Sung, and my friend was admonished by one of our guides. It is possible to escape from the guides and have a look around, but I would not recommend doing that, as one tends not to make oneself too popular if one does.

In terms of the economy and general standard of living, North Korea is a peculiar combination of the modern and the mediaeval. Hon. Members should bear it in mind that this information is three years out of date, but I have no reason to believe that the situation has improved a great deal since then. The countryside abounds with oxen and carts only a short distance from seemingly prestigious projects such as hydroelectric dams. Next door to a hydroelectric dam, one could see a group of people seemingly building a small dam out of mud with their bare hands, and around the next corner one could see a modern 10-lane highway entirely empty of motor vehicles. It is a country of bizarre contrasts.

Mr. McCartney: Do they have a congestion charge?

Mr. Hands: The Minister makes a fair point. I think it is the last country in the world that would need a congestion charge, although one might argue that Ken Livingstone could become quite popular over there with some of his other policies, but that is diverting a little into London politics.

It is interesting that virtually nothing seems to have been built in the DPRK since about the late '80s. The Ryugyong hotel in Pyongyang—which would have been a prestigious, modern hotel for westerners—has been left uncompleted, and no work has been done on it since about 1990. It is impossible, on a tourist visa, in pretty much any country, but especially in one such as the DPRK, really to get a feel for how the regular citizen is, but one does get a few snapshots.

At times, one's visit can take on a farcical aspect: one can be totally overfed for the 10 days one is there. One day we were given a 10-course meal, while in the next room a lecture was being given by the World Food Programme to people who appeared to be local dignitaries. Of course, we were not allowed to know what the lecture was about. On two or three occasions, we were taken to restaurants in Pyongyang, which was a surreal experience because there was nobody else in the restaurant—just us being given quite reasonable food—but one was always conceited about what ordinary people were getting, especially given the reports. At no point were we able to view a food outlet, despite numerous requests to our interpreters.

The quality of life in Pyongyang was noticeably much higher than that in other cities and in villages. When I say that, I refer to people's general appearance and whether they looked to be well fed. There was no way that one could actually talk to any of the citizens. The reports from various western sources that only the most loyal members of the regime are allowed to live in Pyongyang seemed to be correct. If one looks around one can see that anybody like the elderly or young is ruthlessly taken out; pregnant women are taken off the streets. I heard about that before going into the country and was slightly sceptical, but in the 10 days that I was there, I did not see a single pregnant woman on the streets of Pyongyang.

All kinds of other curiosities, which we do not have time to go into, abound in the countryside, such as strange, uninhabited watchtowers above the fields. The interpreters told us that they were to prevent farmers' crops from being stolen, which I thought might, for once, have been some honesty from them. It is a country of energy shortages and power cuts.

I thought it important to get into the debate some atmosphere about the country, because it is a most bizarre place to go to. One can drive around on uninhabited highways on land that has been turned into long, totally flat stretches to make the highways. It is quite clear that the main purpose behind anything that seems to work properly or well is purely for military purposes. It is not a particularly fortunate parallel, but the Swiss have a similar policy of turning highways into runways.

John Barrow: My hon. Friend said that he did not see pregnant women in the streets during his visit. Is it not

part of the hypocrisy of the regime that although it has ratified the United Nations women's convention, it does not adhere in any sense to the letter or the spirit of it? Is it not the case that women who are in detention, including pregnant and elderly women, are forced to work from early in the morning until late at night in the rice fields and in prison factories?

Mr. Hands: I thank my hon. Friend for that intervention. That is certainly so. Ironically, despite the fact that the DPRK has signed various United Nations conventions on the treatment and equality of women, it is almost certainly the worst country in which to be a woman. It is an appalling regime in which to be a woman, but the infanticide, the forced abortions and the labour that has to be carried out make it truly horrendous.

I wish to mention a couple of other points. First, Christians are receiving harsher treatment than others; they are suffering torture and execution as a direct consequence of their faith. Secondly, returning to the subject of women, there is growing concern about the organised trafficking of women across the border into China for marriage or prostitution, a subject that was raised in an early-day motion late last year.

The Minister said that 100,000 DPRK nationals are to be found in the Chinese border provinces, and I have seen reports of 200,000, but many are essentially persona non grata. They are not wanted by the Chinese, and the DPRK would like to get hold of them again. They face a terrible fate if they ever return, and their families are already being punished.

I have information showing that although there are 200,000 such people in the border areas of China, only 6,000 have made it to South Korea. One might want to ask the Chinese about their approach to the problem. China is not unique in having to deal with a large refugee flow from a neighbouring country. It may have no particular responsibility for it, although one could argue that it has influence. Nevertheless, I wonder what the Chinese are doing with those people and why only 6,000 have reached South Korea, which is their country of ultimate choice.

Mr. David Drew (Stroud) (Lab/Co-op): I hope to make some more of this point later, but China regularly repatriates people to North Korea. It knows only too well what will happen to those people, and it picks particularly on Christians, who receive the most heinous treatment. It is not good enough for the Chinese to say that it is not their problem. It is their problem and at the very least they could allow those people to stay in China and not repatriate them to North Korea.

Mr. Hands: I entirely agree with the hon. Gentleman. Is his constituency pronounced "Strowd" or "Strewd"?

Mr. Drew: It is "Strewd". Don't start me on that.

Mr. Hands: Okay. The hon. Gentleman makes a strong point about the attitude of the Chinese. I would be interested to hear from the Minister. I would also like to hear how he handles conversations with regimes such as China, which have a poor human rights record. Compared to the DPRK, one might say that it has an almost exemplary record, but how does one criticise China's human record at the same time as that of the DPRK?

Mr. McCartney: We have to be frank. We have to build a personal relationship. We have an excellent relationship with the Chinese at every level, and we use our growing friendships to be frank and to try to engage on such issues in a practical way. When I met the ambassador and the Vice Foreign Minister this week, I was frank and open; they quite respect having someone behave in that way with them. In answer to the hon. Gentleman, we will have to keep asking the Chinese to let the UN High Commissioner for Refugees into the border areas.

The hon. Gentleman is absolutely right in saying that I gave an estimate. At any time, the number may be higher than that. The difficulty is that until the high commissioner is allowed access to the border area between China and North Korea, I can give only an approximation. Whatever the number, we know that those who seek to cross the border are in deadly danger.

Mr. Hands: I thank the Minister for that intervention and those reassurances, which will be helpful in all discussions with the Chinese.

Finally, I wish to discuss briefly one aspect of human rights under the DPRK regime that is peculiar and possibly unique to it, and that is the use of the food supply to deny people their basic human rights. Regrettably, everything I have said so far has probably happened before in human experience—there is no doubt that interfering with the food supply has—but the DPRK has taken barbaric means to control its population through food.

As I mentioned earlier, any visitor to the country will notice the contrast between Pyongyang and the rest of the country. Bear it in mind that even as a visitor one is allowed to go to only 10 or 20 per cent. of the rest of the country. One can only imagine what it is like, for example, in the far north around the borders with China. That area is strictly and totally out of bounds for all visitors.

It is well known—the Minister referred to this—that about 1 million people, or 5 per cent. of the population, died in the famines in the DPRK in the mid to late 1990s. The estimates vary, but those are reliable estimates—it may have been fewer people or rather more. What is less well known is that the authorities used the deliberate withdrawal of food as a means of political and religious oppression.

One of the odd features about the DPRK that has attracted some comment from Human Rights Watch in particular is the way that food is distributed through the PDS, or public distribution system, which is totally a command economy way of administering food and has been nothing short of disastrous in terms of ensuring that food reaches people. During and towards the end of the famine, it seemed—as with most things to do with North Korea, one always has to preface comments with "it seemed", as nobody can be entirely sure—that the rules of the PDS were relaxed somewhat and limited market forces were allowed to take hold. People were allowed to travel within small areas to small markets. Obviously, almost by definition, one has to travel to a market.

Regrettably, since 2005, it seems that all the market forces that were coming in have been reversed. The World Food Programme has been expelled and it seems

[Mr. Hands]

that North Korea is going back to the old PDS. The report that WFP published just before it was expelled in 2005 showed that following the full return of the PDS, some households that it surveyed were receiving far less than the average target ration of 500 g per person per day, which is an amount that nutritional experts regard as the minimum to maintain a normal level of health. As Human Rights Watch stated:

"Hunger in North Korea has a strong state policy dimension."

Although the environment and the general poverty of the country certainly contributed to the famine, a critical factor has been the Government's willingness to sacrifice the rights and lives of those whom they perceive as disloyal or class enemies, such as the families of defectors, dissidents and so on. I was planning to read some eye-witness accounts from Human Rights Watch, which put out an excellent publication on the use of food in the DPRK as a means of political restriction, but time is moving on.

As I said, it has been reported that the PDS was reinstated in full on 19 August 2005. That will lead to more food disasters and repression. It appears that grain markets have been banned again since October 2005. What is important in the human rights context is that food rationing has been the single most important way of controlling the population in North Korea. Different ration levels are set according to age, but most importantly according to one's loyalty to the regime. That must make it the most fundamentally pernicious regime today—the word "bestial" used by my hon. Friend the Member for Buckingham (John Bercow) is right. If any of us had the choice of speaking out politically, or on any topic, and having our food supply cut off, we would find that very difficult.

The restrictions brought about by abolishing the small markets seem to have been a means to regain political control over the population. That is the strong feeling coming from escapees from North Korea. The small markets that were set up allowed a certain amount of social interaction across the country, which the DPRK regime strongly condemned. The regime has even made the official admission that prisoners—by which I think common criminals are meant—get a far lower daily ration of food than the regular population. I do not think that anyone in this House would say that common criminals should have the same privileges as the rest of us, but nevertheless a daily ration of 200 g of food, compared with the official ration of 700 g for regular workers, strikes me as being the thin end of the wedge of severe repression.

I expect that all the hon. Members taking part in the debate will have seen repressive and horrible regimes at first hand. I have certainly seen a few. However, none of those other regimes of the recent past or present has anything on the regime currently in full sway in North Korea, where people are deliberately starved to death because of their political views or, even more bizarrely, because of the views of a member of their family at two generations' remove. There can be nothing in the world today as evil, bestial or beastly as the regime in North Korea, or the DPRK.

3.27 pm

Mrs. Linda Riordan (Halifax) (Lab): I, too, welcome the debate. For far too many people the DPRK is a far-off country of which they know little. As the Minister said, North Korea is a country where aspects of the human rights situation give rise to serious concerns. Reputable human rights organisations such as Amnesty International have documented those concerns well, as they have for other countries.

It would be regrettable and counterproductive if Her Majesty's Government were to confine our relations with the DPRK to megaphone diplomacy, but I welcome the Minister's remarks. It would be worse still if we were to lay ourselves open to the charge of cynically flagging up human rights as a means to put pressure on North Korea in its disputes with the United States. Whatever the reason for the debate, it is clear that if isolation, criticism, pressure and blockade by the west could achieve positive change in Korea, we have had more than 50 years to enable that policy to succeed.

Mr. McCartney: On a point of information, it is the regime that has isolated itself from the international community, rather than the international community isolating the regime. The international community is desperate to end that isolation, so that we can help to restore normal rights to the citizens.

Mrs. Riordan: I thank my right hon. Friend for those comments, and hope that we shall continue to give that engagement a chance. I recently had a constructive exchange of views with Ambassador Ri Yong Ho of the DPRK and found him to be very concerned about the threat of war on the Korean peninsula and deeply anxious to find ways to improve his country's relations with the United Kingdom.

For the people of North Korea the horrors and memories of war are very real. After all, combined North Korean and Chinese casualties in the conflict of 1950 to 1953 are estimated at 3.8 million. General MacArthur proposed to drop some 50 atomic bombs on North Korea and north-east China. As that was just a few years after the atomic incineration of the Japanese cities of Hiroshima and Nagasaki, it could not be considered an idle threat. Indeed, the then Labour Government dispatched the Foreign Secretary to Washington urgently to dissuade the Americans from that course of action.

Since 1999, South Koreans have lodged complaints with the Seoul Government about more than 60 alleged large-scale killings of refugees by the US military in the 1950-53 conflict. The army report of 2001 acknowledged that investigators had learned of other, unspecified civilian killings, but said that they would not be investigated. No wonder Ambassador Ri said, "Nothing can be worse than a war. We know what a war is like."

Mr. Jeremy Browne: Will the hon. Lady reassure hon. Members that she is not drawing some moral equivalence between the United States, either in the 1950s or today, and the current regime in North Korea?

Mrs. Riordan: That is certainly not the case. The comments by the hon. Member for Hammersmith and Fulham (Mr. Hands) said a lot about the atrocities

against women; and I notice that I am the only woman taking part in the debate. I am trying to say that I do not want the threats being made now to be replaced by another war, because it is women and children who usually suffer most in such conflicts. What are the Korean people to think when the war against Iraq was prefigured by President Bush's characterisation of Iraq, Iran and North Korea as the "axis of evil"?

The most important remark that Ambassador Ri made to me in our conversation was, "We are not applying for membership of the nuclear club. We are not seeking a permanent nuclear power status." That is unlike our country, the United States, France, Russia, China, India, Pakistan and Israel.

As a long-time supporter of the Campaign for Nuclear Disarmament, I am doubtful that nuclear weapons can ever guarantee a country's security. If the Government want to play a constructive role on the Korean peninsula—as I believe we can—we should help to find ways to end the deadlock in the six-party talks, which represent the only realistic prospect of securing a nuclear-free Korean peninsula.

The Nobel peace laureates said:

"We urge the DPRK to completely abandon its nuclear weapons policy and accept international inspections."

In addition, they said:

"We also call for the U.S. to end financial and economic sanctions on the DPRK and offer security guarantees."

I commend to the Government that balanced approach.

At the start of the new century, the Government took a bold step to establish diplomatic relations with North Korea. I see that as one of our positive achievements, in which we can take pride. We should build on it, not waste the opportunity that we have created. We should take further steps to enhance channels for dialogue and engagement, such as exchanging students, encouraging investment and trade, and developing dialogue between the politicians of our two countries and the two Governments on human rights and all other issues.

John Bercow: Let me put it like this: I understand the hon. Lady's aversion to war; I respect her long-standing support for CND, though I do not share it; and I note her opposition to sanctions. That said, and on the premise that she is as passionately committed to respect for human rights and fundamental freedoms as I am, how, in practical terms, does she think that our Government and other Governments can persuade the Government of North Korea to stop abusing their citizens and to start respecting them?

Mrs. Riordan: By encouraging the six-party talks, which have fallen apart. In those talks, agreements were made between the North Koreans, but not by the US. We have to engage in that dialogue again. We should get all the parties sat down together and take it from there. That offers a better framework for resolving the issues that cause us all concern than a confrontational approach, which has singularly failed to work.

3.35 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to take part in this debate. I shall try to keep my remarks brief, partly because I need to leave slightly before the end, for which I apologise to all hon. Members, particularly to Front Benchers and to you, Mr. Benton. No discourtesy is intended, but I have to get a train.

I understand what my hon. Friend the Member for Halifax (Mrs. Riordan) says, but it is fair to say that we are dealing with a particularly difficult regime that is not going to work by the normal rules of engagement, although I am always one for dialogue. Unlike the hon. Member for Hammersmith and Fulham (Mr. Hands), I have not had the opportunity to visit North Korea. I know that a visit is planned, but sadly it seems to be at a time when I hope to be leading a delegation to Sudan, which, as the hon. Member for Buckingham (John Bercow) knows, is a passion of mine. My knowledge of North Korea may have to remain somewhat distant, although I think that I know something about the regime.

I declare something of an interest, in that about two and a half years ago Christian Solidarity Worldwide asked me to go to Geneva to meet various individuals who had left North Korea. We gave evidence jointly with Olenka Frenkiel, who, as some Members may know, produced a televised report on North Korea, alleging, with a degree of certainty, that the regime uses chemical punishments, gas chambers and the like. That has never been refuted to our satisfaction. In Geneva, we gave evidence to the United Nations Commission on Human Rights, and it was good to see the number of people who came to talk and to listen.

My right hon. Friend the Minister mentioned that 21 countries voted against the EU resolution. I do not understand how any country can vote against indicting the regime and continuing to put pressure on it until it comes into the common fold of humanity. It should deal with its own people in a more legitimate way and deal with the rest of the world in a way that allows us to begin to have a proper dialogue with it. Anyone who has been reading the papers in the past few days will know that North Korea apparently has a new missile system up and ready to go; that holds some fears for me, if not anyone else in this Chamber. I have asked a parliamentary question on what the Government are doing about that, so I shall not labour the point now, but that question needs to be answered, because we have to recognise that we are dealing with a nuclear power with increasing capacity to launch weaponry. That does not bode well for the future.

Today, however, we are here to discuss human rights. As always, I draw my evidence from those who know, and those who have been there. I am particularly grateful to Christian Solidarity Worldwide, which briefed me and which was responsible for me going to Geneva, but I am also grateful to the noble Lord Alton, who has done exceptional work with his team, and who has been responsible for getting a dialogue going. It was interesting; when the all-party group was set up I, for one, thought that it would just pillory the regime and use every opportunity to draw in evidence with which to attack North Korea on whatever grounds it wanted, but to be fair, a dialogue has been started. As a result, Lord Alton and Baroness Cox have been to North Korea on a number of occasions, and in return we have had North Koreans here in Parliament, through the Inter-Parliamentary Union, to talk about

[Mr. David Drew]

parliamentary courtesies. I do not know how far we got in trying to explain our regimes to one another, but we certainly did each other the courtesy of trying to engage. Although at the most superficial level, that was engagement none the less.

In the time that remains, I want simply to embellish what has already been said. Christian Solidarity Worldwide has made it clear for a long time that North Korea is the most difficult regime with which it deals. Anyone who knows anything about Christian Solidarity Worldwide will know that it goes into the most disadvantaged, dangerous and difficult parts of the world; none the less, the regime in North Korea stands out as the most difficult. Christian Solidarity Worldwide has conducted a lot of research over the years, speaking to émigrés in various countries who have escaped—I use the word "escaped" deliberately—from North Korea, and it continues to lobby on behalf of those who remain and, indeed, those who are threatened with the possibility of having to return because they are in China or another country that threatens to extradite them.

The headlines are precisely as we have heard. The general repression and the way in which North Korean society operates are based on fear, which cows everyone other than those in the fortuitous position of being within the regime or in its pay. What has struck me when I have met people from North Korea is their eternal optimism that things will be better one day and that they will once more be part of humanity. That is what they want. Those people live in a complicated part of the world. I have also met people from South Korean, which is not ideal model of democracy. Eventually, however, the two Koreas will have to undergo some form of realignment, so that there is respect for each other's peoples and for the democratic principles under which both should operate.

North Korea still works under the cult of Kim Il Sung and Kim Jong Il. That makes things difficult, because people who go against the regime also go against the cult of the leadership. They might do that because of their religious inclinations or simply to express their human rights, but when pressure is put on them it is aimed very much at the personal level, and that is often the justification for the way in which they are treated. We have been talking, as the hon. Member for Buckingham says, about bestiality—physical mistreatment of the worst kind—but a lot of the pressure is psychological. People are made to feel that they do not belong and that the fact that they are in prison or in seclusion is entirely due to their inability to exist in the wider community. That, of course, is soul-destroying and completely unacceptable.

The methods of interrogation employed are well known and brutal. People are obviously asked not only to admit guilt, but, above all, to give information. That is one reason why those who are forced back from China—I make no apology for raising this again—are often useful to the regime, which can discover the methods that they used to get out of the country in the first place and try to shut down all the escape routes. That is highly dangerous, not only for the individuals who are repatriated, but for those who might be seeking to escape. As we know, torture is readily used, and that is well documented. There is also an absence of any form of trial.

Detention takes various forms. In North Korea, it may involve incarceration, but more often than not involves forcing people to what I would call hidden parts of the country, where they undertake the most physical of work and almost certainly disappear without recognition, so that we never know what has happened to them. The prisons are renowned for being overcrowded and they always operate a very strong work regime. As the hon. Member for Hammersmith and Fulham said, the treatment of prisoners meets none of the conventions. There are forced rations and cruel treatment for those who do not behave as the regime wishes. People are pushed out of the main centres to so-called detention settlement camps, where they are kept out of mischief, so to speak, by being used in all sorts of ways including for very physical labour.

As I said, human experimentation was the basis of the Olenka Frenkiel programme of about three years ago. That was frightening because there was no way for the world to bring pressure, notwithstanding my right hon. Friend the Minister's discussions during his visits. The most alarming thing is that we are unable to do much about the issue because North Korea is such a closed society. If it was a question of exposing the practice within the country itself and getting people to take action to stop it from happening, that would be appropriate. Sadly, that is impossible, so all our evidence is second-hand, although I have met people who say that their families have been subjected to experimentation, which is justified on the basis that it is about trying to discover new medicines and new ways of using chemicals. We all know that it is about something else.

Execution is commonplace in North Korea and used for all sorts of reasons. It is used as a threat, and people are held on death row for considerable periods. Execution is a very haphazard process, with the sentence sometimes being carried out years after the individual was convicted of an offence.

My main concern is the lack of religious freedom. As far as I am concerned, Christians are the most vulnerable group. Just as in China Falun Gong seems to be the major opponent of the regime, for some reason the DPRK has fastened on to the notion that Christians have become the major power group opposing the regime and those who are most likely to want to replace it. There is no evidence of that; no one has been able to bring to my attention attempts by Christians to mobilise in such a way that they could even demonstrate, let alone to organise more effectively to threaten the regime. It is unclear why the Christian community is so disadvantaged, but anyone who knows anything about North Korea will be able quickly to identify all sorts of ways in which Christians have been discriminated against and worse.

John Bercow: Will the hon. Gentleman agree, and underline, that the rights of Christians should properly concern us all, irrespective of whether we are Christians and of whether we have a religious affiliation? Should not the denial of women's rights be a matter of concern to men, the denial of the rights of ethnic minorities be a matter of concern to those who

do not belong to one, and the denial of the rights of gays be a matter of concern those who are not gay? On precisely the same principle, the denial of the rights of Christians should properly preoccupy us all. It is not a minority concern.

Mr. Drew: The hon. Gentleman is absolutely right. As a Christian, I make no apology for taking up the cause of Christians abroad. However, to be fair to Christian Solidarity Worldwide, my dealings with the organisation have made it absolutely clear to me that it works for repressed minorities—Christian or not—which is why I am always happy to be associated with it. As an organisation, it is not everyone's cup of tea, but I found it indifferent to people's beliefs. It will take up the issue of those abroad who are being repressed.

I know that the hon. Member for Buckingham does not just speak the language; he genuinely believes that that is what we should all be doing. Debates such as this are useful because they enable us to take up such points because we have a direct belief in what we are doing, or because we are representing those who have no voice. Christian Solidarity Worldwide describes itself as the voice for the voiceless. We are discussing those who are more voiceless than any, which is why it is so important that we can argue their case.

The regime takes such a hard line on both abortion and infanticide. Sadly, it is common in the country for women to be forced to have abortions; children are also taken away. If women are forced to have an abortion or their children are taken away, those with religious beliefs suffer particular issues of conscience and loss of responsibility. I am not saying that any mother or father would be affected less, but the fact that such matters are well reported, well documented frequent events is something that needs to be highlighted and which must never be ignored.

There is little evidence that the regime is improving. There is no evidence that it is getting worse, which is something, I suppose. The fact that there is some engagement, including in this place, is a positive sign, but I fear that the wider issues relating to the potential nuclear threat will result in our attention being taken from something on which we should always spend our time. The title of today's debate is crucial—it focuses on the human rights situation. We can talk about macro-power politics and we shall do so, but it is important that this afternoon we have talked about the human rights of people who have no voice and who have no opportunity to make the position known themselves. Some people have escaped, but they live continually in fear because of what will happen to their relatives if their whereabouts are discovered.

The debate has been useful. I hope that my right hon. Friend the Minister can take from the Chamber the fact that, when he meets the various different players, there is a strength of feeling that we want the regime to be put under pressure. We want it to change and we want the people to come to expect a degree of fairness in treatment that so far has always been denied them.

3.53 pm

Mr. Jeremy Browne (Taunton) (LD): I am grateful to you for calling me to speak, Mr. Benton. I wish to observe a normal dictum that I have learned during the cold war: the more the country protests its credentials in its title, the more likely it is to be tyrannical. I shall not therefore during the debate refer to the country in question as the Democratic People's Republic of Korea, on the basis that that is an entirely inaccurate title, whereas North Korea sums up more accurately the reality of the position—at least because it is further north than South Korea.

John Bercow: When I was first taking an interest in politics in my early teens, I asked my father, whom I fear the hon. Member for Halifax (Mrs. Riordan) would have regarded as an incorrigible cold war warrior, why the German Democratic Republic was so called. My late father—as he now is—succinctly replied, "Ah, son, it is called that precisely because it isn't."

Mr. Browne: Indeed. That was the point that I was making. In most countries that have respect for their own citizens, that is self-evident to anybody who chooses to observe the countries that the hon. Gentleman is describing. If they must proclaim such things in their title, that tells people much more than I suspect their rulers are aware of themselves.

I want to make a couple of observations about people who spoke before me. I give great credit to the hon. Member for Hammersmith and Fulham (Mr. Hands), who is a regular attender of debates on countries in far-flung parts of the world and is extremely well informed about a great number of them. The debate was considerably enhanced by his observations and the relating of the experiences from his visit three years ago to North Korea. Throughout his fairly lengthy speech he kept protesting that he needed to speed up and that he was doing the Chamber a disservice by delaying us unduly, but he was mistaken in that assumption. I would have been more than happy to hear him talk at greater length about his experiences, because I thought his contribution was extremely enlightening and added greatly to our ability to understand the situation in North Korea.

I am, by instinct, a reasonably consensual figure in politics. I thought that today's debate was likely to be an entirely consensual one. If I had to pick a subject on which I thought it most likely that every Member of a democratically elected House in a liberal-minded country was likely to agree, it would be human rights in North Korea. I could not envisage there being any scope for even nuanced disagreement in our willingness to condemn the situation.

I do this with a degree of reluctance, but I must say that I was genuinely shocked by some of the tone of the speech by the hon. Member for Halifax. I do not doubt her honourable intentions, but I do not think that any Member who chooses to examine these matters rationally can equate in any way the behaviour and conduct of the United States of America, which, after all, is a country that was born on respect of individual rights and on the citizen's having a pre-eminence over the state, with the behaviour of the current regime in North Korea.

I understand that some people have grave reservations about the current Government of the United States, and I share some of them, but for what it is worth I strongly advise the hon. Lady that in this House we must be extremely cautious about giving any succour to, or seeking to excuse in any way, the conduct of North Korea, however uncomfortable we may feel with some

[Mr. Jeremy Browne]

of the other countries, such as the United States, that have a direct interest in matters in the Korean peninsula. We would send out a mixed and dangerous message from this House if that were not the case.

The other point that I wish to touch on is the nuclear weapons issue. I do so briefly because it is not strictly speaking within the subject of today's debate.

Mr. McCartney: I just want to say that I raised that issue because the North Koreans continually use the nuclear issue as an excuse not to debate human rights and as a way of deflecting from their appalling human rights record. They refuse to tackle it on the basis that the question of human rights represents an undermining of their internal security.

Mr. Browne: I am grateful to the Minister, because that was precisely the basis on which I was going to touch briefly on this subject. Although nuclear weapons are in many respects a separate issue from human rights, one cannot divorce the two completely, not least because North Korea and its regime have far more pressing concerns than developing a nuclear capacity, as the hon. Member for Hammersmith and Fulham and others said.

Other hon. Members spoke at some length about the violations of human rights in North Korea. I do not wish to repeat everything that they have said, but it is worth momentarily dwelling on some of those violations. There is no freedom of the press in North Korea, which is a situation familiar to many millions of people the world over. However, as in other regards, the North Korean situation is particularly extreme. All televisions and radios are fixed so that they can show only state channels. There is an oppressive desire on the part of the regime to ensure that nobody is able to adjust his transmitter in any way to receive any other message. The point was made earlier in this debate that it is hard to know what is happening in a country. We are often frustrated here about inaccuracies in the media. In fact, however, we owe them a debt. One forgets how little one would know without the information that comes from the media. It is difficult for people in North Korea to have a sense of the regime under which they live when the only contact that they are able to have is by word of mouth with people immediately around them. Even then, they have to be extremely cautious about whom they speak to and on what terms.

The hon. Member for Stroud (Mr. Drew) spoke eloquently and passionately about the absence of religious freedom, and the hon. Member for Buckingham (John Bercow) made the excellent and strong point that we should all be concerned by the oppression of minorities, even if we are not ourselves members of those minorities. Others have also spoken at great length about systems of detention, the conditions in prisons, torture, and the use of the death penalty, including in public places.

The situation is as bad as that anywhere in the world. It should cause all of us great concern. However, some would say that, in some circumstances, one can trade off human rights for an efficient, well run state. I do not agree, but I can see the point. An interesting moral question is arising in countries such as China, where we are embarking on an experiment in economic liberalisation while there is, in many regards, an absence of political liberalisation. The improvement in the living standards of many people in China is not yet accompanied by the quality of life in other respects that we take for granted in western countries. That is not the case in North Korea. There is no trade-off. Not only is the situation, in terms of human rights and civil liberties, atrocious by anybody's standards, but the living standards and economic well-being of the people of North Korea—I hesitate to call them citizens, on the basis that they enjoy no benefits of citizenship—are also woeful.

One can attribute the levels of hunger there partly to deliberate political malice or to incompetent administration. However, as I understand it, of the 24 million or so people who live in North Korea, roughly half do not have enough food—that is a failed state by any standards—and approximately a third are malnourished by the criteria that are used by international agencies to measure shortage of food. As the hon. Member for Hammersmith and Fulham mentioned, in the late 1990s, approximately—we are likely never to know an exact number—1 million people died in the famine in North Korea. We are considering a country with an appalling human rights record and an appalling economic record, which ought to give us great cause for concern.

I want to touch on four matters that I hope the Minister will address. Perhaps they will point the way forward in some way. The great difficulty that we have is that we can all regret, or even express fury at, the absence of human rights, but it is always easier to talk about that than it is to do anything about it. In that respect, one has sympathy with the Minister and the officials at the Foreign and Commonwealth Office. The first matter is the United Nations, which the Minister mentioned in his opening remarks. It struck me, which is why I intervened at the time, as absolutely extraordinary that 21 countries were less than emphatic in their condemnation of the North Korean Government. I was not previously aware of that figure.

It seems to me that as a basic starting point we have to try to ensure that there is as much consensus, preferably unanimity, in the international community as possible. The regime should be confronted in every single way with its own despotic tendencies. If we cannot even get other countries to agree to that proposition, we have a long way to travel. It puts us in a difficult, invidious position if we are seen as western countries preaching our values to countries in Asia or elsewhere. We must be cautious to avoid that trap and to make it evident to North Koreans and others that such values are universal and not solely western European or north American.

Mr. McCartney: It is encouraging that on each occasion when we have returned to the United Nations, more countries have joined the banner—not just countries with so-called western values but countries around the globe. Large countries, small countries, emerging countries, least developed and developed countries, and those with emerging economies have made a single commitment to assist North Korea into the international fold and provide its citizens with the rights that we take for granted.

Mr. Browne: I am grateful to the Minister for making that intervention and indicating to the House that

progress is being made on the matter. The concept of an international community, and the ability of the international community to resolve the difficulties that confront humanity as a whole, is severely tested by such a case. If we cannot reach consensus on progress toward dealing with human rights abuses in North Korea, it is hard to see what subjects we will be able to achieve consensus on.

The hon. Member for Buckingham raised the second of my four points in an intervention. It is about peer review by Asian neighbours, and it is an extension of my first point. Although I hope and believe that Britain ought to give moral leadership in world affairs, I still think that it is probably beneficial in many parts of the world for the greatest pressure to be exerted on rogue states by their immediate neighbours—people with whom they might feel the greatest sense of compatibility. There is merit in the argument that other Asian countries should judge North Korea closely and with the high degree of scrutiny that we would wish. That might have a greater impact on the Government and people of North Korea than if the message were delivered by people from western Europe or Europe as a whole.

My third point is about China. I touched earlier on an interesting moral dilemma: to what degree do we co-operate with a country whose human rights record is far from perfect in order to engage with and improve a country whose human rights record is even worse and more atrocious? It is a difficulty that diplomats in the Foreign and Commonwealth Office face all the time, because there are very few countries, if the total number is considered, which we could say with absolute comfort and certainty that we are happy to deal with. I spoke earlier about the admiration that I have for the United States in many regards, but large numbers of states in that country still use the death penalty, of which I strongly disapprove. There are moral dilemmas and no moral certainties in diplomacy and world affairs. We must be pragmatic—try to ensure that we make progress and not make perfection the enemy of improvement.

In his closing remarks, will the Minister deal in greater length with his relations with the Chinese Government and Chinese Minister? He has already spoken on the subject, but the hon. Member for Stroud raised concerns about the actions of the Chinese Government. China is a huge power: 1.3 billion people, a growth rate of about 10 per cent. and increasing economic power. It is a country respected around the world, and it ought to be able to exercise leverage within the Asian continent. I hope that the Chinese will give a lead in improving the situation in North Korea.

My final point is that I should be interested to hear the Minister's thoughts on the United States Government's approach to North Korea. The President of the United States famously described North Korea as one of the three members of the axis of evil. The current United States Secretary of State has also identified North Korea as a country about which she is particularly concerned in the context of world affairs.

I do not think anybody is seriously—at least at this stage in the British Government—contemplating military action against North Korea, although if I am wrong in that regard I should be grateful for clarification from the Minister. None the less, the United States seems to be enthusiastic in taking a proactive part to ensure that liberal values are spread around the world, and has taken to inspecting North Korea closely and putting pressure on the regime there. I should be interested to hear the Minister's views on the extent to which he thinks that there is compatibility of interest between the positions of Britain and the United States on North Korea, and on where he thinks that there are areas of departure in approach between the two countries.

We may all disagree on how to achieve a better world for the 6 billion or so people who live in it. There are often no perfect solutions, but there is a fair degree of consensus in the House on foreign policy subjects such as this. We regularly discuss parts of the world that are in desperate circumstances, and they are a reminder to us of how fortunate we are in the United Kingdom to live in a country where we enjoy freedom of the press, free elections, a free judiciary, free religious practice and all the other freedoms that one associates with tolerant liberalism.

Because we benefit from and enjoy such privileges, it is our duty to shine a strong searchlight on countries where the features of everyday life that we take for granted do not exist. There cannot be a better example of such a country than North Korea, and so there cannot be a worthier subject for debate in this Chamber than how to improve the circumstances of the people who live there.

4.12 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I am delighted to serve under your chairmanship, Mr. Benton, and I welcome the Minister. I hope that the hon. Member for Taunton (Mr. Browne) will not think me patronising when I say that that was the best speech that I have ever heard him make in the House. It was very thoughtful. My hon. Friend the Member for Hammersmith and Fulham (Mr. Hands) gave a great account of his visit to North Korea, which also added hugely to the debate. In previous debates he described a visit to Uzbekistan. He may have ambitions to become a Foreign Office Minister, but I have to tell him that if he is not careful, given the way in which he is carrying on at the moment, he is heading for a job as a permanent rapporteur to one of these dastardly regimes.

Mr. Browne: Secretary-General of the United Nations may be an appropriate role for him in due course.

Mr. Clifton-Brown: In due course, I am sure—though other candidates are emerging by the day. I also pay tribute to my neighbour, the hon. Member for Stroud (Mr. Drew) who, as always, has done his homework, and made a well-informed speech. I have never previously met the hon. Member for Halifax (Mrs. Riordan), and I have some regrets concerning her speech. Although the world's biggest superpower, the United States, does not always get everything right—far from it—the world would generally be a much less safe place without its actions. The hon. Member for Taunton was right not to give such a dastardly and dreadful regime the name by which it is commonly

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known, and to call it North Korea instead, and it is a total travesty for the hon. Lady to try to draw the comparison that she did.

We have heard much this afternoon about human rights abuses, and I shall describe some myself. However, one aspect that has not been mentioned at all is the relationship between Seoul and Pyongyang. It is really sad that the Korean peninsula is divided in the way that it is, and any methods by which the world community can help Seoul and South Korea in its dialogue and dealings with North Korea must be a good thing. Therefore, it was a sad quote that I gave in my earlier intervention about the spurning of food aid from South Korea. The people of North Korea will suffer. Through aid and dialogue should come some understanding and improvement, we hope, in the longer term of the regime in North Korea.

I believe that the Minister is going to say something about the recent missile crisis in his reply to the debate. I hope that you will allow me a little forbearance, Mr. Benton, if I briefly describe what is going on, as I understand it from the news today. North Korea has been steadily moving towards the test launch of the Taepodong-2 missile, which intercontinental ballistic missile has a range of up to 9,000 miles, as verified by satellite photographs, enough to reach Hawaii or Alaska. Satellite intelligence has revealed that Pyongyang has loaded booster rockets on to the launch pad in Musudan-ri in North Hamkyong province, in north-east Korea, and moved fuel tanks in preparation for fuellings. These are dark times.

I agree with the sentiments of President Bush, who stated that people should be nervous when non-transparent regimes that have announced that they have nuclear warheads fire missiles. That is one of the things that we are watching closely in Iran, which has the missiles, but not yet the technology to put nuclear warheads on the missiles. When the Iranians manage to get the two together, that becomes very dangerous indeed.

In the debate we are asked to concentrate on human rights. We need to pay attention to the 22 million people who live under North Korea's dreadful regime of extreme illiberalism and cruelty. The issue of food among the poorest North Koreans is well documented. However, I would like to explore where the British Government can do more to help through sanctions, multilateral organisations and coalitions with our partners.

The debate today is timely, not only because of the emerging missile crisis and the human rights abuses, but, as the Minister made clear, because this week was the first meeting of the new UN Human Rights Council. It would be interesting to hear a report from the Minister on that council. In the debate on human rights last week he said that he would give us a full report—perhaps not today, but maybe in a written statement to the House or a report next week.

Mr. McCartney *rose—*

Mr. Clifton-Brown: I will give way to the Minister in a second, but I will just make one other comment that he might like, in turn, to respond to.

The hon. Member for Taunton amplified the problem of the 21 nations voting against the resolution. I wonder how many of those 21 nations are members of the Human Rights Council. It is all very well asking for verification from neighbouring states, but it is no good getting countries with bad human rights records to peer-review another country with a bad human rights record. One of the criticisms that I made of the Human Rights Council last week was that there did not seem to be tough enough controls on who could become a member. Do members of that council have to have, or should they have, good human rights records themselves?

Mr. McCartney: I will be reporting appropriately to the House and to the Select Committee. There will be two stages, following this week's proceedings. Further discussions are being carried on and there will be another two meetings of the council between now and the end of the year. We hope that, by that time, there will be a full programme of work and an agreement on how universal peer reviews will be operated in an effective way, and we hope that the council will be more effective than the organisation that it has replaced.

Issues relating to the 21 countries are varied. They claim that they are against the politics of passing condemnatory resolutions in principle. That is why what happened today and, hopefully, what will happen in the subsequent two meetings is so important. That block on doing positive, specific, practical things to deal with countries like North Korea has gone; we can now use the periodic review to put in place effective steps that everybody can co-operate with. The peer review is a review of all countries. No one is excluded from the review. It is not just a review of one or two regimes. Therefore, those 21 countries now have, if they wish to engage positively, a more proactive way of dealing with regimes that are effectively denying their citizens their human rights.

Mr. Clifton-Brown: I am grateful for that intervention; it was helpful. The Minister is rapidly gaining a reputation for being a Minister who is extremely helpful to the House, and I am grateful to him for that. I would only add that I hope that none of the countries that become members of the Human Rights Council will be immune to peer review. Indeed, I hope that some of those that apply to become members of the council will be some of the first to be reviewed, especially if there is any suspicion of denial of human rights.

Mr. McCartney: The reason why the periodic review is so fundamentally different is that no one will be excluded. A programme will be put in place after rigorous negotiations which will apply to all members of the council. By the way, that includes ourselves, difficult as that is. No one can argue that the council will be simply a stooge body to deal with a handful of countries. The reviews are about a sustainable, United Nations, global way of dealing, stage by stage, with the issue of human rights in both those countries that deny them and those that have been proved to have effective regimes that sustain people's human rights. No country can argue that the periodic review is simply about them. It is about every nation, including those that are members of the council.

Mr. Clifton-Brown: Again, that is a very helpful intervention, although perhaps not absolutely centred on the debate this afternoon. It is helpful to get those comments on record. I hope that a sequence of countries will be peer-reviewed, with no favouritism given to those that have good or bad human rights records, and that all countries will be reviewed on a regular basis. I am sure that that will be the case.

I was delighted to hear from the Minister that there has been an embassy in North Korea since 2001. I suppose that his answer to my question whether our ambassador and embassy know exactly what is going on in North Korea, is given by the UN publication on major countries of concern. On page 54, it reads:

"Humanitarian aid workers and diplomats in Pyongyang are subject to severe internal travel restrictions and some 20 per cent. of the counties in DPRK remain inaccessible for 'reasons of national security'."

It may well be that we do not know the full extent of the human rights abuses going on in that country, particularly as it is difficult for a free and fair press to get in there. This is a country with an appalling human rights mechanism.

There is no mechanism to allow a change in the leadership, according again to the UN document on major governments of concern. I am going to quote fairly extensively from one paragraph, which is headed "Particular concerns about the DPRK", because it graphically states what is wrong with that country. It says:

"There is no freedom of expression...The state tightly controls all media. There are no foreign books or magazines available for purchase and the authorities control access to the internet on an individual 'need-to-know' basis."

—only for the elite, I would imagine. The document continues:

"There is no independent human rights monitoring organisation...there is no genuine religious freedom...Defectors report that Christians receive harsher treatment than other prisoners"—

that has already been mentioned by a number of hon. Members—

"suffering torture and execution as a direct consequence of their faith. There are no workers' rights...Women have no equal rights: the age for marriage is different for men and women and society is dominated by a male culture. There is growing concern about the organised trafficking of women across the border into China for marriage or prostitution. North Koreans are subject to arrest without trial. Depending on the offence, the authorities can detain or punish entire families".

That seems a bizarre way of terrorising the population. Even more bizarrely, the publication reports that

"The government has fitted all apartments in Pyongyang and other cities with radios tuned to a specific station to cascade propaganda: people can turn the radios down, but not off. The judiciary has no independence and the legal system has no transparency."

More shockingly still, the publication continues:

"The government divides all North Koreans into three political groups: a loyal core class, a suspect wavering class and a politically unreliable and hostile class. Those three groups are then sub-divided into 51 categories based on the social origins of each citizen. The government classify people to determine where they live and work, what job they do, and what benefits (if any) they receive. Only those citizens who are classified as politically loyal can hope to obtain a responsible position in North Korean society."

That is a pretty shocking record for any country.

Hon. Members have mentioned that there are up to 200,000 North Koreans on the Sino-North Korean border. The Minister gave one figure, and my hon. Friend the Member for Hammersmith and Fulham gave another, higher one.

Information gathered from defectors also indicates that a system of forced labour camps is in operation. Conditions in those camps are extremely harsh and the mortality rate is high. A further type of camp focuses on rehabilitation, and the conditions are subsequently less harsh. The DPRK does not allow any independent domestic organisations to monitor human rights, and requests for visits by international human rights organisations have been largely ignored. One visit by Amnesty International was allowed in 1996. The report was regarded as hostile and Amnesty has not been allowed to visit again. The hon. Member for Harlow (Bill Rammell), when he was Under-Secretary of State for Foreign and Commonwealth Affairs, visited the country with some journalists, but the UK and other countries then tabled hostile resolutions at the UN, and the DPRK Government regarded that, too, as interference in the sovereign right to run their country.

One of the worst aspects of North Korea is how it deals with food. A number of colleagues have explained how, but considering the famine in the 1990s, when more than 1 million people were starved to death, it is very worrying that the North Korean Government have cancelled aid from the World Food Programme. As I said in an intervention, before the aid was cancelled, the South Korean Government sent last year 350,000 tonnes of fertiliser and 500,000 tonnes of rice to North Korea. The North Korean Government originally asked for the same amount this year, but the South Korean Government's spokesman, Yang Chang-seok, said that if North Korea test-fires a missile, it will impact on rice and fertiliser aid. That is a deeply worrying development.

North Korea has a long history of providing food on a priority basis and according to the classifications that I have read out. It has fed the elite while discriminating against the so-called hostile class. If recent history is anything to go by, the Government will distribute food to preferred citizens, and only then to the general public through the public distribution system, as my hon. Friend the Member for Hammersmith and Fulham said.

The PDS provides coupons for food and consumer goods to people through their places of work. During the food crisis of the 1990s, millions of people who depended on the PDS rations died from starvation. Many more died from severe malnutrition and hunger as the system broke down, and the crisis ended with massive amounts of international food aid. The tolerance of private markets was ameliorated by recent improved harvests, but one cannot expect them to continue.

Until the famine of the 1990s, food rationing was perhaps the single most important way of controlling the population in North Korea, as people could receive rations only from their place of work or study. The system largely kept the population immobile and obedient, so that people would not risk losing their only source of food.

So, Mr. Benton, what is the way forward? It is obvious to all of us here that the North Korean Government

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must allow international NGOs, including the World Food Programme, to resume the necessary supply of food. More than that, they must either ensure that its distribution is fair and adequately supplied, or permit citizens to obtain food in other, direct ways through markets. It is clear from the devastating famine and pervasive hunger of the past, which was well documented by the United Nations and NGOs, that the PDS and the country's official food industry have miserably failed the North Korean people.

My party supports the resolution of the 2003 UN Commission on Human Rights, the second resolution tabled by the EU in 2004 following a visit by the hon. Member for Harlow and the third UNCHR resolution in 2005. I note with sadness that those resolutions have never been acknowledged by the DPRK Government, and nor has the appointment of the UN special rapporteur on human rights, Professor Vitit Muntarbhorn, who was mentioned by the Minister. I was particularly pleased to hear that the Minister had invited him to London, and I hope that it will be possible for the all-party group to attend a meeting with the special rapporteur, not only to hear what he has to say, but to question him as well.

Mr. McCartney: The purpose of asking Professor Muntarbhorn was not just to give myself or officials the privilege of discussing his views of what we need to do internationally since the creation of the new council but to give people here open access to him. That includes hon. Members from all parties, Opposition spokespersons, Members of the House of Lords, NGOs and others with a direct interest in the matter. We want to give hon. Members, not just Ministers, access to him. It will be a privilege to meet this gentleman. I hold him in high regard, and he is very knowledgeable. He wants to discuss his ideas; he desperately wants to move things forward in North Korea.

Mr. Clifton-Brown: I regard that as extremely helpful. It will be an important meeting that I much look forward to attending. I have no doubt that those who have attended this debate will be there, ready with some fairly sharp questions for the special rapporteur about how things can be moved forward.

We must make it clear to the North Koreans that we are ready to help their people, but that basic rights and needs must first be granted, either by bilateral or multilateral processes. Clearly, one of the first tests of the new United Nations Human Rights Council will be to address the appalling situation in North Korea and to challenge and engage with Pyongyang.

The missile situation inevitably has an effect on the North Korean Government's attitude to human rights because if they are spending money on re-arming and on ever more devastating technology, that must have an effect on the amount of money available for the people of that country. The United States ambassador to the United Nations, John Bolton, has said:

> "You don't normally engage in conversations by threatening to launch intercontinental ballistic missiles. And it's not a way to produce a conversation because if you acquiesce in aberrant behaviour you simply encourage the repetition of it, which we're obviously not going to do."

The tests would spell further trouble for the stalled six-party negotiations on North Korea's nuclear ambitions and human rights. They would raise questions about the future stability and security of the region and North Korea's enduring role as the region's troublemaker.

The UN has made it clear that all diplomatic negotiations must take place through the six-party framework involving North Korea. I welcome that, because I think the idea behind testing this missile may well be to tempt the United States back into bilateral talks to offer further carrots to the regime, which would be totally the wrong way to go. The six-party talks, involving South Korea, Russia, Japan, China and the United States, must be allowed to proceed and I hope that they will produce some improvement in the standard of living of the dreadfully oppressed people in North Korea.

4.34 pm

Mr. McCartney: With the leave of the House, Mr. Benton. I was both encouraged and perplexed by what I have heard from hon. Members today. It is clear that there is widespread concern about the behaviour of the North Korean Government, and I was perplexed by the matter-of-fact way in which the hon. Member for Hammersmith and Fulham (Mr. Hands) explained what he found on his visit, which made his speech all the more effective. There were no frills or attempts to exaggerate: he gave a straightforward account of what, as an eye-witness, he saw and found and of what he suspected was behind some of the situations that arose. He did not grandstand in any way, and I shall come back to some of the issues that he raised in a minute.

To my hon. Friend the Member for Halifax (Mrs. Riordan) I make the point that it was the regime that broke off the discussions in the six-party talks and which will not allow the UN special rapporteur in. The rapporteur is not from the west; he is Thai and a respected international figure in terms of discussions, negotiations and representation for his region. It is the regime that will not allow the United Nations to come in and give help and support to change the situation there. The regime restricts the role of non-governmental organisations in the country—NGOs whose members have skills, knowledge, expertise and courage. They do not take a party political stance, but have one simple interest: the development and redevelopment of the country and its citizens.

If my hon. Friend has further talks with the regime in London, will she urge the regime to: return to the talks; allow the special rapporteur to enter the country and do his work; allow the UN to work effectively with the North Koreans; and release the people there who are in jail or similar situations for simply expressing a view or not having the same view as the regime, expressed or otherwise?

I welcome hon. Members' interest in this and other parts of my portfolio. On every occasion on which parliamentarians in this House, whatever their background, engage with Foreign Office Ministers and our staff on the ground, it gives us the capacity to discuss relevant issues with those regimes. If they did not intervene, apply pressure and speak up, it would be easier for such countries to continue to ensure that their citizens have no power or opportunity to voice

their concerns, and those countries would continue to have no obligation regarding their citizens' well-being. I ask hon. Members to maintain that pressure and assist our diplomats on the ground and NGOs and others outside this country who take just as effective an interest in this and other countries, and who want to work multilaterally with us and bilaterally with the countries concerned.

The hon. Member for Taunton (Mr. Browne) talked about our relationships with the United States and with China. This is not just a matter of bilateral relationships between us and the United States. Some 86 countries, including large countries in the region that have excellent relationships at every level with us, the US and other countries, take the same view as us and the United States about the need for a process and change. We need to take a multilateral approach: a partnership approach including countries in the region and countries outside it that have acknowledged expertise and a range of other diplomatic weapons, if that is the right word, at their disposal to work within the confines of the UN to bring about effective change.

It is also true that with the Chinese, we have very effective leadership in relation to the six-party talks, and we should recognise that. They have been enthusiastic and effective, and it is in our interests to encourage them—

Mr. Hands: I think the Minister is saying that relations with the Chinese have been particularly effective, or that the Chinese have been particularly effective, but in the spirit of genuine inquiry, what progress can the Minister point to that has come out of the six-party talks other than that talks are taking place? Has anything at all been achieved since the talks started three or four years ago?

Mr. McCartney: The reason why progress has not been greater is that the North Koreans have withdrawn, but it is a process that was agreed with the North Koreans. The fact that they agreed to a process in the end was in itself progress. The fact that they decided to withdraw after some four meetings has led to stalling in a range of areas, with no outcome possible. It is important because it is the only process in which they have so far decided to participate, so they should return to it.

The hon. Member for Taunton asked about China. We have formal bilateral dialogue on human rights with China twice a year. In addition, as I said earlier, Ministers from the Foreign Office and those with other portfolios have regular opportunities to discuss United Nations initiatives on human rights and other, wider issues. We will continue to do that. From this week, we also have the opportunity to have dialogue in a more sophisticated way. There is the possibility of periodic reviews; we will have more than just one shot at the process, and more than just one approach—resolution after resolution. I am not opposed to using resolutions, but they do not give regional Governments with regional relationships the opportunity to sit down and participate effectively in a process.

I shall write to hon. Members, because the discussions on what the processes should be are at an early stage. This week, before going out to Geneva, I sat down with the NGOs and the Foreign Office, and went through with them my ideas about what the process should look like. Their views were fed in, and when I was in Geneva I spoke to representatives of a range of countries about how they could join with us to develop an effective system of periodic review, and what the principles of that system should be.

The next stage will be to ensure that that periodic review system is effective, that there is agreement about what its pillars will be, and that there is capacity for reviews to be effective and transparent and to identify accountability. The NGOs should play a role in seeing what is happening and why, and should be able to make effective, practical proposals that will help us to turn the situation around. I gave Nepal as an example. There is a lot to play for in the coming weeks and months in negotiating an approach that ensures that the Human Rights Council has effective mechanisms with which to do the job that its predecessor could not do because it lacked the capacity. I could spend 20 minutes setting out what it will do. I think that hon. Members are seeking confirmation from me, first that I have an intellectual understanding of what they are asking for and secondly that we are in the same ballpark. The answer to both is yes. Thirdly, are we enthusiastically involved in behind-the-scenes discussion and negotiation, and trying to show some leadership? The answer to that, too, is yes.

Mr. Clifton-Brown: I am sure that the Minister, like me, would welcome a strong condemnation by China of the potential firing of ballistic missiles. Would he take the opportunity when he next has talks with the Chinese to condemn the practice of returning North Korean refugees who take a very hazardous path to escape to China, but are then sent back by the Chinese authorities not only to almost certain torture and death but to the torture and death of their families as well?

Mr. McCartney: I have made it absolutely clear that we have done that, and will continue to do so. It is important for the Chinese Government to agree to let the United Nations High Commissioner for Refugees go to the most affected border areas between China and North Korea. That is critical.

Several hon. Members, including the hon. Member for Hammersmith and Fulham, have observed, like me, that anything we say is an approximation. We need to gain access, and that is not done by megaphone diplomacy. Let me give an absolute assurance that the issue is very important to us, and to our relationship with China. China is well aware of how we would like it to co-operate and why we would like it to be proactive in relation to Human Rights Council processes. We are in the early stages of discussions on that. What is absolutely certain, in terms of the six-party talks, is that the Chinese have been as good as their word, enthusiastically, intellectually and politically doing their damnedest to use the talks to get things resolved. We need to encourage the North Koreans to come back into those talks. I hope that that gives the hon. Member for Cotswold (Mr. Clifton-Brown) some reassurance.

Hon. Members asked about foreign presence on the ground. That is important, because it helps to undermine the regime's propaganda effort to blame outside sanctions for its problems—a point that the hon. Member for Cotswold made. Access to areas outside Pyongyang is gained through the existing

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programmes. Our embassy staff go to look at the existing programmes, and that helps to secure a better picture on the ground, but it is clearly far from perfect; no one is suggesting otherwise.

It is not just our staff who are on the ground; we should recognise the role of the non-governmental organisations, and we should praise them, both individually and collectively, and their willingness and preparedness. Despite the obstacles put in front of them to make them less effective, they are willing to stick at it and stick in there, to assist change in North Korea.

Mr. Hands: Which NGOs does the Minister think are currently operating in North Korea?

Mr. McCartney: I do not have a full list on me; I apologise. I will provide that information to the hon. Gentleman. There is a reason why I do not have it; hon. Members will remember that the food aid programme was stopped, and that affected the operations, but I will come back to the hon. Gentleman on that. I will ensure that every Member in this Chamber gets a copy of that detailed information. I hope that that is helpful.

In relation to Christians in North Korea, we clearly condemn all instances of persecution of individuals because of their faith or belief, whatever the religion or group concerned; that is a subject that the hon. Member for Buckingham (John Bercow) mentioned. We regularly raise the issue of human rights, which encompasses religious freedom, with the North Korean Government through our embassy and through their embassy here in London.

In Pyongyang in September 2004, my hon. Friend the Minister for Higher Education and Lifelong Learning handed a list of 18 named individuals to the vice-Foreign Minister responsible for human rights, asking for a full written response. Those individuals included two South Korean pastors who were reportedly abducted from China and taken to North Korea in 1995 and 2000 respectively, but no response was received. Incidentally, Son Jong Nam, the gentleman whom I named earlier, is also a Christian. I want to reassure colleagues once more about the issue of religious discrimination; it is one of our core issues with the North Korean Government, and we actively make it part of our discussions.

I re-emphasise to my hon. Friend the Member for Halifax the need to encourage the North Koreans to return to the six-party talks. There were four complete rounds hosted by the Chinese Government in Beijing. The initial session of our fifth round of talks was planned for November last year. However, the North Koreans have since refused to attend, blaming

"the hostile policies of the United States".

They also blame

"financial sanctions",

after US authorities last year designated the Macao-based Banco Delta Asia a money laundering concern. The fact of the matter is that the North Koreans withdrew from the talks; they have not been forced out, removed or encouraged to leave. Nothing has happened, other than their becoming unwilling to see through what they agreed to see through.

I promised the hon. Member for Cotswold—and you, Mr. Benton—that I would give an update on developments as regards the Taepodong test. We are, of course, monitoring events closely and are concerned about the ongoing possibility of North Korea proceeding with a test launch of the Taepodong missile/satellite launch vehicle. The European Union has urged the North Korean Government to refrain from such a provocative act, which would add considerable tension to an already complex regional situation and be deeply regrettable.

The EU heads of mission in Pyongyang jointly delivered a démarche to the North Korean Foreign Ministry on 18 June, expressing concern that a test launch of the missile may be imminent. Several member states, including the UK, have called in North Korean ambassadors to underline the strength of their concerns. The Australian and New Zealand Governments have also made their opposition clear.

The United States has urged North Korea to abide by its past agreements and said that it would regard any test launch as a very serious matter. The Japanese Government have warned North Korea against launching a ballistic missile as it would be a violation of its 1999 moratorium and the 2002 Pyongyang declaration. China's representative to the UN has said that the Chinese Government have a lot of concerns about any test and that it would have a very negative effect on the political atmosphere.

Speaking yesterday, at the UN conference on disarmament, the Secretary-General urged North Korea to take great care not to make the situation on the Korean peninsula even more complicated. People are keeping a close watch on this matter and keeping in contact with each other. Let us hope that the expectation does not come to pass and that we can get back to the agenda that we asked the North Koreans to operate at the six-party talks previously and the agreement in 1999.

We must all wait to see how the situation develops. We have no power to decide what happens. Hon. Members may rest assured that in waiting, everyone is trying their best publicly and behind the scenes, using every diplomatic lever possible, to ensure that the missile is not tested in the way that I suggested.

We will continue our dealings in North Korea and in the UK with the regime, and use our best endeavours to try to demonstrate that our concerns are real and not fabricated for political purposes. We want to help and to progress matters. We want North Korea to be involved once again with the work of the Human Rights Council and to give access to the special rapporteur and the United Nations. We want the North Koreans to work with NGOs, return to the six-party talks and give appropriate access to the UN.

The world wants to embrace a relationship with North Korea and its people. Embracing the relationship will lead to change, but that change will lead to something: the recognition of the universal human rights of every human being there. So many people in the world take those rights for granted. In North Korea, not only can people not take them for granted, but they are as far away from having those rights as they were when the regime commenced.

I shall finish by discussing one simple fact. In 1945, South Korea was poorer than North Korea; it was even poorer than the poorest African nations of that generation. Yet by open access, democratic accountability, public and private investment and rights, and by using the skills, knowledge and commitment to do their best of every person and community in that country, it emerged to be a major force in social and economic terms which is respected across the world. That same fate is available to North Korea and its people. All North Korea needs to do is open the door, walk through it and work with us. I ask it to do so.

Question put and agreed to.

Adjourned accordingly at six minutes to Five o'clock.

Written Ministerial Statements

Monday 5 June 2006

TREASURY

Tax Credits

The Chief Secretary to the Treasury (Mr. Stephen Timms): National statistics published on 31 May show continued growth in the number of tax credit recipients:

The total number of families benefiting rose to 5.9 million in 2004-05 (a 3.5 per cent. increase compared to 2003-04);

some 305,000 families benefited from the childcare element (a 14 per cent. increase compared to 2003-04);

some 79,000 families benefited from the disabled worker element (a 23 per cent. increase compared to 2003-04); and

end-year adjustments leading to an overpayment have fallen by a fifth—from £2.2 billion in 2003-04 to £1.8 billion in 2004-05.

The statistics record levels of end-year adjustments. They were preceded by the Comptroller and Auditor General's standard report on the accounts of the Inland Revenue 2004-05; by HMRC officials' evidence to the Public Accounts Committee on 19 April; by the Paymaster General's remarks in the House on 11 May 2006; and by correspondence dated 25 May 2006 between the Paymaster General and the Chairmen of the Public Accounts and Treasury Select Committees which all reported the view that end-year adjustments would be at a level similar to that in 2003-04.

End-year adjustments are an integral part of a flexible system that responds to families' circumstances as they change. Payments are based on household incomes which can of course change during the course of the year. Payments are therefore subject to adjustment during the course of the year and, if necessary, at the end of the year once these changes in incomes are known. National Statistics show that end-year adjustments leading to an overpayment have fallen by a fifth—from £2.2 billion in 2003-04 to £1.8 billion in 2004-05. Improved performance of the tax credits system has meant that fewer overpayments are caused by IT or administrative error. This is demonstrated by the improvements made to accuracy in processing and calculating awards, which rose from 78.6 per cent. in 2003-04 to 96.5 per cent. in 2004-05.

HMRC expects to recover the majority of the money overpaid, except where there has been a mistake by HMRC and it is not reasonable to expect the claimant to have noticed the error. Since the introduction of tax credits there have been clear procedures in place to ensure that recovery of overpayments does not create hardship. These include reduced recovery rates for those on low incomes, and, for those who are no longer receiving an award, 12-month instalment plans are available with longer repayment periods where necessary. On top of this HMRC considers the case for making additional payments to those who claim hardship as a result of recovery.

The national statistics released on 31 May relate to a previous year, 2004-05, and so do not show the impact of measures announced at the time of the 2005 pre-Budget report to give greater certainty to families while maintaining flexibility to respond to changing circumstances. Once these come fully into effect the level of end-year adjustments are expected to fall by a further third in future years.

The tax credits system has delivered three key achievements: it has improved incentives to work, reduced the tax burden on low to middle income families and helped to dramatically reduce child poverty.

Tax credits play a major role in moving people into work and helping people move up the employment ladder, ensuring that work pays over welfare. Tax credits and economic stability have helped to increase the number of people in work by over 2 million since spring 1997, and since 1997 long-term unemployment has reduced by 450,000. From October 2006:

A couple with two children, moving into full-time work on the national minimum wage will be £41 per week better off compared with the £34 per week gain to work in 1997;

a lone parent with two children, moving into full-time work on the national minimum wage will be £76 per week better off compared with the £54 per week gain to work in 1997; and

a single person without children, moving into full-time work on the national minimum wage will be £58 per week better off compared with the £39 per week gain to work in 1997.

Tax credits have also been central to reducing the tax burden on low to middle income families. The latest OECD study shows a large fall in the tax burden for families as a result of tax credits. The tax burden on a single earner couple with two children earning £21,000 has fallen from 17.3 per cent. of gross earnings in 1997 to 9.8 per cent. in 2004. This is the lowest rate of any G7 country.

In the UK, a single earner family with two children can now earn just under two-thirds of the average wage before they start to pay any net tax, that is, pay more in tax than they receive in financial support from the government. Tax credits have helped ensure that since 1997 the number of families with children paying no net tax has risen from under 2.5 million in 1997-98 to over 3 million in 2006-07.

The tax credits system has also played a key role in tackling child poverty. Since 1996-97, 700,000 children have been lifted out of relative poverty, compared to a doubling of child poverty in the previous 20 years. Tax credits have also helped to halve the number of children in absolute poverty. There are now over 1.8 million fewer children on absolute low income compared to 1996-97 on a before-housing-costs basis.

Tax credits today provide support to 20 million people including 6.0 million families and 10.1 million children. Take-up of tax credits is substantially higher than in any previous system of income-related financial support for in-work families, with low-income families most likely to take up their entitlement. In the first year of tax credits 93 per cent. of families on incomes below £10,000 claimed their entitlement to Child Tax Credit; this compares to 50 per cent. in the early years of Family Income Supplement, 57 per cent. for Family Credit and 62-65 per cent for Working Families Tax Credit.

Building on the experience of the first two years of the new tax credits system, the Government have introduced a series of administrative enhancements and policy developments to improve the operation of the tax credits system.

A detailed programme of administrative improvements was announced in the Paymaster General's statement to the House on 26 May 2005. This included measures to improve HMRC's communication with families about their tax credit awards, reduce the risk of errors adding to overpayments, and improve the procedures for recovering overpayments.

Specific measures have also been taken to improve the service received by tax credit customers. From April 2006, award notices have included a clearer summary of what will be paid and, for the first time, an explanation of how this has been calculated. The guidance notes sent to customers with their award notices have been improved making it easier for recipients to check whether information is correct. HMRC's code of practice on overpayments has been revised on the "reasonable belief" test when deciding whether to write off an overpayment.

As set out in the Paymaster General's statement to the House on 5 December, analysis of the available data on end-year adjustments, or overpayments, suggests that they are caused by a number of factors. As a result, the Government announced the following key policy changes:

First, to address the impact of the annual income rises that have led to the need for adjustment, the Government announced an increase in the tax credits disregard from £2,500 to £25,000.

Secondly, families sometimes overestimate the extent to which their income has fallen when they seek extra support during the year. To address this, when claimants report a fall in income during the year, their tax credits payments will be adjusted for the rest of the year to reflect their new income level, but will not include a one-off payment for the earlier part of the year. At the end of the year, their award will be finalised when their actual income is known. If they have been underpaid, a further payment will be made in the ordinary way.

Thirdly, HMRC will continue to make provisional payments at the start of the tax year based on information from the previous year until claimants submit renewal information. But to reduce the scale of subsequent updating, the renewal window will be reduced to five months.

Fourthly, there are sometimes delays in reporting changes in families' personal circumstances to HMRC. The Government therefore announced greater responsibilities on claimants to report changes of circumstances, to ensure that delays in reporting do not lead to the need for subsequent adjustments. In addition, the notification period will be shortened.

Fifthly, to reduce the impact of adjustments on family circumstances, automatic limits on the amount by which tax credit payments can be reduced to recover a tax credit overpayment will be introduced.

These policy changes are designed to minimise the need for adjustments while maintaining the flexibility to respond to reductions in income and changes in circumstances.

Eliminating the need for adjustments would require a move to a fixed system where eligibility was based on the previous year's income and circumstances, and where, as a result, flexibility would be diminished. This flexibility to respond to changing circumstances is important in today's modern labour market where in any year three million people change jobs. Each year at least 200,000 men and women who move into new or better jobs see their family income rise by more than £10,000.

CONSTITUTIONAL AFFAIRS

Oxfordshire Inquests

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): My right hon. Friend the Secretary of State for Defence and I wish to make the following statement to the House about inquests due to be held in the Oxfordshire area. All casualties suffered by the UK armed forces are a source of profound regret. UK service personnel have put their lives on the line to help the Iraqis build a strong, stable and democratic Iraq and we cannot pay high enough tribute to the job they are doing, or the sacrifice some of them have made. We are committed to assisting families of UK service personnel who have died in Iraq when their loved ones are returned to the UK.

Today we are announcing information about the conduct of inquests by the Oxfordshire Coroner, Mr. Nicholas Gardiner, and how we intend to enable him to conduct expeditious inquests in his jurisdiction including into the deaths of servicemen and women who have died in Iraq.

Background

Inquests are to serve two main purposes, first to account publicly, in the public interests, for the cause of death, and secondly to give an opportunity for the bereaved family to ask questions about the death.

Each death of a serviceman or woman killed in an operation overseas whose body is repatriated to England and Wales is subject to an inquest. The inquest—both the investigation into the death and the holding of the public hearing into the death—is conducted by the coroner with jurisdiction which derives from where the body lies. In the case of deaths of servicemen and women whose bodies are flown into Brize Norton military airbase, the Oxfordshire Coroner Mr. Gardiner has jurisdiction.

Over the last, 12 months, in addition to the non-armed forces inquests for which he has jurisdiction, Mr. Gardiner, his deputy coroners and one other coroner have conducted 30 inquests into the deaths of servicemen who have died in Iraq.

There remain 59 inquests to be concluded into the deaths of service personnel killed in Iraq, and 11 inquests of civilians whose bodies were flown into Brize Norton.

This does include the five deaths which occurred on 1 May in the helicopter crash in Basra and the two deaths which occurred on 13 May but not the two deaths from the 28 May bomb explosions near Basra.

Further support for the coroner to conduct inquests on deceased armed forces personnel

The Government have made available to the Oxfordshire coroner the resources to enable him to deal with the outstanding inquests:

Assistant Deputy Coroner—Sir Richard Curtis, a retired High Court judge, will be available from the end of June (subject of course to a number of other commitments), for the coroner to appoint as necessary.

Assistant Deputy Coroner— Selena Lynch will be available to begin on case papers from the week commencing 5 June, and is available from then until early July and then from late July onwards, for the coroner to appoint.

Assistant Deputy Coroner—Andrew Walker who is available to begin on case papers next week and is then available for two weeks in August and then from mid-September onwards.

Two additional coroner's officers—Thames Valley police have confirmed that they have two officers available who can be in place by the end of next week.

Additional member of support staff—This is available immediately.

Recording equipment—To enable two further courts to operate simultaneously.

Progress in the remaining inquests

The Oxfordshire coroner expects, with the additional resources, which have not hitherto been at his disposal, to be able to conclude those inquests of servicemen and women where the Ministry of Defence have completed their own inquiries and case papers have been prepared by the end of the year (we know of 30 cases in this category). With the additional resources the coroner would also expect to conclude inquests of civilians killed in Iraq where he has been provided with reports and other information (we know of three cases in this category) by the end of this year. We intend to keep the House informed on a quarterly basis about progress through the remaining inquests. We attach a table, which outlines the number of inquests outstanding and the date of death in each case.

Liaison with the Next of Kin

It is of the greatest importance that the next of kin have full information about the progress on the inquest of their deceased next of kin. The extra coroner resources will enable this to happen, in addition to the normal liaison between the Ministry of Defence and the families concerned.

Coronial Independence

Coroners are independent judicial officers. They are appointed and paid for by the relevant local authority and their officers and staff are employed by the local authority and/or the police.

Oxfordshire coroner:
(i) Servicemen fatalities

Date of Death	Name of the Deceased
21.03.03	Lance Bombardier Evans*
21.03.03	Sergeant Hehir*
21.03.03	Major Ward* (Royal Marines)
21.03.03	Captain Guy* (Royal Marines)
21.03.03	Warrant Officer 2 Stratford* (Royal Marines)
21.03.03	Colour Sergeant Cecil* (Royal Marines)
21.03.03	Marine Hedenskog*
21.03.03	Operator Maintainer (Communications) 1 Seymour* (Royal Navy)
22.03.03	Lieutenant Wilson
22.03.03	Lieutenant West
22.03.03	Lieutenant Green
22.03.03	Lieutenant Williams
22.03.03	Lieutenant King
22.03.03	Lieutenant Lawrence
22.03.03	Flight Lieutenant Main*
22.03.03	Flight Lieutenant Williams*
22.03.03	Sapper Allsopp
22.03.03	Staff Sergeant Cullingworth
24.03.03	Sergeant Roberts*
25.03.03	Corporal Allbutt
28.03.03	Lance Corporal of Horse Hull
30.03.03	Lance Corporal Brierley
30.03.03	Marine Maddison
30.3.03	Major Ballard
01.04.03	Lance Corporal Shearer
06.04.03	Fusilier Turlington
06.04.03	Private Muzvuru*
06.04.03	Lance Corporal Malone*
13.08.03	Private Smith
23.09.03	Sergeant Nightingale
01.01.04	Sergeant Patterson
01.01.04	Major Stenner
02.01.04	Lance Corporal Craw
28.06.04	Fusilier Gentle
19.07.04	Flight Lieutenant Gover*
09.08.04	Private O'Callaghan
31.10.04	Staff Sergeant Rose*
08.11.04	Private Tukutukuwaqa
01.05.05	Guardsman Wakefield
25.05.05	Lance Corporal Brackenbury*
29.06.05	Signaller Didsbury
15.07.05	Private Spicer
15.07.05	Private Hewett
15.07.05	2nd Lieutenant Shearer
05.09.05	Fusilier Manning
05.09.05	Fusilier Meade
30.01.06	Lance Corporal Douglas*
31.01.06	Corporal Pritchard*
02.02.06	Trooper Smith*
28.02.06	Private Ellis*
28.02.06	Captain Holmes*
28.02.06	Lieutenant Palmer*
15.05.06	Private Morris*
15.05.06	Private Lewnicei*
07.05.06	Wing Commander John Coxen*
07.05.06	Lieutenant Commander Darren Chapman*
07.05.06	Captain David Dobson*
07.05.06	Flight Lieutenant Sarah-Jayne Mulvihill*
07.05.06	Marine Paul Collins*

Source: Oxfordshire Coroner and Ministry of Defence

* Denotes that the investigation is incomplete

Oxfordshire coroner:
(ii) Civilian fatalities

Date of Death	Name of the Deceased
22.03.03	Terry Lloyd*
11.10.04	P Chadwick
24.05.04	Robert Morgan
24.05.04	Mark Carman
09.12.04	Rag Gurung*
01.01.05	John Dolman*

Oxfordshire coroner:
(ii) Civilian fatalities

Date of Death	Name of the Deceased
01.01.05	Nicholas Pears*
01.01.05	John Eardley*
01.01.05	Tracy Hushin*
30.07.05	Kenneth Hull*
30.07.05	Andrew Holloway*

Source: Oxfordshire Coroner and Ministry of Defence

* Denotes that the investigation is incomplete

DEFENCE

DASA Survey (Service Voting)

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): I have today placed in the Library of the House a copy of the report of the survey on service voting conducted by the Defence Analytical Services Agency.

The Ministry of Defence has been working with the Electoral Commission to improve the electoral process for the armed forces. This survey was undertaken to provide hard evidence of the numbers of service personnel who register and cast their vote. It was also designed to provide information to help us judge how best to continue to encourage service personnel to do so in future.

I welcome the survey, which gives us hard facts to target future work. The survey indicates that the services are broadly consistent with national trends on voting in the general election, given that they demographically fall within the lower age ranges where fewer people voted. In addition it shows that 60 per cent. of service personnel are currently registered, with a significant majority of those (67 per cent.) choosing to register as ordinary rather than service voters.

Although these figures indicate that anecdotal evidence of a very significant drop in numbers registered was pessimistic, they do show that there is still work to be done. The survey suggests, for example, that we have been less effective in getting the message across to those serving overseas and other ranks. We are working closely with the Electoral Commission to analyse the survey, to understand the reasons behind the results, and to use them to make further improvements to the quality of information available to all service personnel.

We remain committed to improving arrangements for the service community to exercise their right to vote, and I am also keen to improve further the quality and timeliness of information on registration and voting options and procedures and to simplify them where possible. We will continue to work hard, with the Electoral Commission, to achieve this.

EDUCATION AND SKILLS

Education Council: 19 May

The Minister for Higher Education and Lifelong Learning (Bill Rammell): The Scottish Executive Minister for Education and Young People, Mr. Peter Peacock, and Ms. Anne Lambert, UK Deputy Permanent Representative to the EU, represented the UK during the Education Council in Brussels.

At the Education Council:

1. Ministers agreed conclusions on the European Indicator of Language Competence. The agreement covered the basic parameters of the indicator, including level of testing and the languages to be included, as requested by the European Council in 2002. An advisory board of member states' experts will work out the technical specifications. A sentence was added to make clear that the advisory board should take into consideration the need to prevent undue administrative and financial burdens on member states.

The Council agreed that pupils should be tested in two foreign languages at the end of ISCED level II (ages 9-14 in the UK). However, in those member states where only one foreign language was taught at that level, testing of the second language would be at ISCED III (15 - 19 and therefore after the end of compulsory education in the UK). Some member states would have preferred all testing to take place at ISCED III, but could accept the compromise.

2. The Council agreed a general approach for a recommendation of the European Parliament and of the Council on Key Competences for Lifelong Learning. The presidency expected to reach early agreement with the European Parliament. The Commission (Figel) said the recommendation could be finally adopted at the Education Council in November 2006.

The UK maintained its parliamentary scrutiny reserve, noting that the UK Parliament thought the text went too far in the direction of defining and prescribing the content of curricula. The Parliamentary Scrutiny Committees had particular difficulty with the idea that knowledge about European integration and structures was "essential". The UK asked the Council to replace "essential" with "desirable" or "important". The presidency noted the UK's concerns and outstanding scrutiny reserve but declined to alter the text.

3. The Council also agreed a general approach for the recommendation of the European Parliament and of the Council on a Quality Charter for Mobility. The presidency said a joint report of the European Parliament's Employment and Culture Committees was expected in September.

4. Ministers exchanged views on the financial aspects of the Lifelong Learning Programme. The Commission said that, following the agreement on the EU financial perspective (2007-13), the total budget for the programme would be EUR 6.97 billion. A formal proposal would be adopted on 24 May. It would break down the funding between the four main sub-programmes as follows: 13 per cent. to Comenius (schools); 40 per cent. to Erasmus (higher education); 25 per cent. to Leonardo da Vinci (vocational training); and 3 per cent. to Grundtvig (adult learning).

In a full table round, several member states regretted the substantial reduction in the budget originally proposed by the Commission. However, most welcomed the increased flexibility and decentralisation, which would allow unused funding to be transferred more easily between sub-programmes.

Many member states could accept the distribution of funding proposed by the Commission in order to ensure that the new programme started on time. Nonetheless, most argued that priority should be given to one or

other of the sub-programmes. The UK suggested that Grundtvig should receive 6 per cent. of the overall budget, and said the increase should come from the much larger Erasmus Programme. It was important for the Council to send a signal about the importance of lifelong learning and the need to give greater assistance to older and low-skilled workers, particularly given the demographic challenges facing the EU. A number of other member states also asked for Grundtvig to receive additional funding. Several member states preferred to give priority to Erasmus, while a few others favoured Leonardo da Vinci. The attention of the Council was also drawn to the European Council's request to double the number of mobility grants under these programmes between 2006 and 2013.

Summing up, the Commission said that there would be some room for flexibility, but reminded Ministers that the European Council had highlighted the particular importance of Erasmus and Leonardo da Vinci. The Commission urged member states to consider how they would use alternative sources of funding, including the EU structural funds. The Erasmus Mundus programme, which could no longer be funded from the new Lifelong Learning Programme, would continue until 2008. The Commission would at that point make a proposal for the future funding of that programme.

5. In a debate on the contribution of education to the EU Sustainable Development Strategy Ministers agreed the central role and importance of education and lifelong learning. Most stressed the importance of establishing strong links between policies for sustainable development, education, citizenship and cohesion. member states, including the UK, generally did not want to fix new EU objectives or targets. Existing processes, notably the Lisbon Strategy and the Education and Training 2010 Work Programme, were sufficient. One member state also stressed the need for synergy with the UN's 10-year strategy for sustainable development.

6. Under "Any Other Business" the Commission presented its recent Communication on higher education. The UK stressed the need for a concrete follow-up of the Communication and encouraged Ministers to have a full discussion in the near future about the issues it raised. The UK informed the Council about the "peer learning" seminar it would host in October on the theme of modernising universities. This seminar should produce concrete outcomes that could form the basis of Ministers discussions.

The Commission also informed the Council about its plans to develop a European Credit Transfer System for Vocational Education and Training.

7. Finland announced that during its presidency it would give priority, inter alia, to the follow-up of the Hampton Court summit; vocational education and training; and the themes of efficiency and equity in education and training.

HEALTH

NHS Foundation Trusts (Authorisations)

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): The chairman of Monitor (the statutory name of which is the Independent Regulator of NHS foundation trusts) announced last week that, in accordance with section 6 of the Health and Social Care (Community Health and Standards) Act 2003, Monitor had decided to authorise the following NHS acute trusts as NHS foundation trusts from 1 June:

East Somerset NHS Trust
Newcastle Upon Tyne NHS Trust
Royal Berkshire and Battle Hospitals NHS Trust
Salisbury Healthcare NHS Trust
Southend Hospitals NHS Trust

A sixth applicant, King's College Hospital NHS trust, has asked for further time to develop its application for foundation status. Monitor will consider the application when the trust decides to return to its assessment process.

Monitor's announcement brings the total number of NHS foundation trusts to 40. A copy of Monitor's press notice has been placed in the Library.

The Government remain committed to offering all NHS acute and mental health trusts the opportunity to apply for foundation status as soon as practicable.

A further group of trusts is being considered by Monitor for authorisation by 1 August. This will complete the second wave of foundation trust applications.

Children's Hospices

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): I am pleased that we have been able to agree new funding for children's hospices of £9 million per year for the next three years.

I would like to pay tribute to the work of the children's hospice movement which provides a valuable palliative care service to children and young people with a life threatening or life limiting condition and their families.

Children's palliative care focuses on enhancing the quality of the child's life and support for the family. It includes management of distressing symptoms, which may be intermittent or progressive; provision of respite (short breaks); and skilled care throughout life, at end of life and at bereavement. Children are encouraged to live as normal lives as possible, for as long as possible, including education and leisure, but this depends on excellent symptom control. Their palliative care needs therefore to be provided in a variety of settings—home, school, hospital or hospice. Children's hospices provide an excellent service to these families but they are only part of the range of services on offer.

There are currently 34 voluntary children's hospices in England providing respite care (short breaks), outreach care or end of life care. They receive some funding from local PCTs but the majority of their funds traditionally come from voluntary donations to support their work. Many children's hospices have also received funding from the New Opportunity Fund (now the Big Lottery) but this funding is coming to an end between March 2006 and July 2007.

The funding announced today is intended to enable the services funded by the Big Lottery grant to continue, pending the outcome of a review of children's

hospice services and their funding arrangements. Our White Paper "Our Health, Our Care, Our Say" sets out our aim to give patients more choice about where they receive their care and the choice to be treated at home towards the end of life. We also want to see that staff who work with people who are dying are properly trained to look after them and their carers. We also want to see improved support for carers. We will be working with the Association of Children's Hospices to see how the children's hospice movement can contribute to the delivery of our aims for disabled children, those with complex health needs, those needing palliative care and their families.

HOME DEPARTMENT

Voluntary Assisted Returns and Reintegration Package

The Minister for Immigration, Citizenship and Nationality (Mr. Liam Byrne): In January 2006 the Home Office immigration and nationality directorate (IND) requested that a pilot scheme be undertaken by the International Organisation for Migration (IOM) to evaluate the effects that increased reintegration assistance may have on incentivising failed asylum seekers, and those who wish to withdraw any outstanding asylum applications or appeals, to return to their country of origin. This statement gives details of progress to date.

Introducing a pilot programme to offer VARRP (Voluntary Assisted Return and Reintegration Programme) participants an additional £2,000 as either additional reintegration assistance or cash grants has increased the number of voluntary returns under this programme. There were 1,956 such returns between January-April 2006, and this represents an increase of 108 per cent. over the corresponding period in 2005.

A significant amount of work continues to promote voluntary returns, and there is to be a high level of interest to take up the scheme. We have decided to extend the scheme for a further six months, during which time IND and IOM will undertake additional analysis of the results of the pilot scheme to assist in developing the most appropriate level of incentive in future voluntary return programmes.

Only those who applied for asylum before 1 January 2006 can benefit from the enhanced package of reintegration assistance, and they must leave the UK between 1 July and 31 December 2006 in order to qualify.

INTERNATIONAL DEVELOPMENT

Indonesia Earthquake

The Secretary of State for International Development (Hilary Benn): On the morning of 27 May at 5.54 am, Indonesians living on the island of Java suffered an earthquake measuring 6.3 on the Richter scale. The epicentre was near the southern coast of the island, approximately 37 kilometres south of Yogyakarta.

Initial estimates by the Government of Indonesia are that some 6,000 people were killed. More than 45,000 people have been injured and some 140,000 homes have been damaged or destroyed, leaving at least 200,000 people displaced.

DFID's Humanitarian Response Team was immediately made aware of the earthquake and began collecting information and assessing the need for assistance. The Government of Indonesia confirmed that it was taking responsibility for the national response and overall co-ordination and it did not appeal for international assistance. However it made it clear that offers of assistance would be welcome. I immediately announced £1 million in support of the International Federation for the Red Cross and Red Crescent Societies and £3 million in support of the United Nations agencies. UK search and rescue teams were put on standby but were not needed, with search and rescue being carried out by local survivors and Indonesian rescue teams. A two person assessment team from DFID deployed to Indonesia on 28 May and based themselves in Yogyakarta from where they carried out assessments and met with partner organizations. The team is now in Jakarta and will return to London by the end of this week.

On Friday 2 June, I announced another £1 million to go to NGOs working on the ground in Java, bringing DFID's total commitment to the relief effort to £5 million. This will contribute to health and shelter, and help people to restore their livelihoods. We are also contributing some €600,000 as the UK's share of €3 million from the EC.

The Indonesian and international relief effort is well under way. The Indonesian Government have pledged $115 million, including $10 million for emergency response and $105 million for rehabilitation and reconstruction. The UN issued its Emergency Response Plan on 2 June, detailing its planned activities for the next six months.

With the support of DFID and other donors, national and international relief bodies working in Java are able to cope with the relief needs. As the need for longer term rehabilitation and reconstruction funds becomes clearer, DFID will be looking to see where it can provide further support. We will also continue to monitor volcanic activity on Mount Merapi, which was of concern prior to the earthquake.

Further information on the emergency response can be found on DFID's website at: www.dfid.gov.uk.

WORK AND PENSIONS

National Insurance Numbers

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): From July 2006 the Department for Work and Pensions will introduce a "right to work" condition into Jobcentre Plus's National Insurance Numbers (NINOs) allocation and decision making process for employment related applications. Regulation 9 of the Social Security (Crediting and

Treatment of Contributions, and National Insurance Numbers) Regulations 2001 will be amended to enable this change.

Any individual applying for a NINO in connection with employment who does not have the right to work here legally will be refused one. This change follows a review conducted by the Department of the existing legislation governing the allocation of NINOs.

Previous regulations since the 1948 Act was introduced establishing the National Insurance system have never included a "right to work condition". NINOs were never designed to act as evidence of an individual's identity or to confirm that people have the right to live or work in this country. Current legislation requires employers to check that an individual has the right to work under section 8 of the Asylum and Immigration Act 1996.

Written Ministerial Statements

Tuesday 6 June 2006

TREASURY

Finance Bill Measures

The Paymaster General (Dawn Primarolo): Amendments will be tabled to schedule 6 to the Finance (No 2) Bill 2006 for Report stage to block a tax avoidance scheme used by companies and others to obtain relief against corporation tax or income tax for the capital element of loan repayments.

The scheme involves arrangements which in substance are loans and are accounted for as financial arrangements but in form involve the transfer of expected income or payment streams in exchange for a lump sum, with the income or payments continuing until they equal the amount of the lump sum plus interest.

The income transferred is not taxed on the transferor, so the effect is that relief is obtained for repayments of capital as well as interest.

The measures to be included in the Bill will treat the transferor for tax purposes as if it had taken out a conventional loan, so that relief will only be given for the interest element. Any chargeable gain arising on the transfer will be disregarded. It will also apply to more complex schemes where the income is shifted by adjusting partnership profit shares.

The legislation will replace the rent-factoring rules in section 43A to 43G ICTA.

Further details of the measure with draft legislation and explanatory notes are published on the HMRC website. The measure has effect in relation to transfers taking place on or after 6 June 2006. It will also apply to transfers that have taken place before that date but will only have affect in relation income or payments arising on or after that date.

ECOFIN 7 June

The Chancellor of the Exchequer (Mr. Gordon Brown): Items on the agenda are as follows:

Enlargement of the Euro area—ECOFIN will discuss the convergence reports prepared by the Commission and the European Central Bank as well as the draft Council decision to abrogate Slovenia's derogation for fulfilling the necessary conditions for Economic and Monetary Union Membership.

EU-US Dialogue: Preparation of the EU-US Summit—Ministers will discuss economic issues in the run up to the EU-US summit on 21 June in Vienna. The Commission is also expected to report on the EU-US financial markets regulatory dialogue.

VAT—Presidency will seek agreement on its proposed package to modernise the VAT system, including a proposal on "Place Of Supply of Services".

Combating Tax Fraud—Ministers will hear an oral presentation from the Commission on combating tax fraud, and will consider Council conclusions on further action to combat fraud in this field.

Company Tax—ECOFIN will discuss a Communication from the Commission examining company tax obstacles inhibiting the functioning of the internal market.

Code of Conduc— ECOFIN will consider a report from the code of conduct group on business taxation, which is chaired by the Paymaster General, on its work during the Austrian presidency.

COMMUNITIES AND LOCAL GOVERNMENT

Draft Marine Minerals Dredging Regulations and Procedural Guidance

The Minister for Housing and Planning (Yvette Cooper): I have today issued a consultation paper, "Draft Marine Minerals Dredging Regulations and Procedural Guidance". This seeks comments on a proposed statutory scheme of regulation, which will formally transpose the Environmental Impact Assessment (EIA) and Habitats Directives, in relation to marine minerals dredging in waters around England and Northern Ireland. Subject to consultation comments, we are hoping that the final Regulations implementing the new statutory scheme will come into force by the end of 2006.

The Crown Estate owns most of the seabed out to the 12 mile territorial limit and has rights to all the non-energy minerals within the remainder of the UK share of the Continental Shelf. It currently licences marine minerals dredging from the seabed under its control on a commercial basis, but only if a favourable Government View (GV) on the environmental acceptability of the proposal has first been issued by the Secretary of State for Communities and Local Government. The GV procedure is a voluntary, informal process which already incorporates the various requirements of the EIA and Habitats Directives. The proposed Regulations will replace this informal procedure and formally transpose the Directives.

Separate Regulations transposing the Directives in relation to marine minerals dredging in Scottish waters and Welsh territorial waters are, respectively, being prepared and are intended to be prepared by the Scottish Executive and Welsh Assembly Government.

Copies of the consultation paper are being sent to a wide variety of organisations including marine dredging companies, organisations representing the fishing industry, environmental and amenity groups, coastal local authorities, Government Departments and agencies. Copies have been placed in the Libraries of both Houses. The paper is also available on the Department for Communities and Local Government website at: www.communities.gov.uk. The consultation period ends on Monday 28 August 2006.

DEFENCE

Hercules Integrated Operational Support Contract

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): To better support the RAF Hercules fleet a contract was awarded by the Ministry of Defence on the 30 May to Marshall of Cambridge Aerospace Ltd. valued at £1.52 billion. This contractual arrangement will provide integrated operational support over the next 20 years, saving in excess of £171 million for the defence budget. The contract represents a "partnered" approach, as envisaged in the defence industrial strategy, bringing together industrial collaboration with Lockheed Martin and Rolls-Royce, the Defence Logistics Organisation and the RAF. It will enable MOD to sustain the Hercules fleet as a key support to our operational activities.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

State Veterinary Service

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): I have set the State Veterinary Service (SVS) the following performance targets for 2006-07.

1. To contribute to the implementation of the Animal Health and Welfare Strategy for Great Britain by:

Carrying out surveillance and monitoring programmes to agreed standards.

Facilitating the development of regional action plans in England and supporting specific programmes in Wales and Scotland.

2. To implement specific animal and public health policies:

Scrapie: to contribute to a reduction in the level of Scrapie through the Ram Genotyping Scheme and the Compulsory Scrapie Flocks Scheme.

BSE: to identify and locate all traceable animals suspected of being exposed to BSE infection and prevent them from entering the food chain within agreed response times.

Bovine TB: to implement the surveillance testing and control regime to agreed standards in order to quickly identify and remove infected cattle, reducing the risk of transmission to animals and humans.

3. To strengthen emergency preparedness by:

Implementing a coordinated programme of large-scale contingency planning exercises involving operational partners.

Meeting agreed standards of readiness and resilience as set out in the Emergency Readiness Management Assurance Scheme by March 2007.

Enhancing poultry culling capability to agreed levels by September 2006.

4. To protect animal welfare by:

Responding to urgent welfare complaints by visiting the premises within one day.

Taking appropriate remedial action in all known cases where farmed welfare law has been breached but no unnecessary pain or unnecessary distress has occurred ('C' scores).

Ensuring that in cases where unnecessary pain or unnecessary distress is disclosed ('D' scores) the average time for resolution by the agency is no more than 21 days.

5. To facilitate international trade by:

Issuing 95 per cent. of export health certificates within agreed timeframes.

Issuing the necessary documentation for live cattle exports within agreed timescales.

6. To deliver business improvement by:

Benchmarking customer satisfaction levels and meeting key service standards.

Delivering the efficiency savings profiled for 2006-07.

Further details are given in the SVS business plan for 2006-07 copies of which will be placed in the Libraries of both Houses.

Centre for Environment, Fisheries and Aquaculture

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): The following performance targets for 2006-07 have been set for the Centre for Environment, Fisheries and Aquaculture (CEFAS).

SCIENCE

1. Fulfil commitments on time, within budget and to agreed standards of quality: Delivery of R&D milestones to exceed 90 per cent. score.

2. Enhance scientific capability and reputation: Achieve high standard of excellence based on indicators of scientific and technical quality with an overall score to exceed 75 per cent.

CUSTOMERS

3. Provide a high standard of services to the satisfaction of customers: Customer Satisfaction Survey overall score to exceed 82 per cent.

ORGANISATIONAL EFFICIENCY

4. Recover the full cost of our services and invest for the future: 100 per cent. cost recovery.

5. Operate with simple, reliable and effective processes: Achieve agreed Gershon Efficiency Plan savings.

PEOPLE

6. Respect and help the agency's people to develop: Annual staff survey satisfaction score to exceed 63 per cent.

Further details are given in the CEFAS business plan 2006-07, copies of which will be placed in the Libraries of both Houses.

HOME DEPARTMENT

Animal Procedures Committee

The Parliamentary Under-Secretary of State for the Home Department (Joan Ryan): On behalf of the Home Secretary and the Minister for the Department of Health and Social Services and Public Safety for Northern Ireland, I am very pleased to announce the appointment of Dr. Peter Hunt and Dr. Mark Prescott as members of the Animal Procedures Committee from 1 April 2006, each for a four year term. Dr. Hunt is Biological Standards Officer at Cardiff University. He has experience in promoting and implementing the replacement, refinement and reduction in the use of animals in scientific procedures (the "three Rs"). Dr. Prescott is a programme manager at the National Centre for the three Rs. He has expertise in animal welfare, primatology and a strong interest in alternatives to the use of animals in scientific procedures. I welcome the contribution that each will bring to this important advisory Committee.

NORTHERN IRELAND

Oversight Commissioner's Report

The Parliamentary Under-Secretary of State for Northern Ireland (Paul Goggins): I have today laid before this House a copy of the Oversight Commissioner's first statutory report for the year 2006 which is being published today, in accordance with section 68(4)(a) of the Police (Northern Ireland) Act 2000.

This is the latest report compiled by Al Hutchinson as Oversight Commissioner and the sixteenth in the series of oversight reports published since 2001.

I welcomed the opportunity yesterday to hold my first meeting with Oversight Commissioner and discuss the contents of this report.

PRIME MINISTER

Civil Service Code

The Prime Minister (Mr. Tony Blair): The Cabinet Secretary and the First Civil Service Commissioner are today launching a new civil service code. This follows a 12-week period of consultation on a draft code in which over 2,150 responses were received.

The civil service code was introduced in 1996, largely based on a draft provided by the Treasury and Civil Service Committee, and sets out the duties and responsibilities of civil servants. The new code is the result of work between the Government and the Civil Service Commissioners. The aim has been to make the new code more relevant and accessible to all civil servants, whatever their jobs and wherever they work. It is also more outward facing in terms of customers of public services than the previous version.

The new code also provides for the independent Civil Service Commissioners to take a complaint direct from a civil servant.

Copies of the new code, together with a summary of responses received in response to the consultation exercise, will be placed in the Libraries of both Houses.

Surveillance Commissioner

The Prime Minister (Mr. Tony Blair): I am pleased to announce that I have approved the appointment of the right hon. Sir Charles Mantell as a Surveillance Commissioner in accordance with section 91 of the Police Act 1997.

The appointment will be from 1 July 2006 until 30 June 2009. The remit of each Surveillance Commissioner covers the whole of the United Kingdom so that any Surveillance Commissioner can act in jurisdictions other than his own.

TRADE AND INDUSTRY

EU Telecoms Council

The Minister for Industry and the Regions (Margaret Hodge): I will be representing the UK at the Telecoms Council in Luxembourg on the afternoon of 8 June 2006. This is the only Telecoms Council under the Austrian presidency of the EU.

The first item on the agenda will focus on EU e-Government policy. In response to a recently published Commission e-Government action plan, the presidency have prepared a set of Council conclusions looking at the priorities that need to considered in the area of e-Government policy. I intend to endorse these Council conclusions which are compatible with the UK Government's Transformational Government Strategy.

The presidency will then introduce a policy debate on the future challenges for the electronic communications regulatory framework. This anticipates the Commission's forthcoming review of the regulatory framework for electronic communications markets. A Communication on this issue is expected in July and negotiation will formally begin under the German presidency. I will highlight some of the specific challenges that the UK would like to see addressed in the review of the framework. In particular, I plan to stress the need for effective implementation of the existing regulations and the importance of striking the right balance between maintaining competition, encouraging investment and protecting consumers.

The Austrian presidency may also informally ask for the views of Ministers on the Commission's forthcoming International Mobile Roaming Regulation. If they do, I will present the UK's initial views on this dossier, that we support the objective of reducing charges to consumers but have reservations about the Commission's approach on the regulation of retail prices.

There will then be a short exchange of views on network and information security issues. If time allows, I may intervene under this agenda item to highlight the importance of discussions on this key issue and the need to consider carefully the most effective and proportionate way to address security concerns.

Finally, under "Any Other Business", the Commission will provide some information on the first annual report on the i2010 strategy and on their recently published Communication on the World Summit on the Information Society. I do not expect to intervene under either of these items.

EU Competitiveness Council

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): My noble Friend the Parliamentary Under-Secretary of State for Science and Technology (Lord Sainsbury of Turville) has made the following ministerial statement:

I attended the Competitiveness Council in Brussels on 29-30 May. The first day was chaired by Martin Bartenstein, Austrian Minister for Economics and Labour, with Ursula Haubner, Austrian Minister for Social Security and Consumer Protection chairing the consumer items.

DAY 1 MONDAY 29 MAY

The first day was dominated by negotiations on the services directive, which started over lunch and continued into the evening. The other main items on Monday were discussions on Consumer Credit, Sustainable Development and Better Regulation.

Services Directive

The Council reached a political agreement on a common position on the Draft Services Directive, with

the UK voting in favour. Lithuania and Belgium abstained. The agreement was based largely on the European Parliament's first reading opinion and the Commission's subsequent amended proposal, modified to take account of member states' views in particular on the scope of the directive and on the country of origin principle. The revised proposal also contains stronger screening mechanisms, which oblige member states to review their legislation against the "better regulation" criteria in the directive.

Better Regulation

The Council took note of a presidency progress report on Better Regulation. The report gave a short account of work in progress under the Austrian presidency as regards impact assessments, simplification of legislation, screening of pending legislative proposals and assessing and reducing administrative costs. I welcomed the progress made by the Commission and the presidency in taking forward this important agenda and I led member state interventions by stressing the need to match rhetoric with action, in particular on special provisions for SMEs and setting targets for reducing burdens. A number of other member states also emphasised the importance of driving forward the Better Regulation agenda.

Sustainable Development

The Council held a policy debate on the review of the EU Sustainable Development Strategy. The strategy is being discussed in a number of formations of the Council, including the Energy and Environment Councils, with a view to reaching agreement at the European Council meeting on 15 and 16 June. The presidency had circulated a set of questions in advance of the Council to which member states responded in writing. The presidency provided a summary of these responses in the Council meeting.

Consumer Credit

The Council held a policy debate on a draft "Directive on Consumer Credit". Again, the presidency had circulated a number of questions in advance of the Council to which member states responded in writing. The questions were on harmonisation, early repayment and cross-border comparability of consumer credit agreements. The discussion in the Council focused primarily on the central question of maximum harmonisation and mutual recognition within the directive. I welcomed the objective of opening up the single market in consumer credit, but emphasised that any directive would have to maintain levels of consumer protection, and should be based on a rigorous analysis of costs and benefits.

AOB agenda items:

The Council took note of information from the Polish delegation on EU import duties on primary aluminium: requesting the Commission to suspend import duties on raw aluminium. I supported this request along with a number of other member states.

On Euro V, the Council took note of information from the French delegation concerning the proposal for a Regulation aimed at limiting emissions from light vehicles. Several delegations intervened in support of the French delegation.

On Public Procurement, the Council took note of the information provided by Germany (along with France and Austria) asking the Commission to withdraw its draft interpretative communication on regimes for below-threshold procurements. I supported this request, along with a number of other member states.

The presidency gave short reports about conferences on REACH (Registration, Evaluation and Authorisation of Chemicals), Consumer Protection and Tourism. It also noted presentations by the presidency on Clusters, and by Commission Vice President Gunter Verheugen on the communication "A new tourism policy: towards a stronger partnership for European tourism".

DAY 2 TUESDAY 30 MAY

The second day was devoted to research and space business. Elisabeth Gehrer, Austrian Minister for Education, Research and Culture chaired the Seventh Framework Programme (FP7) items. Hubert Gorbach, Austrian Vice Chancellor and Federal Minister for Transport, Innovation and Technology chaired the space item.

A General Approach was agreed on the draft Regulation laying down the Rules of Participation for the FP7. The UK voted in favour.

The Council also reached agreement on a general approach on the FP7 for research and technology development. The UK voted in favour. The Council also considered the Euratom framework programme, but did not reach agreement.

Lunch and other AOB items:

The Council took note of information from the Commission on its recent communication on modernising universities and on ITER but there was no discussion.

On Space Policy, the Council took note of information by the presidency on the main results of a conference on GMES (Global Monitoring for Environment and Security System) which was held in Graz on 19-20 April, as an input for the future elaboration of the European Space Programme. The Council also took note of information by the Commission on the state of play concerning developments towards European space policy and the roadmap foreseen for future developments in this area.

EU Energy Council

The Minister for Energy (Malcolm Wicks): There is an Energy Council in Luxembourg in the morning of 8 June, at which the UK will be represented.

Informal discussion at the pre-Council dinner on 7 June will cover the European Commission's Green Paper: "A European Strategy for Sustainable, Competitive and Secure Energy", published on 8 March. The need for a new European Energy policy was one of the main agreed outcomes from discussion between EU Heads of Government at Hampton Court last October during the UK's presidency of the EU. Before the Council, the UK intends to submit its initial written response to the Green Paper. The UK's final response to the Green Paper will await the conclusions of the UK's domestic energy review.

The main substantive item on the main Council agenda will be the internal energy (electricity and gas) market, on which Ministers will have a policy debate. The presidency has prepared questions to guide the debate and Ministers will be asked to agree Council conclusions on progress on the single market's implementation. The proper functioning of the single

market in electricity and gas is a high priority for the UK. This item is expected to take up the bulk of the Council's time.

Under the agenda item of sustainable energy production and consumption, Ministers will be asked to agree Council conclusions on the Commission's Biomass action plan. Under the same heading, the Commission will provide information to the Council on two energy efficiency initiatives: the consultation process on the Commission's "Energy Efficiency" Green Paper and negotiations for an agreement between the US and European Community on the coordination of energy-efficient labelling programmes for office equipment (Energy Star II).

The presidency or Commission will also provide information on International Relations in the field of Energy, encompassing the conclusion of the Energy Community Treaty and the EU's relations with OPEC and with Russia.

TRANSPORT

Portable Security Barriers (London Stations)

The Secretary of State for Transport (Mr. Douglas Alexander): The UK's railway system is a network made up of 2,500 stations and 11,000 miles of track. It carries one billion passengers a year. The British public understand that an aviation-style closed security system on a rail network of this size is unworkable.

However we must still aim to cut down the risks as much as possible, whilst still allowing people to go about their day to day business.

No single security measure is either foolproof or capable of mitigating every threat so we need to examine a range of available measures. It is therefore important that we not only consider both existing and emerging security solutions, but that we subject them to trials in authentic environments to see how effectively they can contribute towards keeping our networks as safe and efficient as possible.

We announced on 10 March 2005 that the Department for Transport had identified a package of short, medium and long-term measures to enhance rail counter-terrorist security.

As part of continuing work to investigate new ideas and ways of improving current measures, we intend to carry out two trials—at Waterloo and Victoria stations—to test the practicalities of deploying and maintaining portable access control barriers in an operational environment. These trials are scheduled to start during June and will last for about 11 weeks.

The sites for these trials were selected following consultation with the British Transport Police, and with Network Rail and the suppliers of these barriers we developed layout arrangements and deployment methodologies tailored to each site. However the objective is to cause minimal disturbance to the station's operations and the flow of passengers throughout the day.

I wish to emphasise that these trials are part of a much broader package of work being carried out by my Department and other stakeholders to determine practical and pragmatic solutions for the short and long-term protection of the public at rail stations. They are not in response to any specific threat information nor should they be viewed as indication of a heightened threat level.

The sole purpose of these trials is to test the application of the barriers in a genuine rail environment. They are not direct measures to enhance security at these stations. No decisions have been taken on the future use of this equipment, and the data and feedback we gain during the trials will inform the broader package of work to which I referred.

Night-Flying Restrictions (Heathrow, Gatwick and Stansted)

The Secretary of State for Transport (Mr. Douglas Alexander): The former Parliamentary Under-Secretary of State for Transport announced publication of the second stage of a consultation exercise on night restrictions to apply at Heathrow, Gatwick and Stansted airports from October 2005 until the end of the summer season 2012, 9 June 2005, *Official Report*, column 58WS. That consultation paper took into account all relevant responses to the stage one consultation paper issued on 21 July 2004.

The stage 2 consultation paper also announced our intention to extend the current night restrictions regime for a further year to end on 29 October 2006. This decision was confirmed, when the former Parliamentary Under-Secretary of State for Transport announced the movements limits and noise quotas to apply for the summer 2006 season, 15 December 2005, *Official Report*, column 177WS.

I have now decided on the restrictions that will apply from 29 October 2006 to October 2012. Full details of the decision and the reasons for it are set out in the document "Night Flying Restrictions at Heathrow, Gatwick and Stansted" including Annex A, the final Regulatory Impact Assessment, and Annex B, Assessments to comply with European Directive 2002/30, copies of which have been placed in the House Library.

The decision takes account of all the responses that we received to the consultation. In order to remove uncertainty on an element which had given rise to particular concerns, the Parliamentary Under-Secretary of State for Transport announced on 8 May 2006, *Official Report*, columns 61-62 that we had decided not to increase the night-time movements limits at Heathrow during the period 2006 to 2012. This is but one aspect of the full decision that I am publishing today.

As in the previous regime, the new night restrictions regime for Heathrow, Gatwick and Stansted recognises both a night period, 2300-0700 hours, and a night quota period, 2330-0600 hours. During the whole of the night period, the noisiest types of aircraft (classified as QC/8 or QC/16) may not be scheduled to land or to take off and they are effectively banned from doing so (other than in the most exceptional circumstances) in the night quota period. The next noisiest types (QC/4) may also no longer be scheduled to operate in the night quota period. In addition, during the night quota period movements by most other types of aircraft (including the new QC/0.25 category) will be restricted by a movements limit and a noise quota, which are set for each season. The seasons change with the clocks.

Unlike previous night restrictions regimes, the new restrictions take account of environmental objectives and specific noise abatement objectives for each airport. These objectives have been decided following consultation and are an integral part of my present decision. The objectives are set out in the document "Night Flying Restrictions at Heathrow, Gatwick and Stansted". The decision also includes the requirement for the airports to adopt the specified night-noise-related criteria to determine which residents should be offered sound insulation to be paid for or contributed to by the airport.

I consider that for each airport the decision strikes the appropriate balance between the need to protect local communities from excessive noise and the benefits that services can bring to the national, regional and local economy.

The restrictions will be implemented by notice under section 78 of the Civil Aviation Act 1982.

WORK AND PENSIONS

Ocupational Pensions

The Secretary of State for Work and Pensions (Mr. John Hutton): I have placed copies of the Government's full response to the Ombudsman's report in the Library.

Remploy Review

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): On 16 March I advised Parliament of my intention to engage consultants to conduct a strategic review of the future business options for Remploy Ltd., in the context of the Government's strategy for supporting greater numbers of disabled people into employment. PricewaterhouseCoopers were subsequently appointed to carry out the review working with Stephen Duckworth of Disability Matters.

The consultants have provided regular updates to me and were due to present their final report on 31 May. However, before they submit their final report, I have asked the review team to do some more detailed work. This is to ensure that we are in the best possible position to be able to make robust decisions about Remploy's future in full knowledge of the implications of those decisions.

While this will prolong uncertainty for Remploy employees, it would be wrong to make decisions that will impact on their future—and the many more disabled people we want to help into work—without all the relevant information and proper consideration of the implications of decisions. I will make a further statement before the summer recess.

Written Ministerial Statements

Wednesday 7 June 2006

LEADER OF THE HOUSE

Business Questions - New Hospital Schemes (Correction)

The Leader of the House of Commons (Mr. Jack Straw): During business questions on Thursday 25 May, in response to a request for a debate on the White Paper on community health services from the right hon. Member for Maidenhead, (Mrs. May), I said

"Since we came to office, one of the many records of which I am proud is the increase of 33,000 in the number of doctors, including general practitioners, the increase of 85,000 in the number of nurses, and the 132 new hospitals that have been opened." [*Official Report*, 25 May 2006; Vol.446, column 1635.]

The figure of 132 relates to the total number of Public Finance Initiative (PFI) hospital schemes going ahead. A total of 72 schemes are now open (53 PFI schemes and 19 public capital schemes) and another 32 schemes (29 PFI schemes and three public capital schemes) are under construction. There is a total of 156 hospital schemes going ahead worth a total of £19.2 billion and the Government are on course to meet the NHS Plan target of 100 new hospital schemes by 2010. I apologise to the right hon. Lady and to the House for this inadvertent error.

COMMUNITIES AND LOCAL GOVERNMENT

Decent Homes Announcement

The Secretary of State for Communities and Local Government (Ruth Kelly): I am today announcing the final bidding round of our decent homes programme. Applications for the 2006 housing transfer programme and the final round for new arm's length management organisations (ALMOs) will need to be submitted by 31 July 2006.

This is a key milestone in a major Government programme to improve the quality of social rented housing. In 1997 we were faced with 2.2 million social tenants who lived in homes that were not decent. More than 500,000 council tenants did not have central heating, 2 million did not have double glazing and 1.2 million were in fuel poverty.

The decent homes programme already has reduced the number of non-decent homes by 1.2 million and many more have had improvements to their homes. By 2010 a total of 3.6 million homes will have been refurbished under the programme as additional homes have faced deterioration since 1997. Around 8 million people will have seen their homes transformed.

The Government have increased by 30 per cent. in real terms the amount of money being spent directly by local authorities on refurbishing and improving council homes. This year it is about £1,100 per home compared with a spend equivalent of £800 in 1997. Over 90 local councils are able to make all their homes decent as a result of this investment.

On top of this the ALMO programme has provided an extra £3.7 billion since 2002 to help to date a further 56 areas to improve council homes. In total councils have invested over £20 billion since 1997 in improving the homes they own, using the investment provided by Government.

In addition £7.4 billion of private funding has been levered through stock transfer and private finance initiatives.

Work in hand and schemes already in place on our ALMO, transfer and PFI programmes will mean that around 95 per cent. of social housing will meet the decency standard by 2010, transforming the lives of tenants up and down the country. The majority of these improvements will have been in the most deprived areas.

Today we are announcing further support for the additional homes that are not covered by the current programme. The final bidding round will enable councils that have selected ALMO or transfer in the options appraisal process to bid for a place on the relevant programme. Bids will need to be received by 31 July. A bidding round for PFI has already taken place.

The decent homes programme has resulted in much greater tenant involvement in decision making about their homes. Tenants have participated in options appraisals and are board members of ALMOs and housing associations set up through transfer.

We now wish to go further in supporting greater tenant involvement in the management and ownership of their homes. Therefore, as part of this bidding round, we will promote consideration of options such as community gateway, community mutual approach and community land trusts as additional ways to meet the decent homes target and go beyond the target in future. Where local authorities with their tenants want to take forward tenant ownership options for transfer we will consider extending the date for submitting their bid beyond 31 July.

We recognise that the decent homes programme needs to support the creation of decent communities. In many areas the decent homes programme has already made a real difference to the lives of tenants by modest improvements to essentially good quality housing alongside improved services, helping to create sustainable mixed communities. But more radical solutions are required to transform some of the poorest neighbourhoods.

A number of local authorities and housing associations have already embarked on transforming such areas into mixed communities, harnessing the impetus of the decent homes programme and the better use of their assets alongside other funding streams. The review of housing and regeneration which includes the roles of the Housing Corporation and English Partnerships is looking at ways to extend and strengthen these programmes. All

engaged in this transformation know it takes time to get it right; major change cannot be achieved in a few years.

We also want to see greater investment in new build programmes in local areas. Local authorities, ALMOs and stock transfer housing associations need all to play a greater role in increasing supply as well as managing existing homes. We are exploring ways to give excellent local authorities and local authorities with three star ALMOs greater flexibility to use their own resources to build and own homes for rent and to increase affordable homes to buy in their areas.

The decent homes programme is making good progress. The vast majority of social landlords will be expected to ensure all homes are decent by 2010. But we will negotiate individual delivery timescales to allow some areas to continue beyond 2010 where they are starting late on the programme, or where additional time is needed to ensure value for money, deliver mixed communities and the right balance of refurbishment and new build.

This bidding round will be the last within the decent homes programme. In future we want decisions on investment in improving social housing to be considered alongside decisions on the other investment necessary to deliver sustainable mixed communities, and not as a separate programme. We want councils, residents and local partners, such as ALMOs and RSLs, to have more flexibility on local housing decisions. Local area agreements could offer the opportunity to do this and to introduce greater flexibility for local authorities on how to achieve different priorities and explore different models for managing homes and encouraging new social housing. We will explore how to achieve this in the long term as part of the comprehensive spending review.

We want to explore the idea of allowing some excellent local authorities and local authorities with thee star ALMOs to operate their finances outside the housing subsidy system. We believe this approach has potential to introduce the right incentives to secure this sustainability of investment. But the approach also has costs and risks both for Government and for local authorities. We intend to build on the work already done by inviting a small number of excellent local authorities and local authorities with three star ALMOs to work with the Government to establish in detail the costs and benefits of this approach and to determine whether greater value for money could be achieved. This work will be conducted as part of the CSR.

The ALMO review also raised a number of other issues which impact on the successful operation of ALMOs. The Government are publishing the outcome of the review today at: http://www.communities.gov.uk/decenthomes.

We are also publishing today a discussion paper that sets the decent homes programme in its broader context at: http://www.communities.gov.uk/decenthomes.

We want to use this document as the basis for stakeholder engagement over the coming months to bring together ideas that we can consider in CSR07. The discussion paper specifically seeks views on: getting the most out of existing housing revenue account assets; ways in which local authorities can be involved in planning for affordable housing and playing the biggest role it can in generating new investment; and barriers that prevent tenants from having a greater role in management and ownership of social housing.

EDUCATION AND SKILLS

New Ofsted Board

The Secretary of State for Education and Skills (Alan Johnson): The Education and Inspections Bill which is currently before Parliament will make provision for an expansion of Ofsted's remit, creating a single inspectorate for Education, Children's Services and Skills. The new Ofsted board is the centrepiece of the robust modernised governance arrangements the enlarged inspectorate needs to support and hold the Chief Inspector to account in delivering the responsibilities of the office. The board will be responsible for determining the strategic priorities for the Chief Inspector, setting the strategic objectives and targets relating to these priorities and securing that the Chief Inspector's functions are performed efficiently and effectively.

Appointment of a Chair and members to form the non-executive board needs to be undertaken soon to ensure that the board is in place to oversee a smooth transition to the new Ofsted and that public confidence in the inspectorate is maintained during this important period.

Parliamentary approval for any additional resources for the new governance arrangements will be sought in a supplementary estimate for the Department for Education and Skills. Pending that approval, urgent expenditure estimated at £85,000 will be met by repayable cash advances from the Contingencies Fund to start the process for putting in place these new governance arrangements.

TRANSPORT

Transport Grant and Advice Programmes

The Minister of State, Department for Transport Dr. Stephen Ladyman): The Government are committed to encouraging cleaner fuels and vehicles with policies that deliver for the environment and for the taxpayer. I have reviewed how best to invest the £40 million earmarked in the Department for Transport's budget for environmental grants and advice over the next two years. The full budget will remain allocated for green transport initiatives and will be refocused. The detailed development of the initiatives will be taken forward as part of the powering future vehicles strategy review this year.

I will introduce a new communications campaign to promote consumer information on buying greener vehicles and on eco-safe driving. The campaign will also target businesses by promoting the benefits of workplace travel planning. The campaign will be developed in consultation with key stakeholders.

I will provide additional funding for the freight best practice programme, including the safe and fuel efficient driving scheme for van drivers. This will train another 4,000 drivers in fuel efficient driving techniques, provide for another 400 fuel efficiency reviews and increase dissemination of advice in the van sector similar to that for truckers. Analysis in the climate change programme review showed investment in this initiative is effective and offers value for money.

I will refocus support for workplace travel planning, to work more effectively with business and encourage wider adoption of voluntary travel plans. These plans have the potential to reduce commuter car driving by 10 to 30 per cent. As a first step I will re-launch and expand the ground floor partners network (of major private sector companies with an interest in travel plans) in the autumn to support and encourage more employers to develop travel plans and to promote them to business groups.

I will also provide funding to explore the feasibility and value for money of a range of programmes, including a bus fleet advice programme aimed at improving the environmental performance of the UK's bus fleets, and a green transport accreditation programme for UK companies that implement best practice and show improvements in the environmental performance of their transport operations.

I will continue with the three existing green transport programmes funded by the Department and managed by the Energy Saving Trust: the low carbon research and development grant programme, the Infrastructure grant programme and the green fleet review programme, which provides advice to car fleet managers.

I have decided not to implement the low carbon car, low carbon bus, air quality retrofit and enhanced environmental vehicle grant programmes on the grounds that, if implemented, they would not achieve market transformation or provide value for money.

Regrettably, state aid rules limit the level of grant available to 30 to 40 per cent. of additional costs and it is clear that the level and number of grants available would not be sufficient to kick-start market transformation. The low carbon car programme could only provide grants for 8,500 low carbon cars a year—only 0.4 per cent. of the new car market—and sales of low carbon cars have been sustained despite the absence of grants for 18 months.

I am not persuaded that giving small grants for individual purchases will deliver significant emissions reductions or change the way we think about green transport. Not only do we need to promote the cleanest cars, we need to promote the cleanest in each class. Figures from the Society of Motor Manufacturers and Traders (SMMT) suggest that a reduction of up to 30 per cent. in average fleet CO_2 emissions would be achievable if every consumer chose the most fuel efficient vehicle in its category. There are clearly significant savings to be made. Our priorities need to be working with industry to see increasingly efficient cars brought to market and supporting targeted, clear and helpful advice to inform the choices people make when purchasing and driving a car.

Written Ministerial Statements

Thursday 8 June 2006

COMMUNITIES AND LOCAL GOVERNMENT

PPS22

The Minister for Housing and Planning (Yvette Cooper): On 9 February my hon. Friend the Minister for Energy informed the Standing Committee of the Climate Change and Sustainable Energy Bill that I would undertake an urgent review of local plans to determine whether there is a problem with emerging plans that do not fully incorporate PPS22 guidance. That review has now been completed.

The review has shown that in emerging new style regional spatial strategies and local development frameworks there has been a strong take-up of the policy in PPS22 on the use of on-site renewables in new developments. For those authorities preparing new plans where an appropriate stage in plan making has been reached, 26 out of 29 surveyed have devised policies to secure on-site renewables in new developments. The majority of them have set a requirement for 10 per cent. on-site renewables, where it is viable. Many of those at an earlier stage of developing their local development frameworks have not yet included PPS22 policies, although they still have time to do so. We strongly encourage them to do so. For those areas still completing old style plans, such as unitary development plans, policies on on-site renewables are less likely to have been included.

It is essential that all planning authorities follow this example and take account fully of the positive approach to renewables set out in PPS22 at the earliest opportunity in their plan-making. In particular the Government expect all planning authorities to include policies in their development plans that require a percentage of the energy in new developments to come from on-site renewables, where it is viable. Such policies have a vital role to play in reducing emissions, through the use of carbon-neutral energy sources. Local authorities who are now updating their plans through new local development frameworks should take the opportunity to update their policies in this area. The Government's forthcoming draft planning policy statement on climate change will be an opportunity to consider further how the planning process more generally can help combat climate change by extending the contribution of renewables from both on-site and off-site sources.

A more detailed breakdown of plans that were examined for this review of PPS22 policies has been published today on the DCLG website at: http://www.communities.gov.uk/index.asp?id=1500549 and is available in the Libraries of both Houses. I have instructed my officials to write to all chief planning officers enclosing a copy of this ministerial statement and to draw attention to the importance that the Government attach to such measures in tackling climate change.

CULTURE, MEDIA AND SPORT

Government Indemnity Scheme

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. David Lammy): The provision for the Government Indemnity Scheme is made by the National Heritage Act 1980. The scheme facilitates public access to loans of works of art and other objects for public display made to museums, galleries and other such institutions by private owners and non-national institutions. It does this by indemnifying lenders against loss or damage to objects they loan. Loans covered by the scheme must be for public benefit. The scheme also covers loans of such objects for study purposes within borrowing institutions where this would contribute materially to the public's understanding or appreciation of the object loaned. Examples of this are enhancing interpretation or explanation to the public of objects, or bringing into the public domain the conclusions of any study.

The limit on the contingent liabilities which may be incurred in relation to the Government Indemnity Scheme for non-national museums and galleries in England approved by the Treasury in May 2004 was £1.2 billion. As a result of two major temporary exhibitions taking place in non-national museums and galleries and the high value of the objects included in those exhibitions, it has been necessary to temporarily increase the limit to £1.74 billion, effective from June 2006 until July 2006.

EDUCATION AND SKILLS

Chief Inspector of Schools

The Secretary of State for Education and Skills (Alan Johnson): I am pleased to announce that Christine Gilbert is to become Her Majesty's Chief Inspector of Schools in England with effect from 1 October 2006.

Ms Gilbert applied for the position of chief inspector through an open competition. She was recommended by the Secretary of State, on behalf of the Government, and appointed by Her Majesty in Council on 7 June 2006.

Maurice Smith, who currently holds the office, will continue as chief inspector until 30 September 2006.

Subject to the passage of the Education and Inspections Bill which is currently before Parliament, it is intended that Christine Gilbert, as the holder of the office of HM Chief Inspector of Schools in England, will become HM Chief Inspector of Education, Children's Services and Skills when the new Ofsted is established.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Agriculture and Fisheries Council

The Secretary of State for Environment, Food and Rural Affairs (David Miliband): I represented the United Kingdom at the Agriculture and Fisheries Council meeting in Brussels on 22 May 2006. The Parliamentary Under-Secretary, Ben Bradshaw, represented the UK for the fisheries item.

The Council held a policy debate on a proposal on organic farming, which aims to simplify and improve the structure of current regulations. All member states welcomed the proposal but could not agree on a number of points: the proposal to include mass catering and the obligation to use the EU logo or an EU organic indication. The Presidency noted the discussion and informed Council that two further working groups would now be held and that work on a compromise text would continue under the Finnish Presidency.

Sweden, formally supported by the Czech Republic and the UK, urged the Commission to relax import restrictions on olive oil to reduce recent high EU price rises caused by a drop in supply. The Commission noted that production in 2005 had been exceptionally low due to drought in Spain and would continue to monitor the situation.

The Commission noted that in several member states farmers had missed the deadline for single farm payment applications due to technical difficulties. The Commission would consider a derogation for these cases to avoid penalising farmers. A UK request is under consideration.

The Council adopted conclusions on the co-existence of genetically modified, conventional and organic crops.

The Health and Consumer Protection Commissioner presented a progress report on the status of the veterinary agreement between the EC and the Russian Federation. Significant progress has been made and memoranda have been signed on regionalisation and intra-Community transit and fraud.

Under any other business, the Council took note of a written update on Avian influenza H5N1 by the Commissioner for Health and Consumer Protection.

Over lunch, the Agriculture Commissioner urged the EU to press for a package in WTO agricultural negotiations. She said there would be no unilateral commitment by the EU but that failure to agree a package was not in the EU's interest.

The only fisheries item was the proposal for a European Fisheries Fund, on which the Council had hoped to reach political agreement. However, member states failed to reach agreement on a compromise and it is likely that this proposal will return to Council during the Finnish Presidency.

FOREIGN AND COMMONWEALTH OFFICE

General Affairs and External Relations Council

The Minister for Europe (Mr. Geoffrey Hoon): The General Affairs and External Relations Council (GAERC) will be held on 12 June in Luxembourg. My right hon. Friend the Foreign Secretary and I will represent the UK.

The agenda items are as follows:

GENERAL AFFAIRS

Preparation of the European Council on 15-16 June: Draft conclusions

We expect discussion of draft conclusions.

European Council declarations are also expected on the Middle East Peace Process, Iraq, Lebanon, Africa, the Western Balkans and Iran.

Enlargement (possible agenda item)

Ministers may be asked to consider the texts on the opening of first chapter negotiations (Science and Research) for both Turkey and Croatia as well as the text for the EU-Turkey Association Council. The UK is keen to see language which reflects the EU's support for the UN Cyprus settlement process.

The item may be taken off the agenda if agreement is reached at official level.

Migration

Spanish Foreign Minister Moratinos is expected to address the Council on Spain's work to address illegal migration from West Africa.

The Spanish are co-organising a regional conference with the French on migration and development in Rabat on 10-11 July to help manage migration flows from West Africa to the EU.

The UN high-level dialogue on international migration and development is also scheduled to take place in September. The UK looks forward to using this as a forum to showcase the EU's progressive record in this area and as an opportunity to identify ways to maximise the development benefits of voluntary legal migration and to minimise the risks.

European Union agency for fundamental rights (possible agenda item)

The Council will discuss the fundamental rights agency, with a view to reaching final agreement on the regulation.

EXTERNAL RELATIONS

Preparation of EU-US summit

Preparations for the 21 June EU-US summit are ongoing, with the presidency and Commission engaging the US on the draft declaration between now and the summit.

The presidency is likely to present a progress note at the Council.

Relations with the Western Balkans

We expect discussion at the Council to focus on Montenegro, relations with Serbia and possibly the transition arrangements for the Office of High Representative in Bosnia.

Draft conclusions are expected on the comprehensive review for Bosnia and Herzegovina, regional co-operation and the signature of Albania's stabilisation and Association Agreement, which is expected to take place in the margins of the Council.

Cuba

We expect Council conclusions on Cuba, reaffirming the Common Position, extending the suspension of the 2003 diplomatic measures and calling for greater practical support for civil society.

Iraq

We anticipate a short discussion of Iraq over lunch. This is likely to cover developments on the ground and ways in which the EU can continue to support the new Iraqi Government.

We expect Ministers to discuss and welcome the new Commission communication on EU-Iraq engagement, which is due to issue on 7 June.

The Council is also expected to consider draft European Council Declaration.

Iran

High Representative Solana and the E3 will brief on the E3+3 Foreign Ministers' meeting in Vienna on 1 June, and HR Solana's subsequent visit to Tehran.

Middle East Peace Process

The GAERC will consider the Middle East Peace Process declaration for the European Council. This is likely to welcome: the development of the temporary international mechanism (TIM) to support Palestinian basic needs directly; both sides' commitment to negotiations; and to call on the new Palestinian government to accept the 3 Quartet principles.

World Trade Organisation

Commissioner Mandelson is expected to update the Council on recent developments including the negotiations in Abu Dhabi on the EU/Gulf Co-operation Council Free Trade Agreement.

Sustainable Development

We expect the Council to confirm political agreement of the revised EU sustainable development strategy before forwarding the text to Heads of State for adoption at the June European Council. The UK's aim has been to see a single coherent strategy that effectively communicates the Community's internal and external sustainable development objectives.

AOB: International facility for the purchase of medicine

French Foreign Minister, Philippe Douste-Blazy, is expected to raise the French proposal for an international drugs purchase facility (IDPF) which aims to lower the cost of drugs for HIV/AIDS, tuberculosis and malaria, and improve the availability of these drugs.

In line with the UK/ France Communique at the Paris conference on innovative finance in February, we strongly support the IDPF and will work with France on the details as co-sponsor of the initiative, including the consultation process, to ensure the effectiveness of this proposal.

Climate Change

The Secretary of State for Foreign and Commonwealth Affairs (Margaret Beckett): In recognition of the increasing importance of the FCO network in delivering our climate change goals, I have looked again at our strategic international priorities, set out in the Government White Paper "Active Diplomacy for a Changing World: the UK's International Priorities", published in March. Climate change was covered in the White Paper and implicit in strategic priorities five and six. I believe that we need to emphasise its central importance to our international agenda by creating a new Strategic Priority. This will be:

"Achieving climate security by promoting a faster transition to a sustainable, low carbon global economy."

This wording is designed to draw attention to the outcome that the effort on climate change needs to achieve; and to underline the reality, which is not yet fully reflected in the priorities of foreign ministries worldwide, that climate change has become a core foreign policy challenge.

I am also announcing today the appointment of John Ashton as my Special Representative for Climate Change. His primary focus will be to build a stronger political foundation for international action on climate change, working to build consensus among key governmental and non-governmental actors in priority countries.

DEFRA will continue to lead our international work on climate change. But the new Strategic Priority and John Ashton's appointment will strengthen significantly the contribution the FCO can make.

HOME DEPARTMENT

London Bombings (Victim Support)

The Secretary of State for the Home Department (John Reid): I would like to announce that the Government are making an extra donation of £2.5 million to the London Bombings Relief Charitable Fund to give assistance to bereaved and the injured victims of the 7 July London Bombings.

The further support is being made on a special, one-off basis in recognition of the exceptional circumstances of the London bombings, rather than under the rules of the Criminal Injuries Compensation Scheme, which would require a change to legislation.

The London Bombings Relief Charitable Fund is an independent charity set up by the Mayor of London and the British Red Cross in the immediate aftermath of the attacks. Decisions on how the money is to be distributed will be made by its Trustees.

The Fund aims to distribute the money to the victims and bereaved as quickly as possible.

INTERNATIONAL DEVELOPMENT

UK Assistance (Ethiopia)

The Secretary of State for International Development (Hilary Benn): In a written statement on 24 January 2006 I informed the House that the UK, along with all other donors, had decided to withhold direct budget support to the Government of Ethiopia as a result of concerns about the governance and human rights situation following the elections in June last year.

I assured the House at that time that the UK remained committed to reducing poverty in Ethiopia and that we were looking at alternative ways to support poor people. I can now inform the House that I have approved £94 million for a new Protection of Basic Services Grant. Its objective is to maintain and expand basic services, such as primary schooling, basic health care, water supply and sanitation, and agricultural extension, in order to continue Ethiopia's slow but steady progress towards meeting the Millennium Development Goals while promoting transparency and accountability in the delivery of these services. It is also being supported by the World Bank, whose Board has just approved funding of $215 million (£123 million).

The project will provide for regular financial monitoring and reporting to ensure that funds are being allocated fairly and are being used for the agreed purposes. For the first time detailed budgetary information will be provided to citizens to increase local accountability. I hope that Civil Society organisations will play an important role in helping citizens to understand how money in the budget is allocated and what it is used for, and in bringing those responsible to account for spending decisions.

I have also recently approved £30 million for the Productive Safety Nets Programme for the current year to provide assistance to 7 million chronically food insecure households—the poorest people in the country. This programme removes the need for the annual emergency food appeal by providing poor people with predictable and guaranteed cash and food in exchange for work on public projects such as local roads and water schemes. During my visit to Ethiopia earlier this year, I was able to see for myself the way in which this programme was providing vital assistance to poor people to enable them to build better lives.

Improving the governance and human rights situation in Ethiopia has to be a priority for the UK. My colleagues and I continue to raise with the Government of Ethiopia the need to improve governance and human rights in the country, in the light of the criminal trial of some leading Opposition, media and Civil Society leaders on serious charges. We have urged the Ethiopian Government to ensure that the trials are fair, transparent and speedy, and are supporting the observation of the trial by an international jurist.

TRANSPORT

Rail Franchises

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): I am today announcing the publication of consultation documents for the new East Midlands, West Midlands and cross-country rail franchises. Copies of the consultation documents have been placed in the House Library and are available on the Department for Transport website at: www.dft.gov.uk.

On 18 October 2005, the Secretary of State announced that three new rail franchises would be created (East Midlands, West Midlands and a new cross-country) from four currently existing franchises (Central, Silverlink, Cross-Country and Midland mainline). The new franchises will begin operation on Sunday 11 November 2007.

The publication of the three documents begins the formal consultation process on the service levels the new train operators should provide. The documents are a consultation on the franchise specifications and seek views on the minimum service level the Department for Transport (DfT) will wish to procure. This consultation and the responses received will later inform the Invitation to Tender (ITT) that bidders for each franchise will be asked to bid against this autumn. Bidders will have to provide the minimum service levels the ITT sets out and will be able to propose additional services above this minimum subject to any operational constraints and affordability.

Our aim is to ensure that all three franchises build on the recent success of current operators. Passenger numbers on Britain's railway are growing, particularly on key routes served by these new franchises. We want to see those numbers continue to grow.

These new franchises are expected to meet current and future passenger demand and deliver a 2-5 per cent. increase in the number of trains operated per day. Bidders will also be required to build on recent performance improvements, and deliver value for money for both fare and taxpayers.

The documents propose service levels that will address crowding, allow for future growth and will put faster services in place on key routes. Passenger capacity will increase. On the cross-country franchise, DfT is proposing a timetable structure that allows bidders to put forward a substantial increase in capacity on key crowded trains. The Department expects bidders to propose additional carriages and longer trains on busy routes. Overall, the cross-country network is expanding with extra stations served. In particular, the consultation documents propose service levels that further capitalise on the £7.6 billion investment on the West Coast main line.

This is an important consultation that covers the provision of over 2,000 daily rail services. The consultation will run until 7 August 2006. Over the coming weeks the Department will be having extensive discussions with local interested stakeholders. It is important to ensure that these new franchises deliver further improvements for current and future rail passengers.

Transport, Telecommunications and Energy Council

The Minister of State, Department for Transport (Dr. Stephen Ladyman): I will attend the second Transport Council of the Austrian presidency which takes place in Luxembourg on 9 June.

The main items on the agenda are: the draft regulation on public service obligations in passenger transport, for which the Council will attempt to achieve a political agreement; the Commission's mid-term review on road safety; the proposal for the establishment of a joint undertaking to develop the new generation European air traffic management

system (SESAR); a progress report on air transport negotiations with the USA; and the draft proposals on vessel traffic monitoring and port state control.

The Austrian presidency has indicated that they will be aiming for the Council to reach a political agreement on the draft public service obligation (PSO) regulation. This would establish new rules for the payment of subsidy and the award of exclusive rights for public passenger transport services by rail and by road.

In the negotiations to date we have secured some changes to ameliorate potentially adverse effects on UK public transport arrangements. We have also succeeded in amending the proposal in such a way as to create a more level playing field for operators and to create an environment for further opening of the passenger transport market.

However, there are still some issues to be resolved. These include, in particular, the extent to which authorities should be permitted to award contracts directly without competition and the safeguards that should be put in place to ensure operators benefiting from direct awards may not compete unfairly in competitive markets.

At the Council the Government will be prepared to support a deal if the final text on the table appears to offer a satisfactory balance.

I expect the Council to adopt a set of Council conclusions welcoming progress on road safety—in particular, the publication of the Commission's mid-term review of the 2003 road safety action programme. The mid-term review indicates that progress will need to be accelerated in order to meet the EU target to halve road deaths by 2010. The conclusions also recognise that measures need to be strengthened at the appropriate level—community or member state—to deal with particular issues. In addition, the conclusions acknowledge the role of technology, campaigns and the road safety charter and will invite the Commission to take necessary actions, including, where appropriate, making legislative proposals.

The Council will also be debating Council conclusions in regard to the Commission's communication on inland waterways—NAIADES (navigation and inland waterway action and development in Europe). The conclusions agree the action programme to promote inland waterways for freight transport and comment on the detailed proposals of the recommendations contained within it. Although the communication only has limited relevance to the United Kingdom—as our inland waterways are not connected to those on the continent—the Government recognise the potential of Europe's inland waterways to help reduce traffic congestion and harmful effects on the environment as a whole.

The presidency has proposed the signature of the transport protocol to the Alpine Convention, which is an international agreement aimed at protecting the Alpine environment. The UK would in principle be prepared to support the signature but believes that the Council should take account of the views of a member state that is directly affected and opposed to the protocol.

There will be two substantive maritime items on the agenda. The Council is expected to reach a general approach on the proposed directive amending Directive 2002/59/EC establishing a community vessel traffic monitoring and information system. This directive contains a number of disparate provisions including the fitting of automatic identification system (AIS) technology to fishing vessels. The Government support the presidency text of the directive, subject to achieving a satisfactory agreement on detailed points concerning the length of the fishing vessels to be fitted with AIS technology and the implementation timetable for the different categories of fishing vessels (according to their overall length).

The Council will also hear a progress report from the Commission on the proposed directive on port state control which will simplify the existing much amended legislation. The proposed directive will also make for better use of limited port state control inspection resources, targeting for inspection those ships which pose the greatest risk while reducing the inspection burden on the owners/operators of quality ships. The requirements of the directive should be compatible with the outcome of the current work on targeting ships for inspection being undertaken by the Paris memorandum on port state control (which comprises EU port States plus Russia, Canada, Iceland and Norway).

The Austrian presidency expects the Council to reach a general approach on the proposal to establish a joint undertaking to develop SESAR, the project for the new generation air traffic management system in Europe. The Government support the SESAR project as a key element of the Single European Sky. The joint undertaking will allow for an integrated approach to the development of SESAR involving all parts of the aviation industry.

The second aviation item will see the Commission reporting on two aspects of aviation external relations—on the state of play on negotiations to agree an "open skies" agreement with the US, and on negotiations with Russia over the issue of Siberian overflight payments.

The Commission will provide an oral report, expected to include the key elements of the concession contract, for the Galileo satellite navigation project. The Government will argue strongly for a robust PPP which is affordable for the Community.

The most significant of the "Any Other Business" items are:

A report from the Commission on the implementation of the first railway package;

A report from the Commission on the extension of competence of the European Aviation Safety Agency (EASA).

WORK AND PENSIONS

Disability Discrimination Act 1995 (Code of Practice)

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): I have today laid a draft code of practice prepared by the Disability Rights Commission (DRC), before Parliament in accordance with the procedure set out in section 53A(4) of the Disability Discrimination Act 1995. This draft code will replace the existing code of

practice on "Rights of Access: Goods, Facilities, Services and Premises", published in May 2002.

During the passage of the Disability Discrimination Act (DDA) 2005, the Government said that the DRC would be issuing guidance to assist in the implementation of the new duties. The Government believe that clear and accessible advice and guidance for those with rights and responsibilities under the DDA is important. The Government therefore warmly welcome the draft revised code which provides clear advice and guidance for those with obligations under part 3 of the Act on how to avoid acts of disability discrimination, and to landlords and tenants on how to deal with requests by tenants for consent to make disability-related alterations to their homes to improve access for disabled people.

The draft revised code takes account of new duties in part 3 and part 5B of the Disability Discrimination Act 1995, inserted by the Disability Discrimination Act 2005; and new duties introduced by the Housing (Scotland) Act 2006. The new duties mainly come into force from 4 December 2006. They affect public authorities in the carrying out of their functions (other than those functions which are services and already covered by the DDA); private members clubs; and landlords and managers of rented premises in relation to reasonable adjustments and disability-related alterations to let residential premises. In preparing this code the DRC has consulted extensively among disabled people, their organisations, landlords and the wider public.

Subject to Parliament's approval of the draft code, the DRC proposes to issue and publish the revised code later this summer, giving those with responsibilities under the Act adequate time to read it before the new duties come into force. The Secretary of State will then provide for the new code to come into force on 4 December 2006, replacing the existing code from that date.

Written Ministerial Statements

Monday 12 June 2006

CONSTITUTIONAL AFFAIRS

Coroner Reform

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): On 6 February, I announced my intention to publish a draft Bill to reform the coroner system in England and Wales, 6 February 2006, *Official Report*, column 608. The draft Bill will be laid and published today, and will also be available on the Departmental website www.dca.gov.uk/legist.htm. The draft Bill will be subject to pre-legislative scrutiny by the Constitutional Affairs Select Committee, and I am arranging for a separate strand of pre-legislative scrutiny by families who have recent experience of the coroners' service, which will assist hon. Members in their scrutiny of the Bill.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Sustainable Procurement Task Force Report

The Minister for Climate Change and the Environment (Ian Pearson): The Government today (12 June) welcome an independent, business-led report on sustainable public procurement, and have also made a commitment to lead by example by setting challenging targets for the sustainability of their own estate.

Sir Neville Simms, Chairman of the Sustainable Procurement Task Force presented the Task Force's National Action Plan, which sets out recommendations to the Prime Minister, the Secretary of State for the Environment, Food and Rural Affairs and the Chief Secretary to the Treasury, on how Government can meet their commitment to be a leader in sustainable procurement in the EU by 2009. DEFRA, HM Treasury and other Government Departments will work closely together to produce a response in the autumn setting out how Government will take this forward.

Copies of the Sustainable Procurement Task Force report will be placed in the Library of the House.

The new operational targets for the Government estate can be found on the Government Sustainable Development website http://www.sustainable-development.gov.uk/government/estates/index.htm. Copies will be placed in the Library of the House. The new sustainable operations targets are the recommendation of a senior official level Sustainable Operations Board. They replace those in the Framework for Sustainable Development on the Government Estate.

HEALTH

NHS Premises (Nuisance/Disturbance Behaviour)

The Minister of State, Department of Health (Caroline Flint): On 10 June 2006, the Department of Health launched a consultation on proposed measures to deal with anti-social individuals creating a nuisance or disturbance on National Health Service healthcare premises. In some areas of the NHS certain individuals can divert resources away from healthcare provision by causing a nuisance or disturbance to patients and staff. This consultation document proposes introducing new legislation to give NHS health bodies new powers to tackle this problem. This paper seeks comments on the need for such legislation and all aspects of its formulation and use. The consultation period will close on 1 September 2006.

Copies of the consultation document have been placed in the Library.

Employment, Social Policy, Health and Consumer Affairs Council

The Minister of State, Department of Health (Ms Rosie Winterton): The Employment, Social Policy, Health and Consumer Affairs Council met on 1-2 June. The health issues were taken on 2 June. Items on the main agenda were: the proposal for a Directive of the European Parliament and of the Council amending Directive 95/2/EC on food additives other than colours and sweeteners and Directive 94/35/EC on sweeteners for use in foodstuffs; women's health; promotion of healthy lifestyles and prevention of type 2 diabetes; common values and principles in EU health systems; review of the EU strategy for sustainable development; pandemic influenza preparedness and planning; combating HIV/AIDS; the proposal for a Regulation of the European Parliament and of the Council on advanced therapy medicinal products and amending Directive 2001/83/EC and Regulation (EC) No. 726/2004; and the proposal for a Directive of the European Parliament and of the Council amending Council Directives 90/385/EEC and 93/42/EEC and Directive 98/8/EC of the European Parliament and the Council as regards the review of the medical devices directives.

The Council adopted the amendments to the additives and sweeteners directives by qualified majority voting. The UK voted in favour of these.

Council conclusions were adopted on women's health and promotion of healthy lifestyles and prevention of type 2 diabetes.

Council conclusions were also adopted on common values and principles in EU health systems. The UK expressed particular support for these, which build on conclusions agreed under the Irish Presidency in 2004, reminding the European institutions of the importance of safeguarding the values and principles that underpin EU health systems in their work.

There was a policy debate on the review of the EU sustainable development strategy. Key themes included: recognition that improved health contributes to economic growth; addressing health inequalities; and the importance of the global dimension in promoting health in less developed countries. The UK spoke about the significant

role employers could play in providing healthy workplaces and the value of sharing strategies for improving mental health.

There was an exchange of views on the Commission communication on combating HIV/AIDS within the EU and in neighbouring countries. The communication received broad support and there was wide recognition of the need to focus on prevention activities especially among at-risk groups. The UK emphasised the need for the EU to take HIV/AIDS into account in its near neighbourhood policies and funding.

There was a lunchtime discussion on pandemic influenza preparedness.

The Council received information from the presidency on progress in the ongoing discussions of the Council pharmaceutical working group on the directives on advanced therapy medical products and medical devices.

Under any other business, the Council heard a report from the Presidency on the European Parliament's vote on 16 May that allowed a second reading agreement on the proposed regulation on nutrition and health claims on food, and on the proposed regulation on the addition of vitamins and minerals and other substances to food. Both regulations will come back to Council for adoption once the administrative processes to ensure legal and linguistic consistency have been completed.

Herceptin

The Secretary of State for Health (Ms Patricia Hewitt): On 24 May Roche, the manufacturers of Herceptin (Trastuzumab), announced that the European Commission had granted a licence extension for Herceptin to include use in patients with HER2-positive early-stage breast cancer.

On 9 June, the National Institute for Health and Clinical Excellence (NICE) published its draft guidance on Herceptin. This recommends the drug for women with early-stage HER2-positive breast cancer, except where there are concerns about cardiac function. The full draft recommendations are as follows:

1.1 Trastuzumab, given at three week intervals for one year or until disease recurrence (whichever is the shorter period), is recommended as a treatment option for women with early-stage HER2-positive breast cancer following surgery, chemotherapy (neoadjuvant or adjuvant) and radiotherapy (if applicable).

1.2 Cardiac function should be assessed prior to the commencement of therapy and trastuzumab treatment should not be offered to women who have a left ventricular ejection fraction (LVEF) of 55 per cent or less, or who have any of the following:

- a history of documented congestive heart failure;
- high-risk uncontrolled arrhythmias;
- angina pectoris requiring medication;
- clinically significant valvular disease;
- evidence of transmural infarction on electrocardiograph (ECG);
- poorly controlled hypertension.

1.3 Cardiac functional assessments should be repeated every three months during trastuzumab treatment. If the LVEF drops by 10 per cent. from baseline and to below 50 per cent. then trastuzumab treatment should be suspended. A decision to resume trastuzumab therapy should be based on a further cardiac assessment and a fully informed discussion of the risks and benefits between the individual patient and their clinician.

These recommendations are subject to an appeal period which closes on 28 June 2006. During this period, registered stakeholder organisations including those representing healthcare professionals, patients and carers can appeal against the draft guidance. Final guidance is expected to be issued at the beginning of July 2006, assuming there are no appeals.

Once finalised, the recommendations will mean that all eligible patients with early-stage HER2-positive breast cancer should receive Herceptin on the NHS. Although the recommendations are subject to appeal, there are no national restrictions on the NHS using Herceptin in the interim and the draft recommendations should, of course, be taken into account by Primary Care Trusts.

I would like to congratulate NICE on issuing its draft recommendations on Herceptin just two weeks after the drug was licensed for use in early-stage breast cancer. This shows how the new single technology appraisal process allows NICE to issue guidance within weeks of a licence being granted.

The important thing now is for NHS cancer networks to ensure that all women diagnosed with early-stage breast cancer receive a HER2 test to determine if they are HER2-positive and might therefore benefit from treatment with Herceptin.

Professor Mike Richards, the National Cancer Director, is already working with cancer networks to ensure that testing arrangements are put in place. I am expecting an update from Professor Richards next week and I will ensure that both Houses receive a report on progress soon afterwards.

HOME DEPARTMENT

Control Order Powers

The Secretary of State for the Home Department (John Reid): Section 14(1) of the Prevention of Terrorism Act 2005 (the 2005 Act) requires me to report to Parliament as soon as reasonably practicable after the end of every relevant three-month period on the exercise of the control order powers during that period.

During the period 11 March to 10 June 2006, three orders were made with the permission of the court under section 3(1)(a) of the 2005 Act—two in respect of British citizens on 5 April and 24 May 2006, and one in respect of a foreign national on 16 May 2006.

There are 14 control orders currently in force, five of which are in respect of British citizens.

One request to modify a control order obligation was refused during the period. A right of appeal exists in section 10(3) of the 2005 Act against a decision by the Secretary of State not to modify an obligation contained in a control order. This has not been exercised in respect of this refusal.

Prison Service Business Plan 2006-07

The Parliamentary Under-Secretary of State for the Home Department (Mr. Gerry Sutcliffe): The Prison Service Business Plan for 2006-07 (including the previously agreed key performance indicator targets) has been published today. Copies have been placed in the Library.

INTERNATIONAL DEVELOPMENT

United Nations Central Emergency Response Fund

The Secretary of State for International Development (Hilary Benn): I informed hon. Members on 9 March of the official launch of the United Nations (UN) Central Emergency Response Fund (CERF). The CERF is intended to provide UN humanitarian agencies with early funding so that they can respond immediately when a crisis strikes, and to enable them to channel funds to neglected emergencies.

To date, the CERF total stands at $262 million from 42 donors, of which the UK is the largest single contributor with $70 million (£40 million) for this first year of operation. The CERF has made an encouraging start, with $92 million committed to a number of humanitarian crises, the largest allocations of which are going to the Horn of Africa ($25 million); Darfur ($20 million); the Democratic Republic of Congo ($17 million); Chad ($10 million); Niger ($6 million); Cote D'Ivoire ($2 million); and Burundi ($2 million).

The UK has a seat on the CERF Advisory Group, which provides the UN's Emergency Relief Coordinator with advice on the speed and appropriateness of fund allocations, and examines performance and accountability. The Group had its first meeting on 23 May.

In the light of the CERF's encouraging start, and as part of our ongoing efforts to improve the quality and quantity of the UK's response to humanitarian crises, I am pleased to inform the House that I have approved a further commitment to the CERF of £120 million over the next three years (January 2007 to December 2009), which is conditional on DFID continuing to be satisfied with the results that the UN is achieving with the CERF. We will monitor the performance of the CERF closely to ensure this investment is used to the best effect. I hope that this long-term commitment will encourage other donors to do likewise, thereby strengthening the financial sustainability of the CERF, and we will be actively lobbying key donors to this end.

NORTHERN IRELAND

Education

The Parliamentary Under-Secretary of State for Northern Ireland (Maria Eagle): In December 2005, the Draft Education (Northern Ireland) Order was published for consultation. Following consideration of the responses to the consultation and the views expressed to me in a series of meetings with key interests in Northern Ireland, I have laid the Draft Order before the House today.

Copies of the Draft Order and Explanatory Memorandum, together with copies of a summary of the responses to the consultation on the Draft Education (Northern Ireland) Order, which sets out the Government's response to the consultation, have been made available in the Vote Office and the Printed Paper Office.

Food Safety Promotion Board Annual Report

The Parliamentary Under-Secretary of State for Northern Ireland (Paul Goggins): Copies of the Food Safety Promotion Board Annual Report 2004 incorporating financial statements for 2004 have been placed in the Libraries of both Houses.

This document provides details of the Food Safety Promotion Board's activities, its performance and expenditure to the end of 2004.

Inland Fisheries Annual Report

The Minister of State, Northern Ireland Office (Mr. David Hanson): Copies of the Inland Fisheries Annual Report of the Department of Culture, Arts and Leisure for 2004 have been placed in the Libraries of both Houses.

The document provides details of the Department's activities to conserve, protect and develop salmon and inland fisheries under the provisions of the Fisheries Act (Northern Ireland) 1966, as amended, and includes statistical information and income and expenditure details for the 2004-05 financial year.

Written Ministerial Statements

Tuesday 13 June 2006

EDUCATION AND SKILLS

Higher Education Research Assessment and Funding

The Minister for Higher Education and Lifelong Learning (Bill Rammell): The Department has published for consultation proposals for a new higher education research assessment and funding system after 2008.

On 22 March, my right hon. Friend the Chancellor of the Exchequer announced the Government's intention to consult on replacing the Research Assessment Exercise (RAE), whose outcomes are based on the judgments of expert peer review panels, with a new system based mainly on metrics. Such a change is intended to bring savings of both time and cost to universities and higher education funding bodies, while continuing to recognise and reward research excellence.

The consultation proposals have been developed by a working group led jointly by Professor Sir Alan Wilson FBA FRS, Director-General for Higher Education in the Department for Education and Skills, and Professor David Eastwood, Vice-Chancellor of the University of East Anglia and Chief Executive-designate of the Higher Education Funding Council for England. Members of the working group comprised officials of HM Treasury, the Department for Employment and Learning Northern Ireland and the Department of Trade and Industry, together with representatives of the Higher Education Funding Councils for England and Wales and the Scottish Funding Council.

The consultation closes on 13 October 2006. The full text of our proposals is available at www.dfes.gov.uk/consultations/.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Government Contamination Service

The Minister for Climate Change and the Environment (Ian Pearson): I have set the Government Decontamination Service (GDS) the following Performance Targets for 2006-07.

To strengthen relationships with specialist suppliers by

- Agreeing suppliers' work programmes by 30 March 2007
- Testing or assessing at least three suppliers in practical decontamination situations
- Holding a conference for specialist suppliers by the end of September 2006

To put in place and agree operational structures by September 2006, including

- Validation of the Emergency Operations Centre within two months of occupying the new site
- Putting in place a fully revised Business Continuity Plan within three months of occupying the new site
- Enabling Responsible Authorities to validate their plans for decontamination by March 2007

To ensure that technical knowledge and expertise continues to improve by

- Building on working relationships with centres of excellence through memoranda of understanding and other agreements
- Consulting across government to avoid duplication of work
- Hosting jointly with the Home Office, a workshop on decontamination issues by December 2006

To put in place and induct the GDS workforce including

- Occupying the refurbished headquarters building in Stafford by September 2006
- Completing the recruitment of staff by November 2006
- Formally closing the GDS project and deploying remaining staff elsewhere by December 2006

To lay the foundations for effective relationships with stakeholders and partners by

- Putting in place memoranda of understanding with key partners and holding a conference by March 2007
- Putting in place a communications strategy by March 2007
- Establishing a baseline of stakeholder/partner satisfaction by March 2007

To operate within financial requirements, including

- Producing and implementing an Efficiency Delivery Plan by July 2006
- Securing funding for the year 2007-08 to ensure a smooth continuation of operations
- Remaining within budget and balancing the GDS's books for the financial year 2006-07 within Government guidelines

Further details are given in the GDS Business Plan for 2006-07 a copy of which will be placed in the Libraries of the House.

FOREIGN AND COMMONWEALTH OFFICE

Republic of Montenegro

The Secretary of State for Foreign and Commonwealth Affairs (Margaret Beckett): My right hon. Friend the Prime Minister and I have today written to our Montenegrin counterparts, formally recognising Montenegro as an independent sovereign state. This follows a legitimate, free and fair referendum, in which the Montenegrin people expressed a clear desire for an independent state.

I also made clear to Montenegro's Foreign Minister our desire to establish diplomatic relations with Montenegro, including by changing our office in Podgorica to an embassy as soon as practicable. The ambassador in Belgrade will be responsible for relations with Montenegro until a resident ambassador is appointed.

We look forward to working with the government of Montenegro and I take this opportunity to add my best wishes to those of the many British people who have warm feelings of friendship for the people of Montenegro and share their hopes for peace and prosperity in the future.

HEALTH

Pharmacies "Control of Entry" Reforms

The Secretary of State for Health (Ms Patricia Hewitt): On 17 July 2003, my right hon. Friend the Secretary of State for Trade and Industry announced the Government's response for England to the Office of Fair Trading (OFT) report "The control of entry regulations and retail pharmacy services in the UK" 17 July 2003, *Official Report*, columns 76-79WS.

This set out a balanced package of reform measures which we have introduced largely by amending secondary legislation effective from April 2005.

Two remaining measures are in the Health Bill currently before Parliament. These are charging for pharmacy applications and including provision for NHS Primary Care Trusts to take into account, when assessing competing applications, the improvements they would bring to the provision of, or access to, over-the-counter medicines and other healthcare products and advice.

The announcement in 2003 also committed the Government to review the progress made by these reforms in mid-2006 and to publish the findings.

I have decided the review should go ahead as promised. The terms of reference are:

To review and to report: progress in implementing the balanced package of reform measures introduced in England from April 2005 on the control of entry system for NHS pharmaceutical services;

their effect on access to and the choice of, NHS pharmaceutical services for patients, taking account of the new contractual framework in place since April 2005;

their impact for consumers and the retail pharmacy market;

the extent to which the operation of the new regulatory system is proportionate to the aims and objectives of the reforms; and

to publish the findings.

The review will be led by Department of Health officials in conjunction with colleagues in the NHS and other Government Departments.

The methodology will comprise:

a quantitative analysis of NHS Primary Care Trust (PCT) and other centrally sourced statistical data on community pharmacies, their applications to provide NHS services to PCTs, PCT decisions and appeals. This will also explore what discernible effect the reforms have had on pharmacy services in rural and socially deprived areas. It will be augmented as necessary by follow-up with PCTs;

as a sub-set of this quantitative analysis, a further review of applications to PCTs and their decisions on pharmacies exempted since April 2005 from the control of entry requirements and their provision of NHS services;

comparative analysis of summary historical data on NHS dispensing by community pharmacies, openings and closures, distances between pharmacies and, where available, opening hours;

taking account of the new contractual framework, a review of the extent of the reforms' economic impact to date, including discernible effects on services and their provision, competition, market structure, concentration and, if time series data are available for these, medicines pricing strategies;

a qualitative review of the reforms. Building on recent patient satisfaction consultations and surveys, the Department will consult and invite PCTs, contractors, patients and consumer groups, health professionals and other interested parties to feed back views on the operation of the reformed procedures. This will examine: what impact there has been on access to services, particularly for those without transport or in more socially deprived areas; the quality of the services provided by community pharmacies following these reforms; how innovative they are and developments respondents may wish to see in future;

a series of public regional "listening" events to complement the consultation and further meetings with representative bodies and other organisations as required to consider the impact of the reforms in more detail.

I intend the report should be completed and published by the end of October 2006.

Further details of the consultation, which begins on Tuesday 13 June and ends on Tuesday 12 September are available on the Department of Health's website at www.dh.gov.uk/PolicyAndGuidance/MedicinesPharmacyAndIndustry/NHSPharmaceuticalRegulations/fs/en.

Copies of the consultation document have been placed in the Library.

TRADE AND INDUSTRY

Holiday Entitlement

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): The Government are today launching a consultation on implementing its manifesto commitment to make paid leave for bank and public holidays additional to the existing four-week statutory entitlement. Up to 2 million workers stand to benefit from the proposals covered by this consultation, with the lowest paid most likely to receive an increase in their holiday entitlement.

The consultation, which will run until 22 September, will seek the views of business, unions, representative groups, individual members of staff and others on a range of issues, including flexibilities on the management of holiday and the timetable for the introduction of the additional holiday.

Copies of the consultation document have been placed in the Library.

WORK AND PENSIONS

Employment, Social Policy, Health and Consumer Affairs Council (Luxembourg)

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): The Employment, Social Policy, Health and Consumer Affairs Council was held on 1 June in Luxembourg. The Minister with responsibility for disabled people, my hon. Friend the Member for Stirling (Anne

McGuire), represented the UK, except for the item on the Working Time directive, where the UK was represented by my right hon. Friend the Secretary of State for Trade and Industry. Health and Consumer Affairs issues were taken on 2 June.

There was a policy debate on the review of the EU Sustainable Development Strategy. The presidency noted a consensus that there should be a synergy between work on social inclusion and poverty and the Lisbon Agenda for growth and jobs. Child poverty and the global dimension were particularly important features. My hon. Friend the Minister stressed the importance of the agenda for growth and jobs. This offered the best route out of poverty; but we must be sure to give people the tools they need to take it and overcome poverty of ambition. She agreed with several ministerial colleagues that there was no need for a new process or elaborate new indicators.

The Commission gave a presentation on its recent Communication on Social Services of General Interest and explained that the next stage is consultation with Member States and stakeholders.

The Council reached agreement on a partial general approach on the first part of a new Implementing Regulation for 883/04 on Social Security for Migrant Workers. The UK maintained its Parliamentary Scrutiny reserve. A partial general approach was also agreed on amendments to Annex XI Regulation 883/04.

The Council reached political agreement on a Regulation establishing a European Institute for Gender Equality. The Commission made a declaration to the minutes stating that it would have preferred a smaller administrative board. The UK lifted its Parliamentary Scrutiny reserve.

The Council adopted conclusions on Women's Health as part of the follow up to the Beijing Platform for Action. The conclusions invite Member States and the Commission to integrate gender health considerations into health policies with particular emphasis on the three indicators (Healthy life years, Access to health care (unmet demand) and Cardio-Vascular Diseases) proposed by the Austrian presidency.

The joint contribution of the Employment Committee and the Social Protection Committee on the concept of 'Flexicurity' (balance between flexibility and security) was endorsed by the Council.

The presidency gave a progress report on the proposal for a directive on improving the portability of supplementary pension rights. A number of delegations intervened and my hon. Friend the Minister stated that there is a need to strike the right balance between mobility and maintaining the viability of pension provisions and supporting the view that there should be a broad application of any directive

The Council reached political agreement on the amended proposal for a decision establishing a Community Programme for Employment and Social Solidarity—PROGRESS. This is the EU-level spending programme for the period 2007-13, which will provide financial support for the implementation of the Community's objectives for employment and social affairs and the achievement of Lisbon goals.

The Council reached political agreement without discussion on the annual Employment Guidelines on the proposal for a Council Decision on Guidelines for the Employment Policies of the Member States.

My right hon. Friend the Secretary of State for Trade and Industry represented the UK for discussions on the amended proposal for a directive concerning certain aspects of the organisation of working time. Negotiations revolved around the opt-out from the 48 hour working week. The presidency sought views at the lunchtime discussion on a presidency text. In the second session, it tabled a revised compromise proposal which was not agreed. The presidency introduced its final compromise in the final session, which many Member States argued they could not support, some because the text did not phase out the opt out and some, including the UK, who felt proposals for restrictions and limitations on the opt out went too far. The Council failed to reach political agreement.

The Council received information from the presidency about a Regulation on the Globalisation Adjustment Fund and about various presidency conferences. The Council also received information on Commission Communications on the Posting of Workers, Corporate Social Responsibility, Decent Work and the European Year of Equal Opportunities in 2007.

Written Ministerial Statements

Wednesday 14 June 2006

COMMUNITIES AND LOCAL GOVERNMENT

EU Energy Performance of Building Directive

The Minister for Housing and Planning (Yvette Cooper): I am making a further statement today on how the Government intend to implement the remaining provisions of the EU Energy Performance of Buildings Directive in order to encourage the reduction of energy consumption and associated carbon emissions arising from the use of buildings.

Nearly 50 per cent. of the UK's emissions are generated through the way we heat, light and use our buildings. The Government's climate change agenda recognises that comparatively minor changes to the ways in which we construct and use buildings can have a large cumulative effect.

These measures aim to ensure that appropriate energy performance information is made available to enable people to make informed choices when buying or renting new or existing buildings.

Last September the Government announced that there would be an amendment to Part L of the building regulations to raise energy efficiency standards and at the same time implement Articles 3, 4, 5 and 6 of the Energy Performance of Buildings Directive in England and Wales. These changes, which improve building energy efficiency standards by 40 per cent. over 2002, came into force on 6 April 2006 and are being supported by a comprehensive dissemination and training programme to help industry and building control bodies comply with them. This amendment sets out national methods for calculating energy performance, and tougher energy efficiency standards for building work. It is the Government's intention to adopt reduced data SAP (RDSAP) a simplified SAP methodology for the assessment of existing dwellings including the energy performance certificate for HIPs.

For the remaining provisions of the European Directive, we need to ensure that there are sufficient qualified and/or accredited surveyors and appropriate procedures in place. The Directive allows a three-year derogation to apply fully the requirements for energy certificates and plant inspections and we are working with stakeholders to ensure sufficient numbers of trained inspectors are in place to support a phased programme of implementation. We are rolling out this programme shortly with energy certificates in home information packs and making a separate statement about this today.

We will adopt a system of calculated asset ratings when energy performance certificates are required upon construction, sale or rent and to allow for the use of operational ratings, derived from measured energy consumption, for those obliged to provide certificates for public display. We are engaging with other Government Departments over the implementation and particular display requirements.

Public display will initially be for buildings over 1,000m^2 occupied by public authorities and by institutions providing publicly funded services to large numbers of persons. This is important as the public sector should be seen to be taking the lead in respect of disseminating energy performance and actively seeking ways of reducing its energy consumption.

We are committed to widening the display requirement to all public and private sector buildings where it can be demonstrated this is cost-effective to do so. We shall be publicly consulting on this to take full account of stakeholders' views.

In September last year the Government signalled that we would develop a system of nationally recognised qualifications for those wishing to practice as building, boiler plant and air conditioning plant energy surveyors.

This process is under way and a national occupational standard has already been created that covers energy certification of dwellings at the point of marketed sale. There are over 4,000 home inspectors who are undergoing training to support the introduction of the home information pack that will become mandatory from June 2007. We are now working with the appropriate Sector Skills Councils and industry stakeholders to expand this across other sectors.

Preparatory work for the phased programme of implementation has been proceeding, involving key stakeholders from across both industry and consumer organisations and we will increasingly be working with these groups to finalise the details of the phasing programme and other aspects of the implementation. As this work matures, the Government plan to lay a Statutory Instrument in early 2007 to transpose the Directive into law.

Over time most business owners, home owners and tenants are likely to be affected by the Directive in some way and it is of considerable importance that they are fully aware of developments in this area. To this end, we shall also shortly be initiating a programme of communication aimed at the different sectors involved.

Ministers in Scotland and Northern Ireland are responsible for the implementation of the Directive in their regions.

Home Information Pack Regulations

The Minister for Housing and Planning (Yvette Cooper): I have today laid before Parliament the Home Information Pack Regulations 2006, made under the Housing Act 2004. This is a key milestone for the introduction of home information packs throughout England and Wales from 1 June 2007.

The Regulations prescribe the contents of home information packs. They provide for exceptions from

the Home Information Pack duties, and make provision for the approval of certification schemes in connection with home condition reports. The Regulations also make transitional provision for homes already on the market when the Home Information Pack duties come into force, and specify the level of penalty charge that may be levied where these are breached.

Making the Regulations a year ahead of the Home Information Pack duties coming into force ensures that the industry has good time to prepare for the introduction of packs, including processes for assembling and supplying pack documents which comply with the Regulations and bring genuine benefits for consumers. It also enables the Secretary of State to approve certification schemes required to ensure that there are enough home inspectors qualified and able to prepare home condition reports.

The Regulations and the principles underlying them have been the subject of extensive consultation with the industry and consumers. Consideration of consultation responses and drafting of the Regulations have been undertaken in close consultation with consumer and industry organisations including Which?, The Law Society, Royal Institution of Chartered Surveyors, National Association of Estate Agents and the Council of Mortgage Lenders.

The detailed content of home information packs prescribed in the Regulations will be tested fully during the dry run or phased implementation being undertaken over the next few months, as well as through further discussions with stakeholders, so that lessons can be learned and any changes made in time for full implementation next year. Home information packs aim to deliver:

A reduction in waste and duplication because different buyers won't have to pay several times for the same information - especially when sales fall through;

A reduction in the number of failed transactions because information on the condition of the property is available at the beginning, rather than problems emerging late in the day;

Fewer delays because information is provided at the beginning;

Increased competition and transparency in the market;

Better energy efficiency information on homes with practical information on how to cut fuel bills and costs for first time buyers;

Reduced costs for first-time buyers, who will get HIPs for free as costs are transferred from buyers to sellers: and

Improved redress arrangements for consumers when things go wrong. All estate agents marketing homes with home information packs will be required to belong to an approved independent redress scheme.

The industry is already developing home information pack systems and intends to market these well in advance of the packs becoming mandatory. An increasing number of estate agents and property professionals are already providing partial packs on a voluntary basis. These developments, backed by the Regulations, mean that sellers and buyers will not have to wait until June 2007 before they can benefit from the improvements that the packs will deliver to the home buying and selling process.

The Government have also published the standards for the Certification Schemes for home inspectors. These will ensure that home inspectors are properly qualified and have proper industry insurance so that buyers, sellers and lenders can have full confidence in the home condition report.

Once the Certification Schemes are in place later in the year, the dry run of voluntary home information packs will accelerate. The Government will ensure there is extensive assessment and monitoring of the dry run.

Guidance on the Regulations and an assessment of the impact of the introduction of home information packs are being published on the dedicated website http://www.communities.gov.uk/index.asp?id=1500716.

Copies will be available in both Libraries of the House.

Birmingham/Sandwell Housing Market Renewal Pathfinder

The Minister for Housing and Planning (Yvette Cooper): The Government will award up to £12 million to the Urban Living housing market renewal pathfinder. This additional funding is available subject to the pathfinder agreeing to terms in updated funding agreements with the Department. The funding will support urban living to continue good work over the next six months in a range of schemes designed to revise local housing markets in Birmingham and Sandwell. It follows £50 million originally allocated to the pathfinder up until March 2006.

The funding will also support the pathfinder to revise and develop its strategy for the remainder of 2006-08. Urban Living have developed their housing market evidence base significantly since the start of the pathfinder programme. We have asked Urban Living to look again at their proposals for the next two years to respond more fully to this evidence base, and to take account of comments from ourselves and recommendations from the Audit Commission in relation to their original proposals. We hope then to be in a position to allocate further funds for pathfinder expenditure in 2006-08.

We will be assessing Urban Living's revised proposals in the summer of 2006. In the meantime, this initial allocation will enable them to continue important projects already in train, which will contribute to improving their housing market and supporting sustainable communities.

CONSTITUTIONAL AFFAIRS

Commonhold Review

The Parliamentary Under-Secretary of State for Constitutional Affairs (Vera Baird): My noble Friend the Parliamentary Under-Secretary of State has made the following written ministerial statement:

"On 22 November my noble Friend the Lord Evans of Temple Guiting said that the Government were investigating the reasons for the slow rate of take-up of commonhold and considering whether it was necessary to hold a formal review. (*Official Report*, House of Lords, column 1496.)

After careful consideration it has been decided that a formal review into commonhold will not be undertaken. The commonhold legislation has introduced a major change to property ownership in England and Wales and will take time to make an impact. There are, however, indications that developers are starting to see how the benefits of commonhold can be applied to large scale projects. On 16 December 2005, proposals for a £500 million mixed-use commonhold, including up to 2,000 homes, were announced on behalf of the developer.

Work will continue on the development of the commonhold legislation and its promotion. In particular, our focus will be on increasing the flexibility of commonhold; on the provision of affordable housing in commonhold; and on the role of commonhold in creating sustainable communities. We intend to issue a consultation paper on draft regulations later in the year.

Since the implementation of commonhold in September 2004, work has been undertaken to make provision for commonhold in other areas so that:

The relevant provisions in the Disability Discrimination Act 1995 will apply to a commonhold premises as they apply to any other managed or let premises;

the constitutional documentation for commonhold associations can be brought in line with the reforms proposed in the Company Law Reform Bill; and

the Home Information Pack Regulations 2006 include provision for the sale of commonhold properties."

DEFENCE

Departmental Key Targets

The Parliamentary Under-Secretary of State for Defence (Mr. Tom Watson): Key targets for the financial year 2006-07 for the following Ministry of Defence Agencies and trading funds have been placed in the Library of the House:

The Defence Bills Agency

Defence Estates

Defence Medical Education and Training Agency

The Defence Procurement Agency

The Defence Vetting Agency

The Duke of York's Royal Military School

The Meteorological Office

Service Children's Education

The UK Hydrographic Office.

22 Signal Regiment

The Minister of State, Ministry of Defence (Mr. Adam Ingram): It was announced by the Secretary of State to the House on 20 December 2004, *Official Report*, column 1795, that it was the Government's intention to restructure the British Army to meet the evolving needs of modern operations. It was confirmed that 22 Signal Regiment was to be formed under Future Army Structures in 2007-08. The regiment will consist of a new Regimental Headquarters and three Squadrons, involving the transfer and resubordination of 248 Squadron from Colerne and 222 Squadron from Bulford, and the creation of the new 217 Squadron formed largely from personnel of 219 Squadron in York.

After detailed examination, I am now pleased to confirm that it has been decided (subject to further detailed work and Trade Union consultation) that it is our intention to form up the unit at the former RAF site at Stafford. This will enhance the Armed Forces presence currently provided by the Tactical Supply Wing of the Joint Helicopter Command. It is our aim to have 22 Signal Regiment fully formed, with all sub-units, personnel and equipment, with effect from 1 April next year.

The proposal will see approximately 570 additional military personnel based at the site, who will be accommodated in the Stafford area. It is also anticipated that approximately 200 families are likely to move to the area, and there will be a requirement for a small number of administrative posts to support the regiment. Taking account of other movements, there will be net decreases of approximately 120 uniformed personnel at Colerne, 130 at Bulford and 40 at York. There are no concomitant reductions in civilian staff anticipated at these three locations.

HOME DEPARTMENT

Assets Recovery Agency

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): The Assets Recovery Agency's Annual Report 2005-06 will be laid before Parliament today.

The report covers the Agency's third full year of operation and provides an assessment of performance against its Business Plan 2005-06.

The Agency continues to make an impact in disrupting criminal groups and seizing their assets. It disrupted a total of 79 criminal enterprises in England and Wales and 21 in Northern Ireland, exceeding the total target of 70. It did so by the early restraint of assets to the value of £85.7 million which exceeded the target of £25 million. The Agency adopted a total of 108 new cases for civil recovery and taxation investigation, exceeding the target of 100. It also adopted 38 cases for criminal confiscation investigation against a target of 20 cases.

The Agency obtained civil recovery orders and tax assessments in 24 cases with a value of £4.6 million. The total amount of realised receipts from recovered assets was £4.11 million. The time taken to complete litigation in civil recovery cases affected the Agency's ability to meet its targets on achieving final orders and realising receipts.

The Agency has delivered an extensive training programme for financial investigators, again exceeding its targets.

The Agency is also publishing its Business Plan 2006-07 today. The plan has been prepared by the Director of the Agency and has been approved by Home Office and Northern Ireland Office Ministers. The plan focuses on the Agency's aims, priorities and targets for the year ahead and sets out how the Director intends to exercise her functions in Northern Ireland.

The Agency will continue to exercise its powers of investigation and asset recovery against criminals in support of the Government's commitment to taking the profit out of crime.

Domestic Homicide Reviews and National Progress Report

The Parliamentary Under-Secretary of State for the Home Department (Mr. Gerry Sutcliffe): I am pleased to announce today that the Government have issued two publications. One is a consultation document on guidance for conducting domestic homicide reviews across England and Wales, under the Domestic Violence, Crime and Victims Act 2004 and the second is our annual domestic violence progress report. Copies of both publications have been placed in the Library and are also available from the crime reduction website at www.crimereduction.gov.uk/dv01.htm.

These publications are the latest phase in a long line of work aimed at tackling domestic violence, a crime that ruins families and devastates lives.

Section 9 of the Domestic Violence Crime and Victims Act 2004, establishes a statutory basis for conducting domestic homicide reviews. The Act imposes a duty on named agencies to have regard to any guidance issued by the Secretary of State as to establishing or conducting such reviews. The named agencies are: chief police officers; local probation boards; local authorities; strategic health authorities; primary care trusts; local health boards and NHS trusts.

Under the Act a domestic homicide review is defined as a review of the circumstances in which the death of a person aged 16 or over has, or appears to have, resulted from violence, abuse or neglect by:

- a person to whom he/she was related or with whom he/she was or had been in an intimate personal relationship; or
- a member of the same household as himself/herself,

held with a view to identifying the lessons to be learnt from the death. In practice this will include:

- Identifying the lessons to be learnt from the death, in particular about how local professionals and agencies work together to safeguard victims;
- identifying how those lessons will be acted upon and what is expected to change as a result; and
- improving inter-agency working and improving protection for domestic violence victims to help prevent future deaths.

Domestic homicide reviews are designed to complement the existing serious case reviews (SCRs) that take place when a child dies or is seriously injured and abuse or neglect is known or suspected to have played a part in the death or serious injury.

The Government want to ensure that the reviews do not simply become a bureaucratic exercise. We will want to ensure that local agencies learn the lessons and implement any recommendations made by the reviews, and that findings with national relevance are shared and acted upon.

The consultation period will end on 13 September 2006

The progress report provides an update on the comprehensive framework set out in last year's national delivery plan for domestic violence and the Government's achievements on this. All the achievements outlined in the delivery plan have only been possible because of the close partnership working across Government and with the support and help of the public, private and non-Government sectors. Future developments are predicated upon partnership making. It also looks forward to activities planned in 2006-07 and gives direction to local partnerships, agencies and communities on how to protect adult and child victims of domestic violence and bring perpetrators to justice.

Proceeds of Crime Act 2002

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I am pleased to announce that the fourth annual report of the appointed person under the Proceeds of Crime Act 2002 will be laid before Parliament today. The appointed person is an independent person who scrutinises the use of the search power introduced to support the measures in the Act to seize and forfeit criminal cash.

The report gives the appointed person's opinion as to the circumstances and manner in which the search powers conferred by the Act are being exercised. I am pleased that the appointed person, Andrew Clarke, has expressed satisfaction with the operation of the search power and has found that there is nothing to suggest that the procedures are not being followed in accordance with the Act.

From 1 April 2005 to the end of March 2006 over £62 million in cash was seized by police and Customs Officers under powers in the Act. These sums are subject to forfeiture in the magistrates' court. These powers are a valuable tool in the fight against crime and the report shows that the way they are used has been, and will continue to be, closely monitored.

NORTHERN IRELAND

Sixth Report by Justice Oversight Commissioner

The Secretary of State for Northern Ireland (Mr. Peter Hain): The Government have received and welcomed the sixth and final report from the Justice Oversight Commissioner, the right hon. the Lord Clyde, on the progress achieved in implementing the recommendations of the Review of the Criminal Justice System in Northern

Ireland. Consistent with his terms of reference, the report was submitted to the Attorney General, the Parliamentary Under-Secretary for Constitutional Affairs, my hon. Friend the Member for Lewisham, East (Bridget Prentice), who is the Minister responsible for the Northern Ireland Court Service and me in May.

Lord Clyde's sixth and final report acknowledges the significant transformation of the criminal justice system in Northern Ireland. He confirms that the majority of the recommendations of the Criminal Justice Review have been implemented and he considers that the completion of most of the few remaining individual recommendations is simply a matter of time. He concludes that throughout the course of his oversight work, there has been a steady momentum of progress, commenting that the institutional changes and the operational progress which have been achieved over the past three years have been remarkable. The key elements of reform have included, inter alia, the establishment of a Youth Justice Agency; a Community Safety Unit; a Criminal Justice Inspectorate; the introduction of new lay magistrates; a new Public Prosecution Service; an independent Northern Ireland Judicial Appointments Commission; the signing of an Intergovernmental Agreement on cooperation on criminal justice matters; the Lord Chief Justice as the Head of the judiciary in Northern Ireland; the continued guarantee of judicial independence in Northern Ireland; youth conferencing; the introduction of victim information schemes and court witness schemes; and the bringing of 17-year-olds within the ambit of the youth court.

Lord Clyde concludes that the agencies who have managed these reforms deserve credit and congratulation. The Government warmly endorse these conclusions.

Copies of the Commissioner's report have been placed in the Library.

TRANSPORT

Crossrail Depot Strategy

The Parliamentary Under-Secretary of State for Transport (Derek Twigg): The Government are aware of the concerns that have been expressed by the London Borough of Havering and others in the borough about the impacts of the proposed Crossrail train depot at Romford. Cross London Rail Links (CLRL) have been working for many months to reduce those impacts and at the same time to identify whether there is a viable alternative depot strategy that would remove the need for facilities at Romford altogether.

Following a fundamental review of its depot strategy, in the light of changes in the occupation and expected future use of existing depots, CLRL has concluded that it is possible for Crossrail to operate entirely from the existing rail depots at Old Oak Common in west London and Ilford in east London. As a result Crossrail would not need to construct any of the proposed facilities at Romford or to make use of sidings at West Drayton in the London Borough of Hillingdon.

The revised depot strategy will reduce the overall environmental impacts of the Crossrail project by removing the need for the construction of new facilities at Romford. CLRL estimate that the cost of the revised strategy will be up to £80m lower than that of the Romford scheme.

The revised strategy will require the acquisition of a small amount of open land at Old Oak Common to allow for improved rail access. The land lost will be replaced by an equivalent amount from an adjacent brownfield site.

In order to implement the revised strategy, the Bill will need to be amended. The Government will promote an additional provision in due course (including a detailed environmental assessment), which will be subject to the agreement of the Select Committee. Those affected by the additional provision will be able to petition Parliament.

As part of the revised strategy, it is proposed to move EWS Limited from Old Oak Common to North Pole, which is to become vacant in 2007. It is also proposed to move Bombardier Transportation Ltd. from, or within, Ilford depot. CLRL will continue to work closely with these organisations to try to minimise the impacts upon them.

CLRL will in due course write to existing petitioners affected by this announcement and undertake information rounds in relevant areas to explain the details of the revised depot strategy and the implications for the local area.

Written Ministerial Statements

Thursday 15 June 2006

TREASURY

United Kingdom Coins 2007

The Chancellor of the Exchequer (Mr. Gordon Brown): Her Majesty The Queen has been graciously pleased to approve my recommendation that the following coin should be issued in 2007:

A £2 coin to mark the 300th anniversary in 2007 of the Act of Union between England and Scotland.

This coin will be in addition to a crown piece to celebrate the diamond wedding anniversary of Her Majesty The Queen and His Royal Highness Prince Philip, a £2 coin to mark the 200th anniversary of the abolition of the slave trade and a fifty pence to commemorate the centenary of the Scouting movement.

Collector versions of all these coins will be released at a premium above face value. In the case of the £2 coins and the fifty pence piece, during the course of 2007 versions will also become available at face value from banks and post offices.

DEFENCE

Kandahar Airfield

The Secretary of State for Defence (Des Browne): Kandahar Airfield plays an essential role in the British and Allied military commitment to the rebuilding of Afghanistan, a role that is likely to increase as the NATO-led International Security Assistance Force (ISAF) expands into the south of the country. It is important, therefore, that collectively we ensure the airfield and the aircraft that use it are suitably protected.

The UK has been using Kandahar as a base for its Harrier GR7 Force since September 2004 and now has much of our deployed helicopter fleet there. It is only right that the UK shares some of the burden in protecting this joint facility. While we currently provide some help, we are well placed to make that help still more effective. We have a specialist airfield defence capability that few of our partners have and the skills it would bring will enhance security arrangements at Kandahar Airfield.

I have accordingly decided to commit the 130-strong 34 Squadron of the RAF Regiment to Kandahar Airfield. This unit will deploy within the next few weeks and join Afghan, Canadian, Romanian and US forces defending the airfield and its environs. I am confident that this is an appropriate national contribution to the crucial task of protecting a facility of central importance to the success of the wider NATO mission in Afghanistan.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Cattle and Eggs Regulations 2006

The Secretary of State for Environment, Food and Rural Affairs (David Miliband): The Cattle Identification (Amendment) Regulations 2006, the Cattle Database (Amendment) Regulations 2006 and the Eggs (Marketing Standards) (Amendment) (England and Wales) Regulations 2006 were laid before Parliament yesterday and entered into force today, 15 June 2006.

These are technical amendments to the Cattle Identification Regulations 1998, the Cattle Database Regulations 1998, and the Eggs (Marketing Standards) (England and Wales) Regulations 1995. The European Union legislation which they originally implemented was subsequently updated with new regulations. These amendments update the cross-references to refer to this later European legislation. The current consultation on other changes to the two cattle regulations, which ends on 21 June, will be unaffected by this change.

The effect of not having updated the cross-references has been challenged in court. I do not want to take any unnecessary risks when it comes to enforcing this legislation, which is designed to protect public health, and so I am now closing that gap and making it absolutely clear what offences are punishable under the legislation. It is particularly important that cattle keepers comply with EU law on the identification and movement of cattle if public health is to remain protected. The step change in performance by the British cattle industry has been recognised in the lifting of the export ban on beef and bovines, and rigorous enforcement of the rules has been a factor in getting the ban lifted. The powers for enforcement of the egg regulations are subject to the same consideration and it is right that the enforcement powers be updated now by these minor amendments.

These amendments will put future prosecutions on a solid legal foundation. That leaves a question over previous prosecutions. I understand that there have been around 250 successful prosecutions in which the courts have interpreted the references to the EU legislation as being references to the updated EU legislation. The legal effect of the mismatch has not been tested until now. It is now for the court to decide what the effect has been and what consequences flow from that decision in respect of those who have already been convicted.

I must emphasise, however, that these convictions will have been obtained in respect of actions that breached the EU legislation designed to protect public health. I am satisfied that our enforcement procedures have been, and will continue to be, rigorous. Public and animal health has been protected by the work of our inspectors, and will continue to be so.

FOREIGN AND COMMONWEALTH OFFICE

Sierra Leone

The Secretary of State for Foreign and Commonwealth Affairs (Margaret Beckett): Since 29 March, former President of Liberia, Charles Taylor, has been in detention at the Special Court for Sierra Leone in Freetown, indicted for crimes against humanity and war crimes allegedly committed during Sierra Leone's brutal civil war.

Regional leaders and the wider international community judge his continued presence there to pose a considerable and immediate threat to regional security. An attempt to free him by force, for example, even if unsuccessful, could jeopardise the fragile security of Sierra Leone, Liberia and neighbouring states.

It is for this reason that regional leaders and the international community have supported the proposal to hold the trial outside the region, as is provided for in the agreement establishing the Court.

The Government of the Netherlands has agreed that it would allow the trial to take place before the Special Court for Sierra Leone sitting in The Hague. If acquitted, former President Taylor would be free to leave the Netherlands. If convicted, he would serve any sentence imposed by the Court.

The Dutch offer is conditional upon a State agreeing now to allow former President Taylor, if convicted and should circumstances require, to serve his sentence in that State. Once that condition is met, the proposal to transfer the trial could be discussed again by the UN Security Council, where a draft Resolution establishing a legal basis for transfer is already in circulation.

At the request of the UN Secretary-General, I have therefore agreed that, subject to parliamentary legislative approval, the United Kingdom would allow former President Taylor, if convicted and should circumstances require, to enter the UK to serve any sentence imposed by the Court. This is entirely without prejudice to the eventual location or outcome of the trial. Former President Taylor's right to a fair trial must be respected.

Were the Court to acquit former President Taylor, we would not be required to allow him to come to the UK. Were he to be convicted, and subsequently released after serving a sentence, the expectation at this stage is that former President Taylor would leave or face removal from the UK.

By offering these assurances, we are removing one potential obstacle to allowing the trial to proceed. We are also demonstrating the UK's absolute determination to see the alleged perpetrators of genocide, crimes against humanity and war crimes held to account.

The UK has a strong international reputation as one of the world's leading advocates for international justice. We played a key role in negotiating the establishment of the International Criminal Court as well as the establishment of other international criminal tribunals relating to the former Yugoslavia and Rwanda, as well as the Special Court for Sierra Leone itself.

Agreeing to allow former President Taylor, if convicted and should circumstances require, to serve his sentence in the UK sends a strong signal of our willingness to combat impunity by assisting in bringing those who bear the greatest responsibility for war crimes, crimes against humanity and genocide to justice.

Former President Taylor's handover to the Special Court in Freetown was an historic day for the people of Sierra Leone and West Africa. The international community must not fail them by asking them to run the risk associated with his continued presence in Freetown. It is for that reason that we have decided to take this step.

The UK has been a key player in efforts to support Sierra Leone, Liberia and the wider region, as it seeks to bring an end to the cycle of destruction and violence which it has suffered for so long.

We were also instrumental in bringing peace to Sierra Leone, and have supported Sierra Leone as it has built on that peace, and worked to put the years of war decisively in the past. Our action today will help to close the chapter of conflict, by allowing the trial of former President Taylor to go ahead, which will determine the truth regarding his alleged involvement in Sierra Leone's vicious civil war.

HOME DEPARTMENT

Criminal Injuries Compensation Authority (Annual Report and Accounts 2003-04)

The Parliamentary Under-Secretary of State for the Home Department (Mr. Gerry Sutcliffe): I am today laying before Parliament, with the Comptroller and Auditor General, the annual report and accounts for 2003-04 for the Criminal Injuries Compensation Authority. It is being laid before the Scottish Parliament by Scottish Ministers at the same time. The annual report and accounts will be published by 30 June.

The annual report and accounts describe the activities of the authority in paying financial compensation to victims of violent crime, under the terms of the Criminal Injuries Compensation Act 1995.

Publication of the annual report and accounts is later than usual because of the need to bring the accounting for the tariff scheme cases fully in line with the requirements of Financial Reporting Standard 12 (provisions, contingent liabilities and contingent assets). The accounts estimate the final settlement value of cases in progress and the predicted value of applications which have not yet been received in respect of crimes that have already occurred. As a result, the balance sheet at 31 March 2004 shows net liabilities of £1,210 million and an operating deficit of £48.9 million.

In 2003-04 the Authority received 70,595 applications for compensation and resolved 77,487. The number of cases outstanding at 31 March 2004 was 84,990. The proportion of cases decided within 12 months was 74.4 per cent.

The annual report and accounts for 2004-05 is being finalised and will be laid before Parliament shortly.

TRADE AND INDUSTRY

Government Chemist Review 2005

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): My noble Friend the Parliamentary Under-Secretary of State for Science and Technology (Lord Sainsbury of Turville) has made the following ministerial statement:

"The ninth annual review of the Government Chemist has now been published. Copies have been placed in the Libraries of the House and sent to the devolved Administrations".

EU Energy Council

The Minister for Energy (Malcolm Wicks): Anne Lambert, Deputy Permanent Representative, UKREP, represented the UK at the Energy Council in Luxembourg on 8 June. Discussion focused on the EU's international relations, the internal energy market and sustainable energy.

On international relations, Commissioner Piebalgs summarised the EU's external energy priorities as a comprehensive energy agreement with Russia and coherent, systematic dialogues with key supplier, transit and consumer countries. He said that multilateral action would be most effective, citing the need for working together within the International Energy Agency and on an international agreement on energy efficiency. He provided updates on the energy community treaty for south-east Europe, on the EU-OPEC dialogue and on EU relations with Russia. On Russia, he said that the EU should develop a partnership of mutual self-interest covering investment, diversification, a reliability of supply and demand, third party access and non-discrimination; and that the Commission was considering a comprehensive energy agreement as part of the post-PCA—partnership and co-operation agreedment-relationship.

In welcoming the Commission's work, some member states emphasised that energy remained a national competence and that Energy Ministers should be informed and involved in agreeing Commission activity in advance. One member state emphasised that progress with Russia depended on establishing a relationship based on trust. Another member state stated that the relationship must be reciprocal and based on the energy charter treaty principles, ensuring that EU companies can operate freely in Russia.

The Council adopted conclusions on the internal market. The internal market had been on the agenda at the informal dinner on the eve of the Council, during which Commissioner Piebalgs detailed the next steps on the Green Paper:

A hearing on 21 September prior to consultation closing on 24 September.

A meeting of member states' Energy Directors General in September.

A document summarising the consultation to be issued in October for discussion at the November Energy Council; and

on 13 December, consideration by the Commission of the strategic energy review, the DG TREN Internal Market report and the final results of the DG COMP enquiry.

Other documents to issue between now and then would be the energy efficient action plan, communications on clean coal and nuclear, and the renewables action plan.

Discussion of the internal market during the formal Council focused on the role of regional markets, on steps needed to complete the market and on diversification. The Commission supported regional initiatives, while warning that these should not undermine the overall objective of a single energy market. The Commission said that it would continue to monitor and assess progress, reporting at the end of the year. Co-ordinated diversification of supply sources, relevant infrastructure and new technologies were also crucial. The strategic energy review would bring all this together.

All Ministers supported regional markets as a building block to developing a single market. Two Ministers said that existing regional markets could be extended to other member states and explicitly invited the UK to join the north-west market, which now involves Germany, France, Netherlands, Belgium and Luxembourg. Many Ministers emphasised the need to harmonise regional markets to ensure the development of the main objective of a fully functioning internal market.

The UK advocated political engagement in the development of regional markets and in effective unbundling and market transparency. Several member states supported the UK, though one viewed further unbundling requirements as unnecessary.

On diversification, many member states identified increased interconnection, development of renewables and energy efficiency technologies as the key drivers. Some member states pressed for the development of indigenous sources of supply, including nuclear power. Others wanted a common approach to diversification, but some noted that responses related to member states' individual circumstances.

One member state questioned the effectiveness of the EU emissions trading scheme carbon pricing policy, noting its significant impact on electricity prices. The Commission thought that the ETS fundamentally worked, though it needed refining before the next stage. Another member state thought security of supply more important than liberalisation, while another noted that it was developing security of supply indicators with the UK and the Commission.

On sustainable energy, the Council adopted conclusions on a biomass action plan. The Commission said that, in implementing this, priority would be given to a proposal on renewable heating and cooling and to the strengthening of the biofuels

directive. The energy efficiency action plan would emphasise implementation and enforcement of existing legislation, measures to address energy consumption and financial incentives. The energy star negotiation with the US had concluded with agreement on significant improvements in standards and coverage. The Commission hoped other key consumer countries would join. Some member states emphasised the importance of updating labelling legislation.

In conclusion, Finland, the incoming presidency, identified its energy priorities as:

Developing European energy policy, particularly renewables and energy efficiency;

the Internal Market; and

Russia.

The next Energy Council is scheduled for 23 November 2006.

EU Telecoms Council

The Minister for Industry and the Regions (Margaret Hodge): I represented the United Kingdom at the Telecoms part of the Transport, Telecommunications and Energy Council on 8 June 2006.

The Council began with a presentation by the Commission on their recently published Communication—the "i2010 eGovernment Action Plan"; which was largely based on a Ministerial Declaration agreed at a conference in Manchester during our Presidency. The Action Plan highlights the social and financial benefits that can be gained through the implementation of an array of different eGovernment initiatives in helping to bridge the gap between citizens and administrators.

Ministers were asked to endorse a set of Council Conclusions responding to the eGovernment Action Plan. These focused on five major objectives: the need to promote eInclusion through national eGovernment strategies; the importance of user satisfaction in accessing eGovernment services; Government public procurement contracts which should be available in electronic format in all cases; convenient and secure authenticated access to public services in the EU; and the promotion of public debate and participation in democratic decision-making. As the substance of the above is compatible with the UK Government's Transformational Government Strategy, I leant my support to them.

The Presidency then introduced a policy debate on the future challenges for the EU's electronic communications regulatory framework which the Commission are currently reviewing, with a major Communication expected in July to be followed by legislative changes in December. In their presentation they highlighted the need to promote investment and innovation in the telecommunications sector and to ensure the framework met the needs of an ever-evolving and converging technology and business environment. In my intervention I stressed the necessity for full implementation of the current framework by all Member States and the importance of maintaining the complementary goals of investment, consumer protection and competition.

On the issue of wireless spectrum, I agreed with the Commission on the need to make the best use of this finite resource primarily through market-based management, which will hopefully create a favourable environment for the introduction in the market of new information communication technologies.

In the interventions from nearly all Member States there was a wide range of views though with the majority welcoming the approach of the Commission on both the maintenance of the regulatory framework, which was thought to be sound, and on introducing market-based mechanisms into spectrum allocation.

There was then a short exchange of views on the Commission's recent Communication on network and information security. The Presidency noted the overall problems that exist with regards to information security and the need to gain the confidence of citizens and enterprise by assuring them that ICTs and information systems are able to handle information in an accurate, confidential and reliable manner. Those Member States that intervened generally supported the Commission approach.

Due to a shortage of time it was not appropriate to comment on Commission Communications on the i2010 First Annual Report and the World Summit on the Information Society (WSIS) both of which were under Any Other Business. On the i2010 Annual Report the Commission highlighted the need for more work to prevent the EU falling further behind our main competitors; while on WSIS the Commission reported on development since the Tunis Conference and looked forward to the first Internet Governance Forum in Greece in November.

Finally the Austrian Presidency thanked the UK for the strong foundations that we laid during our Presidency.

Belvedere Energy from Waste Power Station

The Minister for Energy (Malcolm Wicks): I have today granted consent to the application by Riverside Resource Recovery Ltd. to build an energy from waste power station in Belvedere, South East London. This decision was taken after careful consideration of the recommendations from the public inquiry inspector who oversaw two public inquiries that looked into this application in 2003 and 2005.

Today's approval takes into account the concerns raised, and includes a number of conditions recommended by the inquiry inspector to mitigate any impacts.

This energy from waste station will be fuelled by waste which would otherwise have to go to landfill. London has a serious waste problem, much of which it currently exports to landfill in the home counties. I agree with the inspector that even if London were to meet the ambitious recycling targets envisaged by the Mayor of London, there will still be ample residual waste to fuel the station. This decision will make an important contribution to tackling London's waste problem.

I am also pleased to see that waste transfer to the site will be primarily by barge along the River Thames.

TRANSPORT

Sustainable Distribution Fund

The Minister of State, Department for Transport (Dr. Stephen Ladyman): Further to the then Minister of State for Transport's written statement of 1 February 2005, it is now the Department's intention to increase the minimum budget available for the sustainable distribution fund from £22.6 million to £25.5 million for 2007-08, combining resource funding of £18.5 million and capital funding of £7 million. This fund is designed to secure the benefits of reduced pollution and congestion and better safety on a mode-neutral basis. In order to enable the freight industry to plan involving schemes supported by the fund, I also intend to allocate a resource budget of at least £18.5 million, for each of the financial years 2008-09 and 2009-10. The budget for capital expenditure from 2008-09, such as the freight facilities grants, will be set following the 2007 spending review.

The Department is today beginning the process to submit to the European Commission, for state aids clearance, a new grant scheme for intermodal rail freight—the rail environmental benefits procurement scheme. A summary of the proposed scheme is available on the Department's website at: www.dft.gov.uk and has been placed in the Library of the House.

Written Ministerial Statements

Friday 16 June 2006

COMMUNITIES AND LOCAL GOVERNMENT

Assistants for Political Groups (Remuneration)

The Minister for Local Government (Mr. Phil Woolas): I have today laid before the House a statutory instrument, the Local Government (Assistants for Political Groups) (Remuneration) (England) Order 2006, which provides for a rise in the maximum ceiling for the pay of political assistants employed by local authorities. The revised pay ceiling is £34,986. Local authorities have discretion to set their political assistants' pay up to this limit.

The order restores the upper limit on what local authorities may pay their political assistants to the level on the local authority pay scale which is equivalent in real terms to the limit imposed by the Local Government and Housing Act 1989 and two subsequent orders.

The Government's intention to make this order was stated in our discussion paper, "Standards of Conduct in English Local Government", which was published by the Office of the Deputy Prime Minister on 15 December 2005. In future, we intend that primary legislation will fix permanently the ceiling on political assistants' pay to the relevant local government pay scale.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Pesticides Safety Directorate

The Minister for Climate Change and the Environment (Ian Pearson): The 2005-06 annual report and accounts for the pesticides safety directorate was laid before Parliament today.

Veterinary Medicines Directorate

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): The 2005-06 annual report and accounts for the veterinary medicines directorate was laid before Parliament today.

FOREIGN AND COMMONWEALTH OFFICE

General Affairs and External Relations Council

The Minister for Europe (Mr. Geoffrey Hoon): My right hon. Friend the Foreign Secretary, Sir John Grant (UK Permanent Representative to the EU) and I represented the UK at the General Affairs and External Relations Council (GAERC) in Luxembourg on 12 June.

The agenda items covered were as follows:

GENERAL AFFAIRS

Preparation of the European Council on 15-16 June: Draft Conclusions

The Council discussed the draft European Council conclusions. The main issues include enlargement, energy, sustainable development and migration.

A revised version of the draft conclusions will be presented to the European Council on 16 June.

The European Council is also expected to issue declarations on the Middle East Peace Process, Africa, the Western Balkans, Iraq, Lebanon and Iran.

Enlargement

The Council agreed a common position on the science and research chapters of Turkey and Croatia's accession negotiations, held in the margins of the meeting.

Migration

The presidency noted that Foreign Ministers would discuss this subject over dinner at the European Council.

European Agency for Fundamental Rights

The Council took note of the draft regulation to establish an EU agency for fundamental rights before forwarding it to COREPER (Committee of Permanent Representatives) with a view to reaching agreement as soon as possible.

EXTERNAL RELATIONS

World Trade Organisation/Doha Development Round

Commissioner Mandelson briefed the Council on the state of negotiations.

The Council agreed procedural conclusions noting that it would meet in special session as necessary at ministerial level in Geneva, to take stock of developments during the negotiations.

Gulf Co-operation Council Free Trade Agreement

Commissioner Mandelson briefed the Council on recent meetings with Gulf Co-operation Council Ministers.

Western Balkans

The Council agreed conclusions: reiterating the need for full cooperation with the International Criminal Tribunal for the former Yugoslavia; recognising the decision of the Montenegrin and Serbian parliaments following the referendum on Montenegro's independence; and noting that the partners would recognise Montenegro in accordance with their national practice. The Council also adopted conclusions on the EU's military and policing operations in Bosnia.

In the margins of the Council, partners signed a stabilisation and association agreement with Albania.

The European Council is also expected to adopt a declaration on the Western Balkans.

EU/US Summit

The presidency updated the Council on preparations for the EU-US summit to be held in Vienna on 21 June. Areas for possible cooperation include: promoting peace, democracy and human rights in the world; confronting global challenges, including security; fostering prosperity and opportunity; and promoting cooperation on energy and energy security.

Cuba

The Council agreed conclusions deploring the deterioration of the human rights situation and reaffirming the common position.

Iran

High Representative Solana briefed the Council on the E3+3 Foreign Ministers meeting in Vienna on 1 June, and HR Solana's subsequent visit to Tehran.

The European Council is expected to adopt a declaration on Iran.

Middle East Peace Process

High Representative Solana briefed the Council on his recent visit.

External Relations Commissioner Ferrero-Waldner updated the Council on the preparations for the establishment of a temporary international mechanism to support Palestinian basic needs.

The European Council is expected to adopt a declaration on the Middle East Peace Process.

Iraq

The Council together with Iraqi Foreign Minister Hoshyar Zebari discussed measures to enhance EU-Iraq relations and the situation in Iraq following the formation of a Government of national unity on 20 May.

The Council also adopted a joint action extending the mandate of the EUJUSTLEX Mission for Iraq under the European security and defence policy.

The European Council is expected to adopt a declaration on Iraq.

GAERC Conclusions:

Sudan

The Council adopted conclusions on Sudan reiterating its commitment to the implementation of the Darfur Peace Agreement, including through continuing to provide technical and financial support to the African Union Mission in Sudan and recalled its support for sanctions against those blocking the peace process, as set out in UN Security Council Resolution 1591 (2005).

Uganda

The Council adopted conclusions expressing its commitment to contribute to put an end to the unacceptable activities of the Lords Resistance Army in Northern Uganda, as well as to assist in efforts to improve the humanitarian situation. The conclusions also called on the Ugandan Government to work actively for a peaceful resolution of the conflict.

Somalia

The Council adopted conclusions expressing concern at the violence between armed groups in Mogadishu, which poses a serious threat to the democratic process.

Cote d'Ivoire

The Council adopted conclusions calling on the parties to take urgently all the necessary measures for the implementation of the process of disarmament and identification.

Democratic Republic of Congo

The Council adopted conclusions expressing continued support to the process of political transition, particularly through the deployment of the military operation EUFOR RD Congo. The conclusions also called on all the political parties to pursue the path of peaceful and democratic change in the lead up to the elections.

The European Council is also expected to adopt conclusions on Africa.

Human Rights Defenders

The Council adopted conclusions paying tribute to the courage of human rights defenders, expressing admiration for their contribution to the advancement of the respect for human rights and welcoming the review of the implementation of the EU guidelines on human rights defenders.

Burma—AOB

The Dutch Foreign Minister, Bernard Bot, called for support for possible UN Security Council action on Burma.

East Timor—AOB

The Portuguese Foreign Minister, Freitas do Amaral, briefed the Council on the deployment of Portuguese gendarmes. He also called for the support of possible UN Security Council initiatives in light of an assessment to be presented by UN Special Representative Ian Martin on 13 June.

International Facility for the Purchase of Medicine—AOB

French Foreign Minister, Philippe Douste-Blazy, briefed the Council on the proposal for an international facility for the purchase of medicines. He called for support for the initiative to improve access to medicines for the developing world.

NORTHERN IRELAND

Criminal Justice System

The Minister of State, Northern Ireland Office (Mr. David Hanson): I have placed copies of the Criminal Justice System Northern Ireland's annual report for 2005-06 in the Libraries of both Houses, on behalf of my ministerial colleagues, the Secretary of State for Northern Ireland, the Lord Chancellor, the Attorney-General, the Under-Secretary of State for Northern Ireland, my hon. Friend the Member for Wythenshawe and Sale, East (Paul Goggins) and the Under-Secretary of State for Constitutional Affairs, my hon. Friend the Member for Lewisham, East

(Bridget Prentice), who sit with me on the Ministerial Criminal Justice and Policing Strategy and Delivery Group.

This year the report details progress against five themes: reducing crime; public confidence; tackling delay; diversity and equality; and reconviction rates.

The report demonstrates how the criminal justice agencies in Northern Ireland, working in partnership with one another, are striving to tackle these objectives. Key areas of success include:

the launch of the new Public Prosecution Service;

the establishment of a formal protocol between the Northern Ireland Court Service, Victim Support Northern Ireland and the National Society for the Prevention of Cruelty to Children to ensure the effective support for victims and witnesses; and

Operation Clean-Up, which has overseen the removal of 4,309 untaxed vehicles in the 14 months to 31 March 2006.

The report demonstrates that all of us, from ministerial level through to front-line staff, are committed to ensuring that the criminal justice system serves the community effectively, in partnership and with integrity.

TRADE AND INDUSTRY

International Labour Conference

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): Tripartite discussions have recently taken place at the International Labour Conference convened in Geneva by the Governing Body of the International Labour Office to consider a draft recommendation relating to the employment relationship. The recommendation considered such issues as disguised employment relationships.

Unfortunately it was not possible to find an agreement, despite considerable efforts, that was acceptable to all parties—employers, workers and Governments. Throughout the discussions, it was stressed that the recommendation was meant to be a flexible instrument, containing options for consideration by member states. Clearly national conditions and law and practice differ considerably amongst ILO members and therefore a "one size fits all" approach was never the intention. However, the Government fully understood the concerns of the employers that the recommendation was overly prescriptive and detailed. Given that all three parties to it were not able to agree the recommendation, the UK Government abstained in the vote on the recommendation.

The UK Government value and support the work of the ILO. When considering the final recommendation we will take account of recent announcements of Government policy in this area as set out in "Success at work; protecting vulnerable workers, supporting good employers", including on the issue of employment status—copies of which are in the Libraries of both Houses. A command paper will be laid in Parliament in due course.

TRANSPORT

Transport, Telecommunications and Energy Council

The Minister of State, Department for Transport (Dr. Stephen Ladyman): I attended the transport session of the Transport, Telecommunications and Energy Council, held in Luxembourg on 9 June. The Austrian Minister for Transport, Innovation and Technology, Mr. Hubert Gorbach, was in the chair.

Political agreement was reached on the revised proposal for a regulation on public passenger transport services by rail and road, establishing new rules for the payment of subsidy and the award of exclusive rights. Most of the final UK positions were adopted but we agreed to a longer transition period as part of the compromise. I was able to agree to the final compromise text, which does offer a satisfactory balance. An important consequence of the regulation will be that much needed transparency will be introduced into the process of awarding contracts. The agreed text is expected to go to the European Parliament for second reading under the German presidency early next year.

The Council adopted conclusions on the mid-term review of the EU road safety action programme. Among other things, the conclusions noted that the number of fatalities on European roads had fallen by 17.5 per cent. between 2001 and 2005, welcomed the positive effects of the member states' national campaigns, and agreed on the need to strengthen road safety measures and initiatives at community or member state level.

The Council also adopted conclusions on the NAIADES action programme to promote the use of inland waterways for freight transport. The conclusions agreed to the strategic areas for action set out in the Commission Communication and invited the Commission to produce detailed proposals on its recommendations.

The presidency called for a Council decision on the signature of the transport protocol to the Alpine Convention. While the UK is prepared in principle to support the signature, I supported the view expressed by a number of Ministers that the Council should take account of the views of a member state which is directly affected and has yet to take a view on signature, following the recent appointment of a new Government. The presidency postponed a decision.

The Commissioner reported to the Council on a number of aspects of the Galileo satellite navigation project. He reported that the main elements of the concession contract would be in place by the end of this year, ahead of signature at the start of 2007. Further consideration of the financial details and due diligence by lenders would then take place in 2007. During a discussion, I called for the Commission to speed up decision making so we could make faster progress on the participation of third countries in Galileo. Member states were agreed that it would be desirable to have a transparent process to decide the future location of the Galileo Supervisory Authority

(GSA). I put forward the case for Cardiff, the UK bid, on which the Welsh Assembly Government are leading.

The Commissioner reported to the Council on priorities for the transport Trans-European Network. Responses from Ministers were generally supportive.

The Council reached a general approach on the regulation establishing a joint undertaking to develop the new generation European air traffic management system (SESAR), which is the technological implementation of the European single sky. I set out the UK's one outstanding concern—on the need for air navigation service providers to be given voting rights in the administrative board. It was agreed that this issue would be considered within the review of the joint undertaking to be carried out in accordance with article 1 of the regulation. The current text of the regulation was acceptable to the UK.

The Commissioner reported on the latest situation in two areas of aviation external relations. On EU-US air services, the presidency and the Commission outlined the state of play in negotiations, and hoped that a final agreement would be possible in the autumn. I stressed the need for a balanced deal. The Commissioner also gave a progress report on negotiations with Russia on Siberian overflights. The negotiations were ongoing and were taking place in a constructive atmosphere in an effort to reach a solution.

In maritime transport, the Council reached a general approach on the draft directive on vessel traffic monitoring. I joined other Ministers in accepting a threshold of 15 metres for the fitting of automated identification systems (AIS) to fishing vessels; a reasonable phase-in period was achieved. The current text is acceptable to the UK.

The Council took note of progress on the recast directive on port state control.

Under AOB there were brief updates from the presidency and the Commission on: implementation of the first rail package, the European aviation safety agency (EASA), status of ratification of international maritime conventions in the International Labour Organisation (ILO); list of air carriers subject to bans in the EU; liner shipping block exemption—repeal of regulation (EEC) No. 4056/86; and passenger name records (PNR) in aviation. There was no substantive discussion on these points.

During the Council I took part in the signing of the agreement on the European common aviation area. As a result of this agreement, the common aviation market now applies to a total of 35 countries.

Written Ministerial Statements

Monday 19 June 2006

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Veterinary Laboratories Agency

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): The 2005-06 annual report and accounts for the Veterinary Laboratories Agency will be laid before Parliament today.

Copies will be available in the Libraries of both Houses.

HOME DEPARTMENT

Terrorism Act 2000

The Secretary of State for the Home Department (John Reid): I am pleased to say that Lord Carlile of Berriew QC has completed the report on the operation of the Act, which will be laid before the House today.

I am grateful to Lord Carlile for his detailed report and I have considered his recommendations fully. Following consultation within my Department and with other relevant Departments and agencies I am pleased to place my response to Lord Carlile's recommendations in the House Library today.

NORTHERN IRELAND

Criminal Injuries Compensation Appeals Panel for Northern Ireland

The Minister of State, Northern Ireland Office (Mr. David Hanson): I have today published the Criminal Injuries Compensation Appeals Panel combined corporate plan (2004-05) and business plan (2006-07). The corporate plan sets out the long-term strategic goals for the panel over the three-year period and the business plan sets out the panel's key objectives and performance targets for the coming year.

Copies have been placed in the Libraries of both Houses.

WORK AND PENSIONS

Welfare Reform

The Secretary of State for Work and Pensions (Mr. John Hutton): I have today published two papers on welfare reform.

In January, the Government published their Command Paper: "A New Deal for Welfare: Empowering People to Work". We have conducted a large number of consultation engagements and have received over 600 separate responses from the public. The report I am publishing today provides a summary of the views that have been expressed. I am grateful to all who have contributed, and our response shows how the policies have developed as a result of the consultation process.

The Work and Pensions Select Committee published its report "Incapacity Benefits and Pathways to Work" in May this year. I am publishing today the Government's response to the conclusions and recommendations of that report. I am grateful to the Committee for their work and analysis, which has been an important contribution to the ongoing development of our proposals on "Incapacity Benefits and Pathways to Work", as set out in the consultation response.

Our proposals will make a significant contribution to our reforms of the welfare state, balancing rights and responsibilities, providing work for those who can and support for those who cannot.

Copies of both documents have been placed in the Library and copies are available for hon. Members from the Vote Office.

Written Ministerial Statements

Tuesday 20 June 2006

COMMUNITIES AND LOCAL GOVERNMENT

Manchester Salford Housing Market Renewal Pathfinder

The Minister for Housing and Planning (Yvette Cooper): The Government will make available up to £52 million in grant to the Manchester/Salford pathfinder in 2006-07 and, subject to the availability of resources, up to £54 million in 2007-08. These figures include funding that has already been committed.

This investment will allow Manchester/Salford's pathfinder to continue its innovative work to support deprived estates, improve areas with run down and abandoned homes, and bring people back into inner-city areas which faced problems for many years. The funding is also subject to an updated funding agreement which is to be agreed and signed by the pathfinder and the Department and follows earlier grants totalling £115 million that were allocated to the pathfinder to the end of March 2006.

The funding will help the pathfinder take forward, for another two years, its positive and ongoing work in renewing underperforming segments of its housing markets. The funding will also support its strategy of creating high quality and mixed tenure neighbourhoods of choice to meet the needs of existing, returning and future residents while concurrently supporting sustainable communities.

New Growth Point Status

The Minister for Housing and Planning (Yvette Cooper): The Government's response to the Barker review published last December indicated that we would need to go significantly beyond the communities plan and existing growth areas if we were to increase house-building to the levels necessary to meet household projections and improve affordability. To help do that we launched the new growth points scheme inviting local partners to come forward with proposals for housing growth, linked into their wider strategies for economic growth, for town centre renewal, for regeneration as well as for meeting local need for homes.

We have had over 20 bids including more than 50 local authorities. If all these bids were realised we would secure an extra 8,000 to 10,000 homes per year, 80,000 in total by 2016, in addition to existing plans and the existing growth areas. We have a good spread across several regions from the south-west to the west and east midlands as well as from the east and south-east. Every region is now experiencing household growth and rising housing demand. Therefore it is right that bids to support housing and job growth should be considered from different regions and assessed according to their local circumstances.

The Government are publishing today a list of those individual applications for which we have a full proposal and which will now be the basis of more detailed discussions over the next few weeks. In some of these proposals there remain important issues to resolve affecting transport and the environment. We will need to be assured that solutions can be found and that they will be delivered at the right time to address the impacts of the additional housing. There will of course also need to be public consultation on these proposals, as they go forward for consideration and testing in the statutory planning process through the relevant regional spatial strategy and the local development framework process. This will include regional sustainability appraisal and local assessment of individual schemes as they come forward.

This very encouraging response from local partners demonstrates that many of our regional towns and cities want to grow, want to become more attractive places for businesses to invest and to retain their young people who want to find a home. This initiative is about creating a partnership for growth in which both Government and local partners can be confident that we are working to the same goals.

In going forward we also need to ensure that this growth is sustainable and well planned, acceptable environmentally and realistic in terms of infrastructure, particularly transport. The new growth proposals will need to demonstrate a good balance between homes and jobs and improved environmental sustainability. Indeed, the new growth points scheme is a significant opportunity for these locations to become exemplars of sustainable development. This includes the ability to enhance and extend green infrastructure—both green spaces and conservation sites—and to build more sustainable homes to high standards of design, with less demand on resources and with the right provision for water supply, treatment and flood risk. We will need to be assured that pressures on transport can be realistically managed, where necessary including demand management. In taking forward these proposals for more detailed assessment we will continue to work closely with colleagues across Government including the Department for Transport, DEFRA, the Environment Agency, Natural England and CABE to look at these issues in more detail.

In some cases also we need to look again at whether the level of growth is sufficient, taking account of the most recent household projections. We have an ageing, growing population and house building rates are simply not meeting this rising demand. We need to build more homes in all parts of the country, but that growth must be sustainable. Unless we build more homes across the board we face increasing problems of overcrowding, homelessness and pressures on first-time buyers.

In October we will make a more detailed announcement on the individual growth point schemes, including those which will receive a share of an initial £40 million pilot funding round in 2007-08 to support early site infrastructure projects, unlock sites for new housing and improve the

environment. To give local authorities more freedom in how this funding is applied Government are proposing to include it in local area agreements which will give local partners extra flexibility in managing the programme locally. In addition, the Government are undertaking a cross-cutting review of infrastructure requirements for housing as part of the comprehensive spending review and have consulted on a planning gain supplement to support this housing growth in the future.

For our partners in this scheme this is intended to be the beginning of a stronger long term relationship with Government and links to our approach on city regions as well as giving all partners greater encouragement to co-operate locally to secure sustainable growth.

Applications being taken forward:

East Midlands

"The three Cities Bid"—Leicester/Derby/Nottingham

Lincoln, Grantham and Newark

West Midlands

Birmingham/ Solihull

East of England

Norwich, Haven Gateway (Colchester/Ipswich) and Thetford/ Breckland

South East

Reading, Oxford (city), Didcot, Basingstoke, Maidstone and Redhill/Horley

Partnership for Urban South Hampshire

South West

Bristol (West of England Partnership—four unitary authorities)

Swindon

Exeter

Plymouth

Truro/Carrick

Poole

In addition to these locations we remain in discussion with other applicants who may be able to join the scheme at a later date.

Housing Market Renewal Funding (Tees Valley, West Cumbria and West Yorkshire)

The Parliamentary Under-Secretary of State for Communities and Local Government (Angela E. Smith): The Secretary of State for Communities and Local Government will announce today that up to £46 million will be made available to help revitalise fragile housing markets in the Tees Valley, West Cumbria and West Yorkshire. The maximum allocations to each area for 2006-08 will be:

Tees Valley (Hartlepool, Middlesbrough, Redcar and Cleveland, Stockton-on-Tees)—£18.25 million (£5.5 million in 2006-07, £12.75 million in 2007-08)

West Cumbria (Allerdale, Barrow in Furness, Copeland)—£9 million (£3.5 million in 2006-07, £5.5 million in 2007-08)

West Yorkshire (Bradford, Kirklees, Leeds, Wakefield)—£18.25 million (£5.5 million in 2006-07, £12.75 million in 2007 08)

Some £500,000 is also being allocated in 2006-07 to help fund research into weak housing markets outside pathfinder areas in Greater Manchester and Merseyside.

Payments for 2006-07 will be made shortly. Payments for 2007-08 will be made in April 2007, subject to the availability of resources. In each of the areas, housing market renewal funding will be aligned alongside other funding streams to assist in the delivery of wider regeneration strategies

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Agriculture and Fisheries Council

The Secretary of State for Environment, Food and Rural Affairs (David Miliband): I will be representing the United Kingdom at this month's Agriculture and Fisheries Council.

The Council will adopt a proposal confirming the overall rural development budget for 2007-13, and the annual breakdown including the minimum amount to be concentrated in regions eligible under the Convergence Objective. In addition the Council will note the Commission's intended methodology for allocating this money to member states. The UK will put on record its disappointment at the fact that the methodology is based on historic share rather than objective need.

The Commissioner for Agriculture and Rural Development will give a progress report on the WTO agricultural negotiations. She will also present the Commission's forest action plan, designed to improve the implementation of the 1998 EU forest strategy.

The presidency will provide a written update on the outcome of the sixth session of the United Nations Forum on Forests (UNFF-6) and their assessment of EU participation. The presidency will also present their conclusions from the May Informal Agriculture Council discussions, which focused on education, extension, research, and innovation in farming.

In the afternoon, there will be a public debate on the community action plan on the protection and welfare of animals.

There will also be a policy debate on the proposal for rules on the welfare of chickens kept for meat production.

The Health and Consumer Protection Commissioner will then update the Council on developments with regard to the spread of the Avian Influenza H5N1 virus.

The Czech Republic will draw attention to the UN Universal Declaration on Animal Welfare, and the desirability of third countries also having high animal welfare standards.

ENVIRONMENT, FOOD AND RURAL AFFAIRS

Laboratory Strategy

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Mr. Ben Bradshaw): My noble Friend Lord Rooker has agreed to the next stage for DEFRA's laboratory strategy. The aim remains to secure a long-term sustainable future for DEFRA's laboratories—the Centre for Environment, Fisheries and Aquaculture Science (CEFAS), the Central Science

Laboratory (CSL), and the Veterinary Laboratories Agency (VLA)—in order to preserve DEFRA's access to essential scientific services.

We have considered carefully the potential to secure the long-term sustainability of CEFAS and CSL under the existing model of DEFRA executive agency, against DEFRA's projections for the likely level and type of demand for their services over a 12-year period. At the same time, we have looked at the potential impact of different ownership models involving all or some degree of continued public sector ownership.

CEFAS will continue to be a strategic public sector partner of the Department providing high-quality science to conserve and enhance the aquatic environment, promote sustainable management of its natural resources, and protect the public from aquatic contaminants. We have concluded that the way to secure a sustainable future is to consolidate its activities out of facilities at Lowestoft and Burnham on Crouch, which are not suitable for future needs, into a new fit for purpose site along with growing its non-DEFRA business and making further efficiencies.

To this end we have asked the chief executive of CEFAS to continue working with Waveney district council, Suffolk county council and the East of England development agency to develop plans to move on to a new fit for purpose and more efficient site in Lowestoft as part of an urban regeneration programme.

We have also concluded that the Department needs to retain the capacity of the CEFAS Weymouth laboratory. This laboratory will therefore not be part of this relocation and will remain open.

It is currently anticipated that the relocation will be completed by 2009.

CEFAS has developed its non-DEFRA business and we see potential for it to continue to do this for both public and private sector clients. Recognising this, we see some business benefits from exploring further a possible change of status fully within the public sector. We shall begin this when the transformation programme is sufficiently under way.

As for CSL, against a background of changing demands for its services, we have concluded that further work should be undertaken to develop a new business plan, which better reflects DEFRA's future changing demand requirements and wider Government needs. In parallel with the development of a new business model, consideration will also be given as to whether a change in status would bring additional business benefits to secure a long-term sustainable future for CSL. In light of this further work, we would hope to take a decision on CSL by early next year and will update the House when I have done so. We recognise that this prolongs the uncertainty faced by the agency's staff, but we are convinced that this is the right course of action given the significance of the decision that must be taken.

For the VLA, DEFRA is continuing to work with the Biotechnology and Biological Sciences Research Council (BBSRC) to consider the future relationship between VLA and the Institute of Animal Health (IAH). This work is now considering all possible options for the future closer integration of the science carried out at VLA and IAH including options for closer collaboration or amalgamation. It is anticipated that it will report to DEFRA and the BBSRC by the end of 2006.

NORTHERN IRELAND

Ordnance Survey

The Parliamentary Under-Secretary of State for Northern Ireland (Maria Eagle): I have today arranged for the Ordnance Survey of Northern Ireland Corporate Plan 2006-09 and Business Plan 2006-07 document to be placed in the Libraries of both Houses. This document will also be made available on the Ordnance Survey of Northern Ireland website at: www.osni.gov.uk.

Written Ministerial Statements

Wednesday 21 June 2006

TREASURY

Financial Services Authority

The Economic Secretary to the Treasury (Ed Balls): The National Audit Office has been invited to carry out a review of the economy, efficiency and effectiveness with which the Financial Services Authority has used its resources, when discharging its statutory functions. This review will be the first to be carried out under section 12 of the Financial Services and Markets Act—the Act that established the FSA, five years ago. The NAO will start work in July and the Treasury plans to lay a report before Parliament in the first half of next year.

The topics to be covered by the review—which have been arrived at following consultation with key stakeholders of the FSA—will address five broad areas of the authority's work:

internal performance management;

external joint working within the UK;

influencing and representation internationally;

financial crime; and

financial capability.

A copy of the terms of reference, given to the NAO, has been placed in the Libraries of both Houses.

CULTURE, MEDIA AND SPORT

National Lottery

The Secretary of State for Culture, Media and Sport (Tessa Jowell): As indicated in the Department for Culture, Media and Sport's five-year plan, which was deposited in the House Library on 17 March 2005, we undertook a public consultation between 25 November 2005 and 28 February 2006 about lottery funding for the good causes of arts and film, heritage and sport after 2009, and I am now announcing the outcome and my decision on future arrangements.

The public told us: there is overwhelming support for what lottery money is used for in the arts and film, heritage and sport; there is very strong support for the existing share balance; and people believe very strongly that each cause is important and want stability and continuity.

So I am delighted to announce my decision, which is that I will retain the current lottery shares for arts, sport and heritage for ten years from 2009 to 2019.

The Olympic funding package will remain: £750 million from new lottery games and £410 million from existing causes after 2009.

We have concluded that there is no case for changing the current, population based, arrangement for lottery funding for arts and sport between the home countries.

The UK Film Council will in future take on all film funding from Arts Council England and I will present a statutory instrument to Parliament to make a small adjustment to the percentage shares to reflect the present level of expenditure on capital grants for film of £3 million a year.

CABINET OFFICE

National Archives

The Minister for the Cabinet Office (Hilary Armstrong): I am today announcing, with my right hon. Friend the Parliamentary Under-Secretary of State in the Department for Constitutional Affairs (Baroness Ashton), that as a result of joint work between the Department for Constitutional Affairs and the Cabinet Office, the National Archives and the Office of Public Sector Information will merge, under the joint name of the National Archives. This merger will take effect in October 2006.

The National Archives already plays a critical role in managing the UK's public records and archive management UK-wide. The Office of Public Sector Information (incorporating Her Majesty's Stationery Office) leads the management of Crown copyright, regulates the re-use of public sector information and, through its HMSO function, has responsibility for legislation and official publishing. This merger therefore presents opportunities to reinforce the growing links between our respective strands of information policy and advisory functions, whilst building on our specialist skills and expertise to provide a joined-up approach to information management and therefore benefit all who work in the information field.

HEALTH

Food Standards Agency

The Minister of State, Department of Health (Caroline Flint): The Food Standards Agency's annual report 2005-06 was laid before Parliament today. Copies have been placed in the Library.

HOME DEPARTMENT

Race for Justice Taskforce Report

The Parliamentary Under-Secretary of State for the Home Department (Mr. Gerry Sutcliffe): Today the Government are announcing the publication of the "Race for Justice Taskforce Report". The taskforce was set up by the Attorney-General in response to one of the specific recommendations made in a report of the Gus John Partnership in 2003 entitled "Race for Justice". That report recommended establishing a

holistic approach across the criminal justice system to the handling of racist and religious crimes.

The "Race for Justice Taskforce Report" sets out a range of recommendations which aim to improve the handling, investigation and prosecution of racist and religious crime.

The Office for Criminal Justice Reform has produced a cross-agency action plan and will establish a delivery board to take forward the recommendations of the "Race for Justice Taskforce Report".

We believe that through a more joined-up approach to handling these crimes, we can increase the trust and confidence of people from black and minority ethnic communities in the criminal justice system.

Both the "Race for Justice Taskforce Report" and the original report by Professor Gus John have been placed in the Libraries of both Houses.

Written Ministerial Statements

Thursday 22 June 2006

CABINET OFFICE

Central Office of Information

The Parliamentary Secretary, Cabinet Office (Mr. Pat McFadden): I have set the Central Office of Information the following targets for 2006-07.

Financial:

To break even, taking one year with another.

Efficiency:

To achieve a 2.5 per cent. reduction in the unit costs of output.

Quality:

Customer satisfaction index score of 8.25 (out of 10)

96 per cent. scores of 6 or more

62 per cent. response rate.

CONSTITUTIONAL AFFAIRS

Parentage Tests

The Minister of State, Department for Constitutional Affairs (Ms Harriet Harman): The Department for Constitutional Affairs is responsible for maintaining a list of accredited bodies able to carry out court-directed scientific tests for parentage in accordance with a direction made by a court pursuant to section 20 of the Family Law Reform Act 1969. This list is a procedural device to allow the court to identify a tester in cases where the court makes a section 20 direction.

As a result of a recent review of the procedures associated with adding bodies to the list, a revised list of criteria for accreditation has now been agreed. The criteria are:

Applicants must make a written application on a form supplied by the Department;

Applicants must produce evidence of current accreditation to ISO/IEC 17025 (an international laboratory standard concerning measurement and testing) by an accreditation body which complies with the requirements of ISO/IEC 17011 evidenced by full membership of the International Laboratory Accreditation Cooperation (ILAC);

Applicants must give an undertaking to: comply with the Department of Health's code of practice and guidance on genetic paternity testing services (or any revised version thereof) when carrying out court-directed tests under section 20 of the Family Law Reform Act 1969; comply with the Blood Tests (Evidence of Paternity) Regulations 1971 (as amended), or any revised version thereof; and comply with the Department's restrictions on the way in which their accredited status is represented in advertising or informational material.

The Department will consider applications from ISO-accredited laboratories wherever situated, but will not consider applications from intermediary organisations. The Department will conduct an annual review of the continuing eligibility of each body on the list.

A more detailed paper on the accreditation by the Department of paternity testing bodies has been placed in the Libraries of both Houses today.

DEFENCE

Defence Industrial Strategy and Defence Procurement

The Secretary of State for Defence (Des Browne): I am very pleased to announce substantive progress on two commitments we made under the defence industrial strategy: the signature of a strategic partnering arrangement with AgustaWestland and the award of a contract for the Future Lynx aircraft to Westland Helicopters Ltd. (part of the AgustaWestland group). These commitments will improve our military capability and help sustain on-shore critical design engineering skills identified in the defence industry strategy.

The strategic partnering arrangement will be supported by a contractual business transformation incentivisation agreement that enshrines the demanding partnered relationship envisaged by the defence industry strategy. It includes challenging measures and targets to maintain effective business transformation both within AgustaWestland and the Ministry of Defence. It presents opportunities for the company to secure bonus payments for performance improvements across the full spectrum of the business relationship and default payments, retained by MOD, if the company fails to improve performance. This balance of challenge and opportunity is key to driving the changes necessary across all our transactions with AgustaWestland and ensuring the effective through-life support for those elements of our existing helicopter fleet for which AgustaWestland have a design authority role. It is also a model that we will examine for future partnering relationships. We remain clear, however, that we will continue to look to the vibrant and competitive global market place to satisfy our future helicopter requirements with AgustaWestland's role neither predefined nor guaranteed, but dependent upon their performance and the value for money of their propositions.

The purchase of the Future Lynx meets our requirement for a dedicated small helicopter for use in both the land and maritime environments, as confirmed by the future rotorcraft capability programme last summer, and has been assessed as a value for money proposition. It also offers wider benefit in retaining onshore critical design engineering capabilities.

The award of the Future Lynx contract is excellent news for the Royal Navy, the British Army and for UK industry. The aircraft will, compared with existing Lynx aircraft, significantly increase load-lifting capability,

reconnaissance endurance and operational range and cost less to own and operate. The first Army aircraft is expected to enter service in 2014 and the first Royal Navy aircraft in 2015. This £1 billion contract will help support some 850 jobs across the UK, both within Westland Helicopters Ltd. and its supplier base including Thales UK, LHTEC (a joint venture between Rolls Royce and Honeywell), Selex UK, Smiths, GKN and General Dynamics.

Review Board for Government Contracts

The Minister of State, Ministry of Defence (Mr. Adam Ingram): The Government have accepted the findings of the Review Board for Government Contracts as detailed in their report of the 2006 annual review of the profit formula for non-competitive Government contracts. I will be placing a copy of the report in the Library of the House. The recommendations will be implemented retrospectively with effect from 1 June 2006.

HOME DEPARTMENT

Justice and Home Affairs Council

The Minister for Policing, Security and Community Safety (Mr. Tony McNulty): The Justice and Home Affairs Council was held on 1-2 June 2006 in Luxembourg. My noble and learned Friend the Attorney-General, Lord Goldsmith, and my noble Friend Baroness Ashton attended the meeting. I thought it would be useful if I were to outline what was discussed and decided at the Council.

The Austrian presidency opened the Council with the 'A' points list which was approved.

The presidency secured a general approach to the European Evidence Warrant (EEW) following lengthy negotiations. Discussion at Council focused on the two key issues of territoriality and definitions of offences. A ground for refusal based on where the offence took place was agreed, subject to the requirement that any decision is taken "in exceptional circumstances and on a case by case basis" and after consulting Eurojust. The provision will be reviewed within five years of the EEW coming into force. Proposals to create definitions of certain offences for which dual criminality will not be applied in the framework decision remained unacceptable to most member states and agreement was only possible by allowing Germany to reserve the right to refuse assistance in respect of six offences if the definition of the offence is not that required by Germany. We are content with this compromise solution as we believe that, in practice, very few if any EEW requests relating to serious crime would be affected. I am aware that there are outstanding issues and hope that we can allay any concerns.

There was discussion on the mutual recognition of custodial sentences. A number of member states maintain that a prisoner's consent should be the general rule although there was a split in the Council. The issue of definition of residence has been remitted to official level.

The presidency concluded that further work was required on the proposal for a framework decision on certain procedural rights. This will continue at senior official level with the UK urging the presidency to ensure future discussion fully involves the Council of Europe. Work will continue on both the legal instrument and proposals for practical measures. There remain concerns over the legal base with the Government noting that there is a risk of legal uncertainty created by the creation of a parallel legal instrument to the ECHR.

A general approach was agreed on a European small claims procedure. The UK supported this as it fulfilled the three principles agreed under the UK presidency that a small claims procedure be simple, swift and inexpensive.

A general approach was not reached on the draft Council decision on asset recovery offices. The presidency will seek a compromise with a view to adopting the Council decision as an 'A' point at the next JHA Council.

The presidency noted the report on the future of Europol setting out concrete suggestions for improving the functioning of Europol and that it provided an excellent basis on which future presidencies could build. The question of whether to move to a more flexible legal framework than a convention remained open. The Council conclusions were agreed, subject to a drafting change, based on a UK proposal; the government feels it is premature to state in the Council conclusions that the Europol convention will be converted to a Council decision.

The presidency summarised the Vienna ministerial conference of 4-5 May and hoped to continue the dialogue that had been held between the EU, the US and Russia. Agreement was reached on the conclusions on the Organised Crime Threat Assessment (OCTA).

There were presentations on the implementation of the EU counter-terrorism strategy and the follow up to Hampton Court as well as a lunch time presentation from Mr. Michel Barnier on his recent report on crisis management. Council also heard from the commission on its initial reaction to the ECJ judgment on passenger name records and on the safe third country list.

In the mixed Committee, two subjects were discussed. A general approach was agreed on the revised test of the regulation on the second generation Schengen Information System (SIS II). The presidency clarified that UK and Ireland asylum authorities would not have access. Commission Vice-President, Mr. Franco Frattini, made a presentation of a proposal for common application centres for visas.

LEADER OF THE HOUSE

Business Questions

The Leader of the House of Commons (Mr. Jack Straw): During business questions on Thursday 9 March, in response to a request for a debate on the conduct and

management of the NHS from the right hon. Member for Fylde (Mr. Jack), the then Leader of the House, my right hon. Friend the Member for Ashfield (Mr. Hoon) said,

> "The right hon. Gentleman is usually a fair-minded person when it comes to establishing the facts, and I am sure that in the interests of his reputation he would want to add that in Fylde there are 5,400 more nurses, 543 more doctors and 142 more consultants. That is a remarkable record, and one on which I know, if he had a little more opportunity, he would want to congratulate the Government. Having a debate about the astonishing improvement in the health service under this Government is not something that the Government fear at all. We have had a number of debates on the question.
>
> On health service deficits, I have set out the figures before; a tiny number of NHS organisations are responsible for an overwhelming proportion of those deficits. [Interruption.] Right hon. and hon. Members are shaking their heads and groaning, but these are the facts. The truth is that a small number of organisations are involved. I thought that the Conservative party was concerned with financial propriety and with ensuring that organisations balance their books. That is precisely what the Government are trying to do in the health service". [9 March 2006, *Official Report*, c. 953.]

My right hon. Friend for Ashfield has, however, asked me to say that whilst the three figures above were given by him in good faith, he regrets that they were not accurate. I have apologised to the Member for this error and have assured him that the Department of Health have been asked to rigorously check data provided for the weekly business statement.

The correct numbers for both the Blackpool, Fylde and Wyre Hospitals NHS Trust and the Cumbria and Lancashire Strategic Health Authority (SHA) according to the September 2005 workforce census data published by the Department of Health on 24 April 2006 are as follows:

	2002	*2005*	*Increase*
Blackpool, Fylde and Wyre Hospitals NHS Trust			
Nurses	1,497	1,530	33
Consultants	108	111	3
Doctors	163	217	54
Cumbria and Lancashire SHA			
Nurses	12,661	14,901	2,240
Consultants	715	895	180
Doctors	889	1,275	386

Local NHS workforce data is published on the Department of Health website at: http://www.dh.gov.uk/nhsfactsheets.

I should add that information given during business questions in response to constituency health issues usually relates to health trusts, PCT area, or to the area of a strategic health authority.

NORTHERN IRELAND

Rivers Agency (Key Performance Targets)

The Parliamentary Under-Secretary of State for Scotland (David Cairns): Rivers Agency is an executive agency of the Department of Agriculture and Rural Development for Northern Ireland. It acts on behalf of the Department as the statutory drainage and flood defence authority for Northern Ireland.

The following key targets have been set for the agency for the 2006-07 business year:

Urban Flood Defences	To construct or refurbish 1,693 metres of urban flood defences.
Drainage Infrastructure	To accommodate increased storm run-off from 18 hectares of development land. To replace/refurbish 242 metres of dangerous culverts.
Maintenance Watercourses	To complete identified maintenance works on 865 of the 1,484 designated open watercourses included in the Notice of Annual Maintenance as part of a six-year scheduled maintenance programme.
Replies to Written Enquiries	To issue substantive replies to 80 per cent. of written enquiries within 15 working days of receipt.
Schedule 6 Applications	To respond to 98 per cent. of schedule 6 applications within three months.

TRADE AND INDUSTRY

Low Pay Commission

The Parliamentary Under-Secretary of State for Trade and Industry (Jim Fitzpatrick): I am pleased to announce that the Government have today written to the Low Pay Commission setting out the terms of reference for their 2007 Report.

The Commission is asked to:

> Continue to monitor, evaluate and review the NMW and its impact, with particular reference to the effect on pay, employment and competitiveness in the low paying sectors and small firms; the effect on different groups of workers, including different age groups, ethnic minorities, women and people with disabilities; the effect on pay structures; and taking into account the forthcoming changes to the statutory annual leave entitlement.

The Government have asked the Commission to report to the Prime Minister and Secretary of State for Trade and Industry by the end of February 2007.

Copies of the terms of reference have been placed in the Libraries of both Houses.